

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

B E T W E E N:

**KINGSETT MORTGAGE CORPORATION**

Applicant

- and -

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

Respondents

**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**

**RESPONDING MOTION RECORD  
(VOLUME 1 OF 3)**

January 13, 2025

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**TO: THE SERVICE LIST**

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

**BETWEEN:**

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SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

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Court File No.: CV-24-00716511-00CL

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# TAB 1

Court File No. CV-24-00716511-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

B E T W E E N:

KINGSETT MORTGAGE CORPORATION

Applicant

- and -

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and 2552741 ONTARIO INC.

Respondents

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--- This is the Examination under Rule 39.03 of  
SEAN ATKINSON, taken via Veritext Legal Solutions'  
virtual Zoom platform, with all participants  
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7	<p>1 -- Upon commencing at 10:00 a.m.</p> <p>2</p> <p>3 SEAN ATKINSON; AFFIRMED.</p> <p>4 EXAMINATION BY MR. SOUTTER:</p> <p>5 1 Q. Good morning, Mr. Atkinson.</p> <p>6 A. Good morning.</p> <p>7 2 Q. You have affirmed to tell the</p> <p>8 truth today?</p> <p>9 A. I have.</p> <p>10 3 Q. Okay. Madam Reporter just gave</p> <p>11 you this advisement. I will give it to you anyway.</p> <p>12 I think it is super helpful.</p> <p>13 This is a formal process. I am going</p> <p>14 to ask you many questions. I am sure you are aware</p> <p>15 of that. Try your best to listen to the entire</p> <p>16 question and wait until I'm finished, and then give</p> <p>17 me an answer. And if some of the questions seem</p> <p>18 silly, it is probably because it is a formal</p> <p>19 process.</p> <p>20 So, you know, I'll give you that</p> <p>21 heads-up right now.</p> <p>22 So you are employed by MarshallZehr</p> <p>23 Group Inc., right?</p> <p>24 A. Yes, correct.</p> <p>25 4 Q. I'll call them "MarshallZehr",</p>	9
7	<p>1 INDEX OF EXHIBITS</p> <p>2 (Cont'd)</p> <p>3 NO. DESCRIPTION PAGE</p> <p>4 Exh. 20 Excel document titled "MZGI 273, MZGI 274</p> <p>5 and MZGI 393 advance breakdown"..... 129</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	9
7	<p>1 just so we are all on the same page.</p> <p>2 How long have you been with</p> <p>3 MarshallZehr?</p> <p>4 A. It will be ten years in April.</p> <p>5 5 Q. And what is your role with</p> <p>6 MarshallZehr now?</p> <p>7 A. So I am currently Vice President</p> <p>8 of Mortgage Operations.</p> <p>9 6 Q. And how long have you had that</p> <p>10 role?</p> <p>11 A. Since January of 2021.</p> <p>12 7 Q. And what is Vice President,</p> <p>13 Mortgage Operations? What does that entail?</p> <p>14 A. So as part of my role, I am</p> <p>15 responsible for the portfolio management of</p> <p>16 MarshallZehr's loans, so oversight into progress</p> <p>17 advances, underwriting, and repayment of</p> <p>18 MarshallZehr's loans.</p> <p>19 8 Q. And does that include the loans in</p> <p>20 connection with the Mapleview project?</p> <p>21 A. It does.</p> <p>22 9 Q. Okay.</p> <p>23 A. Yes.</p> <p>24 10 Q. So you are familiar with -- I'll</p> <p>25 get to the specifics of them, but you are familiar</p>	9

<p>10</p> <p>1 with the loans that were made by MarshallZehr to</p> <p>2 Mapleview Developments Limited?</p> <p>3 A. I am.</p> <p>4 11 Q. Okay. I'll call that entity</p> <p>5 "Mapleview" or the "debtor", okay?</p> <p>6 A. Understood.</p> <p>7 12 Q. Okay. Before 2021, January 2021,</p> <p>8 you were still at MarshallZehr?</p> <p>9 A. I was.</p> <p>10 13 Q. And you just had a different role?</p> <p>11 A. Correct. I was a -- prior to my</p> <p>12 current role, I was a Manager on the same team, the</p> <p>13 same Mortgage Operations team.</p> <p>14 14 Q. And were you involved in the</p> <p>15 Mapleview loans at the time?</p> <p>16 A. I was.</p> <p>17 15 Q. All right. So not controversial,</p> <p>18 I think, but MarshallZehr made certain loans to the</p> <p>19 debtor, right? There is a few that we are going to</p> <p>20 talk about today.</p> <p>21 A. Correct, yeah.</p> <p>22 16 Q. All right. And that is its</p> <p>23 business. MarshallZehr is in the business of</p> <p>24 offering loans to people like the debtor?</p> <p>25 A. Correct.</p>	<p>12</p> <p>1 invested in a syndicated loan that MarshallZehr</p> <p>2 made to a -- to the debtor?</p> <p>3 A. Correct.</p> <p>4 24 Q. All right. And that was MZGI-393?</p> <p>5 A. Yes.</p> <p>6 25 Q. There was no direct relationship</p> <p>7 between the debtor and Portland, right?</p> <p>8 A. That's correct. The relationship</p> <p>9 was between MarshallZehr and the debtor, and then</p> <p>10 MarshallZehr and Portland.</p> <p>11 26 Q. Okay. And the same for the debtor</p> <p>12 and Drewco and the debtor and Aggregated?</p> <p>13 A. That's correct.</p> <p>14 27 Q. Right. The loans from</p> <p>15 MarshallZehr that we have just highlighted here,</p> <p>16 they were all made to the debtor pursuant to</p> <p>17 Commitment Letters?</p> <p>18 A. Yes.</p> <p>19 28 Q. Okay, or amendments to Commitment</p> <p>20 Letters as well, I guess?</p> <p>21 A. Yes, correct.</p> <p>22 29 Q. Right. And those loans were</p> <p>23 secured by mortgages on title to the Mapleview</p> <p>24 project lands?</p> <p>25 A. Yes.</p>
<p>11</p> <p>1 17 Q. And then MarshallZehr goes out and</p> <p>2 finds people to invest in those loan facilities?</p> <p>3 A. Correct.</p> <p>4 18 Q. Okay. One of those investors was</p> <p>5 Portland?</p> <p>6 A. Yes.</p> <p>7 19 Q. All right. And another was Drewco</p> <p>8 Development Corp.?</p> <p>9 A. Yes.</p> <p>10 20 Q. All right. Okay. I might call</p> <p>11 them "Drewco", if we come back to them.</p> <p>12 Another investor was Aggregated</p> <p>13 Investments Inc.?</p> <p>14 A. Yes.</p> <p>15 21 Q. Okay. I'll call them "AI" or</p> <p>16 "Aggregated", if we come back to them.</p> <p>17 Okay. So Portland invested in some of</p> <p>18 the syndicated loans that MarshallZehr made to</p> <p>19 Mapleview?</p> <p>20 A. Correct.</p> <p>21 22 Q. Okay. And we'll get to the</p> <p>22 details of them, but those are the loan facilities</p> <p>23 MZGI-273 and MZGI-274?</p> <p>24 A. Correct.</p> <p>25 23 Q. All right. And Drewco and AI also</p>	<p>13</p> <p>1 30 Q. Right. So a lot of those are in</p> <p>2 the affidavit of Chris Wain-Lowe, so I'll refer to</p> <p>3 that during this examination. I don't know if you</p> <p>4 have that handy?</p> <p>5 A. I have the index, the motion and</p> <p>6 certain portions of the Motion Record, but not the</p> <p>7 Motion Record in its entirety.</p> <p>8 So if you happen to reference something</p> <p>9 that I don't have printed out, I would ask that</p> <p>10 you, you know, share it on screen if appropriate to</p> <p>11 do so.</p> <p>12 31 Q. Yeah, I'll probably just share it,</p> <p>13 but feel free to refer to the paper copy if it is</p> <p>14 easier to see.</p> <p>15 A. Thank you.</p> <p>16 32 Q. The first document I'll take you</p> <p>17 to is Exhibit A to the Wain-Lowe affidavit.</p> <p>18 A. Okay.</p> <p>19 33 Q. And I have put that up. This is</p> <p>20 an agreement between MarshallZehr and the debtor</p> <p>21 dated September 18, 2019, right?</p> <p>22 A. Yes.</p> <p>23 34 Q. All right. And it refers to a</p> <p>24 loan for 6.725 million, right?</p> <p>25 A. Correct.</p>

<p>14</p> <p>1 35 Q. And this was assigned a reference 2 number. This is MZGI-273? 3 A. Yes, correct. That is our -- the 4 MZGI number is our internal loan reference number. 5 36 Q. Right. It is like an account 6 number? 7 A. Correct. 8 37 Q. Right. And this loan, it was to 9 be secured by a mortgage on title of the project, a 10 fourth mortgage, I see from the subject line? 11 A. Yes. 12 38 Q. And that is described on page 2 13 under "Purpose", "4th Mortgage for debt 14 refinancing", right? 15 A. Correct. 16 39 Q. Okay. I'll call this mortgage 17 "MZ 1". 18 A. Okay. 19 40 Q. At this time, September 2019, 20 there was another mortgagee, KingSett, right? 21 A. Yes. They were in the process of 22 closing and registering on their mortgage. 23 41 Q. Okay. And when they did, they 24 registered three mortgages, three charges? 25 A. Yes, I believe so.</p>	<p>16</p> <p>1 was going to be secured by a mortgage as well? 2 A. Correct. 3 50 Q. Right. And it was? 4 A. Yes. 5 51 Q. All right. So I'll call that 6 mortgage "MZ 2". 7 A. Okay. 8 52 Q. As I understand it, the purpose of 9 this loan, MZGI-274, was so that Urban North could 10 buy certain lands from Mapleview, Phase 4? 11 A. Correct. 12 53 Q. Right. And Urban North was, I 13 guess, an affiliate of Mapleview? 14 A. Correct. It was an affiliate 15 owned by the same beneficial owners as the debtor. 16 54 Q. Right. And Facility 1, the 17 \$2.31 million number, that was for the purpose of 18 paying a deposit on the agreement to buy those 19 Phase 4 lands? 20 A. Correct. It included a \$2 million 21 deposit, plus a portion of it was allocated to 22 interest reserve, and a portion of the 2.31 was a 23 fee which was to the benefit of Portland as 24 investor in the loan. 25 55 Q. I have pulled up page 13 of this</p>
<p>15</p> <p>1 42 Q. Right. And they all had priority 2 to this one? That is why it is a fourth mortgage? 3 A. Yes. 4 43 Q. Right. Okay. 5 I am going to take you to Exhibit B 6 next to the Wain-Lowe affidavit. 7 A. Okay. 8 44 Q. So this is another agreement 9 between MarshallZehr and the debtor. It is dated 10 September 18, 2019; you are familiar with this one? 11 A. Yes -- 12 45 Q. Sorry, it is not the debtor. It 13 is Urban North on the Go Limited? 14 A. Correct, yes. 15 46 Q. Right. And this one is for 16 6.45 million? 17 A. Correct. 18 47 Q. All right. And it is split into 19 two different facilities. There is Facility 1, 20 2.31 million, and then Facility 2, 4.14 million? 21 A. Correct. 22 48 Q. This one was assigned number 23 MZGI-274, right? 24 A. Yes, correct. 25 49 Q. Okay. And like MZGI-273, this one</p>	<p>17</p> <p>1 loan document here. Under the heading "Security to 2 Be Delivered", it reads: 3 "The Borrower shall deliver the 4 following security [...] duly 5 registered where applicable subject 6 only to the KingSett Capital 1st 2nd 7 3rd mortgage and MarshallZehr Group 8 Inc. MZGI 273 security and all in 9 the form and on the terms acceptable 10 to the Lender's solicitors:" 11 Do you see that? 12 A. Yes. 13 56 Q. So this was going to be a fifth 14 mortgage behind those other charges? 15 A. That's correct. 16 57 Q. That purchase of Phase 4, that 17 never closed, right? Those lands stayed with the 18 debtor? 19 A. Correct. 20 58 Q. Could you give me a little context 21 on the role of Urban North in this transaction, 22 this sale, or failed sale? 23 A. Yes. So the purpose of Urban 24 North on the Go and the sale largely stems from the 25 KingSett financing.</p>

<p>18</p> <p>1 So during the course of underwriting</p> <p>2 with KingSett, they had raised concerns as to their</p> <p>3 exposure at the end of construction of Phase 1 and</p> <p>4 Phase 2 due to the nature of the front-end costs to</p> <p>5 be incurred for the site as a whole that they</p> <p>6 needed to fund through Phase 1 and Phase 2.</p> <p>7 So they required a pay-down or a</p> <p>8 discharge of the Phase 4 lands in order to pay them</p> <p>9 down, so the beneficial owners of the site</p> <p>10 incorporated a new company, which is Urban North on</p> <p>11 the Go, who would act as the purchaser of Phase 4</p> <p>12 from the debtor and pursue separate financing in</p> <p>13 parallel with KingSett's financing on Phase 1 and 2</p> <p>14 and later Phase 3 to build out and develop Phase 4.</p> <p>15 In doing so, they would obtain purchase</p> <p>16 financing and servicing financing and construction</p> <p>17 financing to pay down KingSett their contemplated</p> <p>18 partial discharge amount, and Phase 4 would be</p> <p>19 built out somewhat in parallel alongside Phase 1, 2</p> <p>20 and 3.</p> <p>21 59 Q. Okay. Thank you.</p> <p>22 You mentioned before how part of the</p> <p>23 2.31 million was a deposit, 2 million bucks, right?</p> <p>24 A. Correct.</p> <p>25 60 Q. So if Urban North never closed on</p>	<p>20</p> <p>1 specifics, I think, of all of the transfers. But</p> <p>2 do I have it right that Portland invested in this</p> <p>3 facility, MZGI-274, and then MarshallZehr used the</p> <p>4 proceeds of that investment to, among other things,</p> <p>5 pay a deposit; am I right so far?</p> <p>6 A. Correct. Portland advanced --</p> <p>7 Portland funded the facility.</p> <p>8 63 Q. Right.</p> <p>9 A. And those funds were advanced to</p> <p>10 Urban North on the Go who provided the deposit</p> <p>11 pursuant to the Agreement of Purchase and Sale.</p> <p>12 64 Q. Right. And later the deposit was</p> <p>13 returned to MarshallZehr, who then returned that</p> <p>14 \$2 million to Portland?</p> <p>15 A. Correct.</p> <p>16 65 Q. Right. Okay. So back to MZGI-273</p> <p>17 for a second. So after the Commitment Letter was</p> <p>18 entered into, MarshallZehr made that \$6.725 million</p> <p>19 advance to the debtor, right?</p> <p>20 A. Correct.</p> <p>21 66 Q. Right. And that was also an</p> <p>22 investment by Portland at the time?</p> <p>23 A. Correct.</p> <p>24 67 Q. Right. And around the same time,</p> <p>25 in respect of MZGI-274, MarshallZehr made a</p>
<p>19</p> <p>1 that purchase, what happened to that deposit?</p> <p>2 A. So on closing, on the initial</p> <p>3 advance of the 274 loan, the MZ 2 loan, the deposit</p> <p>4 was advanced into a trust account. I believe it</p> <p>5 was held by initially Chaitons at the date of</p> <p>6 closing but then was transferred on closing of</p> <p>7 KingSett's loan to KingSett's law firm, and it was</p> <p>8 held in their account pending closing of the land</p> <p>9 sale.</p> <p>10 And to the extent that the land sale</p> <p>11 did not close, then KingSett would be the</p> <p>12 beneficiary of that \$2 million paydown. The</p> <p>13 deposit would be forfeited by Urban North on the</p> <p>14 Go, and then KingSett would retain that deposit and</p> <p>15 apply it against their indebtedness.</p> <p>16 61 Q. But that is not actually what</p> <p>17 happened, right?</p> <p>18 A. The deposit did make its way to</p> <p>19 KingSett's lawyer's account, and it sat there for</p> <p>20 approximately 2 years, potentially 3 years, and</p> <p>21 when the sale was terminated, it was released back</p> <p>22 to MarshallZehr, and it was applied against the</p> <p>23 MZGI-274 loan as a partial paydown of the debtor's</p> <p>24 indebtedness under that mortgage.</p> <p>25 62 Q. Okay. So we'll come back to the</p>	<p>21</p> <p>1 \$2.31 million advance to the debtor?</p> <p>2 A. Correct.</p> <p>3 68 Q. Right. That is the one we were</p> <p>4 just talking about, and that -- like I think we</p> <p>5 said, that was also a Portland investment?</p> <p>6 A. Correct.</p> <p>7 69 Q. Okay. I am going to turn up</p> <p>8 Exhibit I to the Wain-Lowe affidavit now. So this</p> <p>9 is a June 16, 2020 agreement between MarshallZehr</p> <p>10 and Maplevue, right?</p> <p>11 A. Correct.</p> <p>12 70 Q. This is an amendment to the</p> <p>13 MZGI-273 Commitment Letter, the Exhibit A to the</p> <p>14 Wain-Lowe affidavit?</p> <p>15 A. Yes.</p> <p>16 71 Q. All right. And under this</p> <p>17 amendment, MarshallZehr agreed to advance a further</p> <p>18 9.75 million, Tranche B?</p> <p>19 A. Yes, that's correct.</p> <p>20 72 Q. Right. Now, that tranche was</p> <p>21 funded by a different investor, not Portland, not</p> <p>22 Drewco, not AI?</p> <p>23 A. That's correct.</p> <p>24 73 Q. All right. And from that</p> <p>25 Tranche B, Portland's investment in MZGI-273, that</p>

<p>22</p> <p>1 was repaid?</p> <p>2 A. The -- a substantial portion of</p> <p>3 Tranche B, yes, was used to repay Portland's</p> <p>4 position in Tranche A.</p> <p>5 74 Q. Right. And then the balance was</p> <p>6 used for other stuff?</p> <p>7 A. Correct.</p> <p>8 75 Q. So by the end of June 2020, around</p> <p>9 this time, MarshallZehr had paid Portland out of</p> <p>10 its investment in MZGI-273 completely?</p> <p>11 A. I -- this is around the time when</p> <p>12 the repayments from 273 -- or of Portland from 273</p> <p>13 began, but I believe Portland was repaid in full</p> <p>14 later, later in the year; closer to October there</p> <p>15 were a couple of installments to pay them out.</p> <p>16 76 Q. Okay. So by October, Portland's</p> <p>17 investment in the facility was replaced by an</p> <p>18 investment by this third party?</p> <p>19 A. Correct.</p> <p>20 77 Q. All right. I am going to turn up</p> <p>21 Exhibit N to the Wain-Lowe affidavit. This is a</p> <p>22 July 9, 2021 agreement between MarshallZehr and</p> <p>23 Mapleview?</p> <p>24 A. Correct.</p> <p>25 78 Q. And the subject line refers to a</p>	<p>24</p> <p>1 was Drewco, right?</p> <p>2 A. Yes, that's correct.</p> <p>3 85 Q. I am going to put up a new</p> <p>4 document here. This is an agreement between</p> <p>5 MarshallZehr and Drewco. It is entitled</p> <p>6 "Appointment of Mortgage Administrator and</p> <p>7 Third-Party Mortgage Administrator". It is dated</p> <p>8 July 14, 2021. Do you see that?</p> <p>9 A. Yes, I do.</p> <p>10 86 Q. If I go down to section 5.02, it</p> <p>11 describes Drewco advancing 10.9 million to invest</p> <p>12 in the loan, I guess, as it is described in this</p> <p>13 agreement. But that is to invest in MZGI-393?</p> <p>14 A. Correct.</p> <p>15 MR. SOUTTER: Okay. I will make this</p> <p>16 the first exhibit.</p> <p>17 MR. CHAITON: That is fine.</p> <p>18 EXHIBIT NO. 1: Document titled</p> <p>19 "Appointment of Mortgage Administrator</p> <p>20 and Third-Party Mortgage Administrator"</p> <p>21 dated July 14, 2021.</p> <p>22 BY MR. SOUTTER:</p> <p>23 87 Q. There are a few -- well, there are</p> <p>24 two schedules referred to in this Exhibit 1. There</p> <p>25 is one, Schedule A, which is the applicable</p>
<p>23</p> <p>1 "4th Mortgage Debt Refinancing for the Mapleview</p> <p>2 Project [...]"; do you see that?</p> <p>3 A. Yes, I do.</p> <p>4 79 Q. All right. That fourth mortgage</p> <p>5 is MZ 1?</p> <p>6 A. That is correct.</p> <p>7 80 Q. Because KingSett still had its</p> <p>8 three priority charges at that time?</p> <p>9 A. Yes, at the time I believe they</p> <p>10 still had the three charges. They later</p> <p>11 consolidated them to, I believe, two charges. But</p> <p>12 yes, I believe that is correct; at the time of this</p> <p>13 Commitment Letter, KingSett had their three</p> <p>14 charges.</p> <p>15 81 Q. And under this agreement,</p> <p>16 MarshallZehr agreed to advance 10.9 million to the</p> <p>17 debtor; that is the loan amount?</p> <p>18 A. Correct.</p> <p>19 82 Q. And the purpose of this loan was</p> <p>20 to refinance MZGI-273, right?</p> <p>21 A. Correct.</p> <p>22 83 Q. And this refinancing, that was</p> <p>23 assigned a new account number, MZGI-393?</p> <p>24 A. Correct.</p> <p>25 84 Q. And the investor in MZGI-393, that</p>	<p>25</p> <p>1 Commitment Letter. So that is Exhibit N to the</p> <p>2 Wain-Lowe affidavit, right, the one we were just</p> <p>3 looking at?</p> <p>4 A. Correct, the 2021 MZGI-393</p> <p>5 Commitment Letter.</p> <p>6 88 Q. Right. And then there is also</p> <p>7 Schedule B, which is the Mortgage Administration</p> <p>8 Agreement, right?</p> <p>9 A. Yes.</p> <p>10 89 Q. Okay. I am going to pull that up.</p> <p>11 Do you see that?</p> <p>12 A. Yes, I do.</p> <p>13 90 Q. So this is essentially a list of</p> <p>14 standard terms, right?</p> <p>15 A. Correct.</p> <p>16 91 Q. And this is Schedule B to the</p> <p>17 Appointment Agreement that we were just looking at?</p> <p>18 A. Correct.</p> <p>19 MR. SOUTTER: Okay. All right. So</p> <p>20 I'll make this the next exhibit, Exhibit 2.</p> <p>21 EXHIBIT NO. 2: Document titled</p> <p>22 "Mortgage Administration Agreement</p> <p>23 (Version 6/21/2018)".</p> <p>24 BY MR. SOUTTER:</p> <p>25 92 Q. Portland had a similar arrangement</p>



<p>26</p> <p>1 with MarshallZehr, similar agreements, right?</p> <p>2 Exhibit C to the Wain-Lowe affidavit, I</p> <p>3 can pull that up, it is not a problem. This is the</p> <p>4 Appointment Agreement in respect of MZGI-273, yes?</p> <p>5 A. Yes, correct.</p> <p>6 93 Q. All right. And there is a similar</p> <p>7 Schedule A. That would have been the original</p> <p>8 MZGI-273 Commitment Letter?</p> <p>9 A. Yes.</p> <p>10 94 Q. All right. And similar Schedule</p> <p>11 B; that is the same Mortgage Administration</p> <p>12 Agreement that we just made Exhibit 2?</p> <p>13 A. Yes, I believe it would be the</p> <p>14 same agreement.</p> <p>15 95 Q. All right.</p> <p>16 MR. CHAITON: The only thing, Counsel,</p> <p>17 is I don't think they were attached as exhibits to</p> <p>18 the Appointment Agreement, the Mortgage</p> <p>19 Administration Appointment Agreement, that is at</p> <p>20 tab 6.</p> <p>21 MR. SOUTTER: Right. And I have spoken</p> <p>22 about this with my friend, Mr. Beeforth. I don't</p> <p>23 think this is super controversial. I am just</p> <p>24 making sure we have a complete record here. It</p> <p>25 sounds like the Administration Agreement that is</p>	<p>28</p> <p>1 98 Q. Right. And then if we go back to</p> <p>2 Exhibit D -- well, before I do that, I guess I'll</p> <p>3 make this the next exhibit, Exhibit 3, just because</p> <p>4 it is not in the Motion Record.</p> <p>5 EXHIBIT NO. 3: Document titled</p> <p>6 "Appointment of Mortgage Administrator</p> <p>7 and Third-Party Mortgage Administrator"</p> <p>8 between MarshallZehr and Portland</p> <p>9 Investment Counsel Inc. as Manager of</p> <p>10 Portland Private Income LP" dated</p> <p>11 September 25, 2019.</p> <p>12 BY MR. SOUTTER:</p> <p>13 99 Q. And then if we go to Motion</p> <p>14 Record, to Exhibit D to the Wain-Lowe affidavit,</p> <p>15 another Appointment Agreement, this one</p> <p>16 MarshallZehr Group Inc. and Portland Investment</p> <p>17 Counsel Inc. as Manager of Portland Private Income</p> <p>18 Fund, and this one is dated, like I said,</p> <p>19 August 28, 2023. And if I go down to 5.02, the</p> <p>20 amount described is approximately \$1.5 million and</p> <p>21 change, right?</p> <p>22 A. Yes, correct.</p> <p>23 100 Q. So as I understand it, that</p> <p>24 \$1.5 million number, that reflects the amount</p> <p>25 outstanding as at this date, August 29, 2023, after</p>
<p>27</p> <p>1 now Exhibit 2 to this examination, it was the same</p> <p>2 one for all of these Appointment Agreements, and I</p> <p>3 don't understand there to be any controversy on</p> <p>4 that point.</p> <p>5 MR. BEEFORTH: From my perspective,</p> <p>6 that is right.</p> <p>7 MR. CHAITON: Okay.</p> <p>8 BY MR. SOUTTER:</p> <p>9 96 Q. Exhibit D to the Wain-Lowe</p> <p>10 affidavit is another Appointment Agreement. This</p> <p>11 one is dated August 29, 2023. And I am going to</p> <p>12 come back to this in a second because I understand</p> <p>13 from my friend that this wasn't the original one,</p> <p>14 and I will put up what I understand to be the</p> <p>15 original one.</p> <p>16 So this is an Appointment of Mortgage</p> <p>17 Administrator and Third-Party Mortgage</p> <p>18 Administrator Agreement between MarshallZehr and</p> <p>19 Portland Investment Counsel Inc. as Manager of</p> <p>20 Portland Private Income LP; do you see that?</p> <p>21 A. Yes.</p> <p>22 97 Q. All right. So -- and if I scroll</p> <p>23 down to section 5.02, this is in respect of</p> <p>24 MZGI-274?</p> <p>25 A. Yes.</p>	<p>29</p> <p>1 the deposit was applied to the amount owing under</p> <p>2 MZGI-274?</p> <p>3 A. Yes, I believe that is correct.</p> <p>4 101 Q. Right. And there was just a new</p> <p>5 agreement entered into. I understand that Portland</p> <p>6 wanted to move the funds, move the investment from</p> <p>7 one fund to another?</p> <p>8 A. Correct, that is my understanding.</p> <p>9 102 Q. Okay. I have turned up Exhibit O</p> <p>10 to the Wain-Lowe affidavit. This is a January 20,</p> <p>11 2022 agreement between MarshallZehr and the debtor,</p> <p>12 right?</p> <p>13 A. Yes, correct.</p> <p>14 103 Q. And this involves an increase of</p> <p>15 MZGI-393, a \$12 million increase, right?</p> <p>16 A. Yes.</p> <p>17 104 Q. If we go to page 4 under the</p> <p>18 heading "Security to Be Delivered", there is a</p> <p>19 \$30 million mortgage. It will have third priority</p> <p>20 on Phases 3 and 5 and fourth priority on Phases 1,</p> <p>21 2 and 6, and fifth priority on Phase 4; do you see</p> <p>22 that?</p> <p>23 A. Yes.</p> <p>24 105 Q. All right. So all those prior</p> <p>25 charges, leaving aside Phase 6 for a second, those</p>

<p>30</p> <p>1 were in favour of KingSett, right?</p> <p>2 A. Yes, I believe that is correct.</p> <p>3 106 Q. Right. And then on Phase 6,</p> <p>4 Vector also had a charge?</p> <p>5 A. Yes, I believe at this time the</p> <p>6 Vector charge on Phase 6 was in place.</p> <p>7 107 Q. Right. So all of these priority</p> <p>8 mortgages or prior mortgages, they were in favour</p> <p>9 of others, not MarshallZehr?</p> <p>10 A. Correct. I believe that to be the</p> <p>11 case.</p> <p>12 108 Q. Right. Well, that was</p> <p>13 MarshallZehr's understanding, right, under this</p> <p>14 agreement? It would have -- the mortgage for</p> <p>15 MZGI-393 would have the highest priority among the</p> <p>16 MarshallZehr mortgages?</p> <p>17 A. Yes, that's correct.</p> <p>18 109 Q. Right. I am trying to go</p> <p>19 chronologically here. I realize I have not done</p> <p>20 the best job so far, but now I am pulling up a new</p> <p>21 document. This is an Assignment and Transfer</p> <p>22 Agreement between Drewco and MarshallZehr. It is</p> <p>23 dated January 21, 2022. Do you see that?</p> <p>24 A. Yes, I do.</p> <p>25 110 Q. All right. You are familiar with</p>	<p>32</p> <p>1 between MarshallZehr Group Inc. and</p> <p>2 Aggregated Investments Inc. dated</p> <p>3 January 21, 2022.</p> <p>4 BY MR. SOUTTER:</p> <p>5 113 Q. And then we talked about the</p> <p>6 \$12 million increase in that Commitment Letter.</p> <p>7 Aggregated advanced that 12 million to</p> <p>8 MarshallZehr, and then MarshallZehr made a</p> <p>9 \$12 million advance to the debtor?</p> <p>10 A. Yes, the funds were advanced to</p> <p>11 the debtor for use in the project.</p> <p>12 114 Q. Right.</p> <p>13 A. Yeah.</p> <p>14 115 Q. I'll turn up Exhibit Q to the</p> <p>15 Wain-Lowe affidavit. This is an agreement dated</p> <p>16 August 12, 2022, between Mapleview and</p> <p>17 MarshallZehr, right?</p> <p>18 A. Yes, correct.</p> <p>19 116 Q. Also in respect of MZGI-393?</p> <p>20 A. Correct.</p> <p>21 117 Q. Right. And this is another</p> <p>22 increase from 22.9 million to 34.3?</p> <p>23 A. Yes, correct.</p> <p>24 118 Q. And similarly, Aggregated</p> <p>25 increased its investment in MZGI-393 by</p>
<p>31</p> <p>1 this document, right?</p> <p>2 A. Yes.</p> <p>3 111 Q. Right. So Drewco assigned its</p> <p>4 interest in MZGI-393 to MarshallZehr, and I will</p> <p>5 turn up another document in a second where</p> <p>6 MarshallZehr assigned it to Aggregated?</p> <p>7 A. Yes, correct.</p> <p>8 MR. SOUTTER: Okay. So I will make</p> <p>9 this one the next exhibit, Exhibit 4.</p> <p>10 EXHIBIT NO. 4: Document titled</p> <p>11 "Assignment and Transfer Agreement"</p> <p>12 between Drewco Development Corp. and</p> <p>13 MarshallZehr Group Inc. dated</p> <p>14 January 21, 2022.</p> <p>15 BY MR. SOUTTER:</p> <p>16 112 Q. And then I will pull up that other</p> <p>17 Assignment Agreement I talked about, also dated</p> <p>18 January 21, 2022, between MarshallZehr and</p> <p>19 Aggregated. So this is where -- this is the other</p> <p>20 half of the picture?</p> <p>21 A. Yes, correct.</p> <p>22 MR. SOUTTER: So I'll make this the</p> <p>23 next exhibit, Exhibit 5.</p> <p>24 EXHIBIT NO. 5: Document titled</p> <p>25 "Assignment and Transfer Agreement"</p>	<p>33</p> <p>1 11.4 million. That is the difference there. And</p> <p>2 then MarshallZehr made advances to the debtor?</p> <p>3 A. Correct.</p> <p>4 119 Q. Right. The same pattern?</p> <p>5 A. Yes, yeah.</p> <p>6 120 Q. Right. Okay. There is another</p> <p>7 amendment. I don't think it is in the Wain-Lowe</p> <p>8 affidavit. This one is dated October 20, 2022?</p> <p>9 A. Yes, correct.</p> <p>10 121 Q. All right. Between the debtor and</p> <p>11 MarshallZehr in respect of MZGI-393?</p> <p>12 A. Correct.</p> <p>13 122 Q. And it involves yet another</p> <p>14 increase of the loan amount, right? This one - I</p> <p>15 have done the math - it is 13.26 million?</p> <p>16 A. Correct.</p> <p>17 123 Q. Right. And it is the same</p> <p>18 pattern. Aggregated makes an investment in</p> <p>19 MZGI-393 and advances funds to MarshallZehr, and</p> <p>20 then MarshallZehr advances funds to the debtor?</p> <p>21 A. Correct.</p> <p>22 MR. SOUTTER: Okay. I will make this</p> <p>23 the next exhibit, Exhibit 6.</p> <p>24 EXHIBIT NO. 6: Amended Commitment</p> <p>25 Letter dated October 20, 2022.</p>

<p>34</p> <p>1 BY MR. SOUTTER: 2 124 Q. If I turn up page 4 of this 3 amending agreement, there is a description of 4 "Security to Be Delivered". So it is a mortgage in 5 the amount of 49 and a half million, and then there 6 is reference to Appendix B when it talks about the 7 priority of that mortgage; do you see that? 8 A. Yes, I do. 9 125 Q. Okay. So if I scroll down to 10 page 8 of the document, there is actually both 11 appendices on the same page. There is -- 12 Appendix B is partway through the page? 13 A. Yes. 14 126 Q. All right. And this reflects the 15 party's, MarshallZehr's understanding of the 16 priority of its various mortgages, right? 17 A. Correct, that was our 18 understanding. 19 127 Q. Right. And we see on each phase 20 there is MZGI-393, and then MZGI-274? 21 A. Correct. 22 128 Q. I am going to turn up Exhibit M to 23 the Wain-Lowe affidavit. This is an email chain, 24 and I am going to just start it at the bottom here. 25 So there is this June 17, 2020 email</p>	<p>36</p> <p>1 A. Correct. It was the same intended 2 agreement. I am not sure if there were changes 3 made after this email occurred, but it was with the 4 same intention that we were preparing that 5 amendment to that loan. 6 132 Q. Right. So same Tranche B, same 7 increase to the amount under that facility, same 8 charge, same priority of charge? 9 A. Yes. 10 133 Q. Right. 11 A. Yes. 12 134 Q. Right. And this is -- just to 13 make sure we are all on the same page, this is 14 where Tranche B -- it may be in more than one 15 installment, but it was used to pay out Portland's 16 investment in Tranche A? 17 A. Correct. 18 135 Q. And we are all -- we are talking 19 all about MZGI-273? 20 A. Yes. 21 136 Q. All right. And it looks like in 22 this email chain, there are a number of questions. 23 Portland asked a number of questions. A number of 24 answers are given in text. I am going to 25 Mr. Thiessen's June 23, 2020 email. He says under</p>
<p>35</p> <p>1 from Josh Thiessen. He is one of your colleagues, 2 or he was? 3 A. Yeah, correct, a former colleague. 4 He is no longer with the company. 5 129 Q. But you are copied to this email, 6 right? 7 A. Yes, I am. 8 130 Q. And it describes in the first line 9 here: 10 "[...]please find the attached 11 MZGI-273 Amendment [...]" 12 So I don't have the attachment there, 13 but that is the introduction of Tranche B, right? 14 I'll try and find it, if I can. That is the -- 15 that is Exhibit I to the Wain-Lowe affidavit, 16 right? 17 A. Yes. Yes, I believe that is 18 correct. Yes. 19 131 Q. Right. And it may have been that 20 that was a draft. You say: 21 "[...] we will be sending it 22 out for execution to the Borrower 23 hopefully this afternoon." 24 But we are talking about the same 25 agreement, same terms, right?</p>	<p>37</p> <p>1 bullet 2: 2 "[...] your position in the 3 MZGI 274 facility will remain 4 covered with mortgage security and 5 will not lose its position in the 6 debt stack." 7 Do you see that? 8 A. Yes, I do. 9 137 Q. So what does that mean, "not lose 10 its position in the debt stack"? 11 A. So that means that the 274 loan, 12 following this amendment, the first amendment to 13 273, which created Tranche B, 274 would still be 14 subordinate to 273 as it was originally 15 contemplated when 273 and 274 were first entered 16 into with Portland; i.e., KingSett would rank ahead 17 with their respective charges, followed by 273, 18 followed by 274. 19 So with closing of the 273 amendment 20 which had a Tranche B, this was a clarification. 21 My understanding is this was a clarification Josh 22 was making to Portland to state that 274's position 23 relative to the other mortgages that were on title 24 was not going to change. Its position in the debt 25 stack was going to remain in the same position.</p>

<p>38</p> <p>1 138 Q. Okay. So we talked already about 2 MZGI-273 and MZGI-393. Was Portland updated when 3 MZGI-273 was repaid or refinanced by MZGI-393? 4 A. So when 393 refinanced 273, at 5 that point Portland had been paid out of the loan 6 for approximately a year, so Portland was paid 7 out - approximate dates - but, you know, Q3 to Q4 8 of 2020, and Drewco's first advance -- or Drewco's 9 first advance into 393 was approximately June or 10 July of 2021. 11 So they had been paid out for almost a 12 year, and it would not be in our standard practice 13 to advise a lender who had been paid out of a loan 14 that a further repayment of that loan had been 15 done. Once they are paid out of the loan, that 16 would mark the end of our reporting to them in 17 respect of that specific loan. 18 139 Q. And so I guess they weren't -- was 19 Portland updated when the amount secured by MZ 1 20 increased? 21 A. We did update Portland. I believe 22 it occurred after -- at least I believe it occurred 23 after some of the advances had already occurred. 24 But they did receive updates that that loan 25 was -- you know, had been done. They, you know,</p>	<p>40</p> <p>1 KingSett; there is reference to Vector in respect 2 of Phase 6; and there is reference to Meridian, 3 which is a mortgage that was expected to occur in 4 August of 2021; do you see that? 5 A. Yes, I do. 6 145 Q. Okay. That Meridian financing, 7 that never happened? 8 A. It did not. 9 146 Q. Right. I mean, this I think 10 grammatically read that is way, but you will agree 11 it is a forward-looking statement? 12 MR. CHAITON: It says that in the next 13 sentence under "Meridian". It is "expected to 14 occur". 15 BY MR. SOUTTER: 16 147 Q. Right. 17 A. Correct. 18 148 Q. Right. 19 A. Yeah. 20 149 Q. Right. So the prior mortgagees at 21 the time, KingSett and Vector, Vector only in 22 respect of Phase 6, right? 23 A. Yes, correct. 24 MR. SOUTTER: Right. I'll make this 25 the next exhibit, Exhibit 7.</p>
<p>39</p> <p>1 were made aware of the new loan number 393 in 2 correspondence which followed those advances by 3 Drewco/Aggregated. 4 140 Q. Okay. I am going to put up a few 5 documents here. They are all similar, so I guess 6 that is just a heads-up. 7 They are FSRA Disclosure Statements. I 8 might call that "FSRA". You are familiar with 9 these types of forms? 10 A. Yes, I am. 11 141 Q. Right. And this one in particular 12 was from MarshallZehr to Drewco; do you see that? 13 A. Yeah, I do. 14 142 Q. And this relates to MZGI-393? 15 A. Yes, correct. 16 143 Q. From the signature page on page 8, 17 this is in July of 2021, so this is in connection 18 with the MZGI-393 refinancing? 19 A. Yes, that appears to be correct. 20 144 Q. Right. I will go to Part B under 21 section 3(h), so this is on page 5 of the document. 22 And the form says: 23 "Provide the name of prior 24 mortgagee(s), if applicable:" 25 And then there is reference to</p>	<p>41</p> <p>1 EXHIBIT NO. 7: FSRA Disclosure 2 Statement dated July 14, 2021. 3 MR. CHAITON: Sorry, what was the date 4 of that, Counsel? 5 MR. SOUTTER: So... 6 MR. CHAITON: Was that July '21? 7 MR. SOUTTER: Yeah, July 14, 2021. 8 MR. CHAITON: Okay. Yeah. Thanks. 9 BY MR. SOUTTER: 10 150 Q. And I am going to do a few of 11 these because, as I understand it, there was one 12 for each advance. 13 So here is another one. You see it is 14 in respect of MZGI-393. And again, if I go to 15 page 8, the signature line, this is January 21, 16 2022? 17 A. Yes, I see that. 18 151 Q. So this is the first increase to 19 393, MZGI-393? 20 A. Correct. 21 152 Q. And again, under Part B, 22 section 3(h) - this is on page 5 - there is 23 reference to KingSett; there is reference to Vector 24 in respect of Phase 6; there is reference again to 25 Meridian. But that never ultimately happened,</p>

<p>42</p> <p>1 right?</p> <p>2 A. Correct.</p> <p>3 153 Q. Right. So the only prior</p> <p>4 mortgagees were KingSett and Vector?</p> <p>5 A. Yes, correct.</p> <p>6 MR. SOUTTER: Okay. I'll make this</p> <p>7 Exhibit 8.</p> <p>8 EXHIBIT NO. 8: FSRA Disclosure</p> <p>9 Statement dated January 21, 2022.</p> <p>10 BY MR. SOUTTER:</p> <p>11 154 Q. I just pulled up a new one. Do</p> <p>12 you see the new one? Or am I still on the old one?</p> <p>13 This one is dated August 12, 2022?</p> <p>14 A. Yes, I see the August 2022 one.</p> <p>15 155 Q. Okay. Great. The same Part B,</p> <p>16 section 3(h). There is reference to KingSett and</p> <p>17 Vector; there is reference to Westmount in respect</p> <p>18 of certain charges. No reference to MZ 2, right?</p> <p>19 That is not a prior charge here?</p> <p>20 A. Correct.</p> <p>21 MR. SOUTTER: Right. Okay. I'll make</p> <p>22 this the next exhibit, Exhibit 9.</p> <p>23 EXHIBIT NO. 9: FSRA Disclosure</p> <p>24 Statement dated August 12, 2022.</p> <p>25 BY MR. SOUTTER:</p>	<p>44</p> <p>1 Statement dated October 31, 2022.</p> <p>2 BY MR. SOUTTER:</p> <p>3 160 Q. This next one is dated November 28,</p> <p>4 2022.</p> <p>5 A. Correct, yeah.</p> <p>6 161 Q. And under Part B, section 3(h),</p> <p>7 same reference to Appendix B, right?</p> <p>8 A. Correct.</p> <p>9 MR. SOUTTER: We'll make this the next</p> <p>10 exhibit, Exhibit 12.</p> <p>11 EXHIBIT NO. 12: FSRA Disclosure</p> <p>12 Statement dated November 29, 2022.</p> <p>13 BY MR. SOUTTER:</p> <p>14 162 Q. And I believe the last one,</p> <p>15 December 16, 2022, and the same reference under</p> <p>16 Part B, section 3(h), to Appendix B to that third</p> <p>17 amendment to the Commitment Letter, right?</p> <p>18 A. Correct.</p> <p>19 MR. SOUTTER: Okay. I'll make that the</p> <p>20 next exhibit, Exhibit 13.</p> <p>21 EXHIBIT NO. 13: FSRA Disclosure</p> <p>22 Statement dated December 16, 2022.</p> <p>23 MR. SOUTTER: Why don't we do this. I</p> <p>24 have reached a little bit of a break in my</p> <p>25 questions. Why don't we take a few minutes and</p>
<p>43</p> <p>1 156 Q. This one is dated October 21,</p> <p>2 2022?</p> <p>3 A. Yes, correct.</p> <p>4 157 Q. This one, under Part B,</p> <p>5 section 3(h), it actually refers to that Appendix B</p> <p>6 that we looked at before, right?</p> <p>7 A. Yes, I believe that is the same</p> <p>8 appendix, correct.</p> <p>9 158 Q. Right. Yeah, it refers to the</p> <p>10 third amendment dated October 20, 2022, which is</p> <p>11 Exhibit 6 to this examination, right? That is the</p> <p>12 \$13.26 million increase.</p> <p>13 A. Yes, I believe that is correct.</p> <p>14 MR. SOUTTER: I'll make this the next</p> <p>15 exhibit, Exhibit 10.</p> <p>16 EXHIBIT NO. 10: FSRA Disclosure</p> <p>17 Statement dated October 21, 2022.</p> <p>18 BY MR. SOUTTER:</p> <p>19 159 Q. This one is dated October 31,</p> <p>20 2022, and under Part B, section 3(h), there is the</p> <p>21 same reference to be Appendix B?</p> <p>22 A. Correct.</p> <p>23 MR. SOUTTER: All right. So I'll make</p> <p>24 this the next exhibit, Exhibit 11.</p> <p>25 EXHIBIT NO. 11: FSRA Disclosure</p>	<p>45</p> <p>1 just grab a drink of water or something like that.</p> <p>2 MR. CHAITON: That is fine on my end.</p> <p>3 Sean, are you good?</p> <p>4 THE WITNESS: Yeah, I am good.</p> <p>5 MR. SOUTTER: So let's go off the</p> <p>6 record.</p> <p>7 [Discussion Off The Record.]</p> <p>8 -- RECESSED AT 11:05 A.M.</p> <p>9 -- RESUMED AT 11:18 A.M.</p> <p>10 BY MR. SOUTTER:</p> <p>11 163 Q. So we served a Notice of</p> <p>12 Examination in connection with this examination;</p> <p>13 you are aware of that?</p> <p>14 A. Yes.</p> <p>15 164 Q. I'll pull it up. I am going to</p> <p>16 make it an exhibit so that everyone knows what we</p> <p>17 are talking about, but this was dated December 18,</p> <p>18 2024, in respect of your examination.</p> <p>19 Okay, I'll make that Exhibit 14.</p> <p>20 EXHIBIT NO. 14: Notice of Examination</p> <p>21 December 18, 2024.</p> <p>22 BY MR. SOUTTER:</p> <p>23 165 Q. And we had asked for a few things,</p> <p>24 including a few documents. We received some</p> <p>25 yesterday through your counsel. You are aware of</p>

<p style="text-align: right;">46</p> <p>1 that?</p> <p>2 A. Yes.</p> <p>3 166 Q. Okay. I am going to pull up a few</p> <p>4 of them and ask some questions.</p> <p>5 Okay. One is an April 7, 2020 email</p> <p>6 from Jana Mirt. You are copied, as well as some of</p> <p>7 your colleagues. And the subject line is "MZGI-274</p> <p>8 Update"; do you see that?</p> <p>9 A. Yes, I do.</p> <p>10 167 Q. It looks like she is sending it on</p> <p>11 your behalf. Your name appears in the signature</p> <p>12 line there. Is that right?</p> <p>13 A. Correct. At times we would</p> <p>14 have -- so when MarshallZehr would issue an update,</p> <p>15 kind of like a formal email update to investors,</p> <p>16 sometimes we would have colleagues of ours send on</p> <p>17 our behalf, just as an administrative function.</p> <p>18 168 Q. Okay. And so this was one of</p> <p>19 those updates to investors?</p> <p>20 A. Correct.</p> <p>21 169 Q. All right. So I don't see a</p> <p>22 recipient other than MarshallZehr folks. I am</p> <p>23 assuming they are in the blind carbon copy line?</p> <p>24 A. Correct. That would be our</p> <p>25 standard practice for most lender updates, would be</p>	<p style="text-align: right;">48</p> <p>1 agreement between MarshallZehr and the debtor about</p> <p>2 that extension, that change?</p> <p>3 A. Typically, yes. Typically, it is</p> <p>4 either an amending letter to extend or a renewal</p> <p>5 letter to extend; correct.</p> <p>6 176 Q. Okay. Before extending the</p> <p>7 maturity date, did MarshallZehr seek Portland's</p> <p>8 consent?</p> <p>9 A. I don't recall in this specific</p> <p>10 instance if consent was sought. The form of the</p> <p>11 extension would be relevant to whether or not we</p> <p>12 would seek investors' consent to extend; i.e., in a</p> <p>13 Commitment Letter if there is a precontemplated</p> <p>14 renewal option, typically we would -- you know,</p> <p>15 provided the option was needed and the conditions</p> <p>16 were met, we would offer the extension to the</p> <p>17 debtor and notify the lenders.</p> <p>18 If we were amending a maturity date by</p> <p>19 way of an amendment, i.e., a non-contractual</p> <p>20 extension option, that is typically done with</p> <p>21 consent from the lender, correct.</p> <p>22 MR. SOUTTER: Okay. I will make this</p> <p>23 email the next exhibit, Exhibit 15.</p> <p>24 EXHIBIT NO. 15: Email from Jana Mirt</p> <p>25 dated April 7, 2020 at 5:00 p.m.</p>
<p style="text-align: right;">47</p> <p>1 to bcc all of the appropriate recipients at the</p> <p>2 investor or lender client.</p> <p>3 170 Q. Okay. And this was an update to</p> <p>4 Portland?</p> <p>5 A. Correct.</p> <p>6 171 Q. Right. One of the references</p> <p>7 here:</p> <p>8 "Maturity has been extended to</p> <p>9 August 2022."</p> <p>10 Do you see that?</p> <p>11 A. Yes, I do.</p> <p>12 172 Q. Is that in reference to MZGI-274?</p> <p>13 A. I believe it would be, yes.</p> <p>14 173 Q. Right. Because that facility</p> <p>15 originally was only for 13 months, right? I can</p> <p>16 pull up the Commitment Letter, if it is helpful.</p> <p>17 A. I don't recall. Yeah, I don't</p> <p>18 recall the exact original term, but it was</p> <p>19 intended -- it was intended to be relatively short</p> <p>20 term in nature.</p> <p>21 174 Q. So you think this reference is to</p> <p>22 the extension of the maturity of MZGI-274 to August</p> <p>23 2022?</p> <p>24 A. Yes, I believe so.</p> <p>25 175 Q. Right. Presumably there is some</p>	<p style="text-align: right;">49</p> <p>1 BY MR. SOUTTER:</p> <p>2 177 Q. I'll turn up another one. This is</p> <p>3 a longer email chain. The PDF that we received was</p> <p>4 entitled "Mapleview MZGI-274 - Lender Update", and</p> <p>5 then the number 1 in parenthesis. It is a 27-page</p> <p>6 long email chain. And I am just going to orient</p> <p>7 ourselves first before asking some questions about</p> <p>8 it.</p> <p>9 It starts with a January 25, 2024 email</p> <p>10 from one of your colleagues, Dawn Wise. You are</p> <p>11 copied, as well as some of your other colleagues.</p> <p>12 The subject line is "Mapleview MZGI-274 - Lender</p> <p>13 Update".</p> <p>14 And then over the course of these many</p> <p>15 pages, there is an exchange between representatives</p> <p>16 of Portland and representatives of MarshallZehr,</p> <p>17 including you, all the way to March 2024.</p> <p>18 Okay?</p> <p>19 A. Yeah, correct.</p> <p>20 178 Q. You are familiar with this email</p> <p>21 chain?</p> <p>22 A. I am.</p> <p>23 MR. SOUTTER: Before I forget, I'll</p> <p>24 make this the next exhibit, Exhibit 16.</p> <p>25 EXHIBIT NO. 16: 27-page email chain</p>

<p>50</p> <p>1 between Dawn Wise and others, between 2 January 25, 2024, through to March 3 2024. 4 BY MR. SOUTTER: 5 179 Q. Back down to that first email of 6 January 25, 2024, it technically starts at the 7 bottom of page 25. On page 26 there is an update. 8 Again, I guess I'll back up. So 9 Portland isn't listed here. I guess they are on 10 the bcc line in terms of recipients? 11 A. Yes, correct. 12 180 Q. Right. But we know who received 13 it presumably because they replied. Does this list 14 of recipients look right? 15 A. Yeah, typically all of our lender 16 updates to Portland would go to Chris, as the Chief 17 Investment Officer, and Kyle. Ian, Lucas, and I 18 thought there was perhaps one other name on some of 19 the correspondence, Jordan, I believe they are 20 associates and analysts who get brought in to 21 various transactions. I am not sure if they were 22 on the original email, but Chris and Kyle certainly 23 were. 24 181 Q. So Chris and Kyle get this update 25 that KingSett has told you they are ready to demand</p>	<p>52</p> <p>1 embedded below in orange." 2 And then when we go back down the 3 document, there are a number of orange answers? 4 A. Correct. I believe throughout the 5 email chain, all of my responses are prefaced with 6 "SeA" and then the date that I was providing the 7 response. 8 188 Q. Right. And "SeA", that is you? 9 A. Correct, right. 10 189 Q. Right. So I have scrolled down 11 to, I guess, Portland's heading 4, "Priority of 12 mortgages". It starts at the very, very bottom of 13 page 23 of the PDF. 14 A. Yeah. 15 190 Q. Portland asks a number of 16 questions, including several, starting: 17 "Where did MZGI 393 come from? 18 What are the terms of the loan?", 19 et cetera. 20 A. Correct. 21 191 Q. And your answer on February 5th, 22 2024 was: 23 "Portland has been made aware 24 of this loan for several years now 25 (note email thread attached which</p>
<p>51</p> <p>1 and there is likely to be a receivership and the 2 current debt stack is as follows, and then you have 3 this screenshotted image, right? 4 A. Yes, correct. 5 182 Q. Right. And MZGI-393 is in 6 priority to MZGI-274? 7 A. Correct. 8 183 Q. Right. And then this generates 9 some questions from Portland, right? 10 A. Yes. 11 184 Q. All right. The first one is on 12 January 26, the next day, 2024; do you see that? 13 A. Yes. Yes, I do. 14 185 Q. And it looks to me like you answer 15 in text to their email? 16 A. Yes, that is correct. I typically 17 reply in text due to the number of questions, 18 correct. 19 186 Q. Right. Okay. Because if I go 20 back just to the email chain, you responded on 21 February 5, 2024, right? 22 A. Yes. 23 187 Q. You say: 24 "Please see responses to the 25 various questions from Portland</p>	<p>53</p> <p>1 includes discussion as part of the 2 March 2023 proforma exercise)." 3 Do you see that? 4 A. Yes, I do. 5 192 Q. Okay. I'll come back to that. 6 You go on: 7 "Its purpose includes funds 8 that recapitalized Portland's 9 position in the MZGI 273 loan when 10 Portland refused to allow Kingsett 11 to register it's increased [...] mortgage [...]" And "[...] [it] was 12 increased to help reprime 13 construction on the site once 14 Kingsett withdrew its construction 15 revolvers, and so a considerable 16 portion of the principal in the loan 17 was used to fund hard construction 18 costs on the site. This loan is 19 secured against all phases of the 20 Maplevue project immediately behind 21 Kingsett's position." 22 Do you see that? 23 A. Yes, I do. 24 25 193 Q. All right. So I take it, then,</p>

<p>54</p> <p>1 that at some point KingSett refused to advance 2 further funds and the funds advanced under MZGI-393 3 were advanced in lieu of those advances from 4 KingSett? 5 A. Correct. 6 194 Q. Okay. So is it right, then, that 7 the expectation at the very beginning of the 8 project, or at least, you know, in fall 2019, when 9 all these mortgages were being registered on title, 10 that KingSett was going to advance all of the 11 construction financing? 12 A. Yes, that's correct. Their 2019 13 commitment for Phase 1 and 2 contemplated loan 14 facilities for servicing, construction, mezzanine 15 financing and cash in lieu of letters of credit. 16 195 Q. Right. And that is why it was a 17 pretty huge facility, right, across the three 18 different charges for more than one facility, but 19 the numbers were pretty significant? 20 A. Correct, yeah, Maplevue as a 21 project was over 1,000 residential units, so it was 22 a large project. 23 196 Q. Right. 24 A. Yeah. 25 197 Q. And KingSett had agreed to fund</p>	<p>56</p> <p>1 A. Correct. The 2019 commitment from 2 KingSett for Phase 1 and 2 contemplated a 3 \$30 million revolving facility, but the cumulative 4 advances that KingSett expected to make through the 5 revolving facility, as outlined in their sources 6 and uses in one of their appendices to the 7 commitment, totalled approximately \$66 million. 8 201 Q. And the total advanced under 9 MZGI-393 was approximately 47 and a half million? 10 A. Correct. 11 202 Q. So less than what KingSett had 12 expected to advance? 13 A. That's correct. 14 203 Q. Less than what Portland was told 15 KingSett would advance? 16 A. Correct. At the time that 273 and 17 274 were funded in 2019, before the KingSett 18 Mortgage going on, it was disclosed -- like, I 19 mean, Portland was provided with a copy of the 20 KingSett Commitment Letter, and they would have 21 been able to see in the commitment that KingSett 22 was expecting to advance the 66 million towards 23 construction costs on Phase 1 and Phase 2. 24 204 Q. So bottom line, the total that 25 Portland expected to be behind, that amount</p>
<p>55</p> <p>1 what? Do you know roughly the total number that it 2 agreed to fund at the beginning? 3 A. I don't recall the exact number, 4 but it was into the hundreds of millions in total 5 dollars to be advanced against Phase 1 and Phase 2. 6 198 Q. Right. But it ultimately didn't 7 advance that entire amount, right? 8 A. Correct. It did not advance all 9 of the amounts it had originally committed to do. 10 Advances were made in progress draws based on 11 progress on-site, and it did not advance all of the 12 amounts that it had committed to. 13 199 Q. Right. And like we said before, 14 MZGI-393 sort of stepped in to fill that gap? 15 A. Correct. The 393 loan was funded 16 to recapitalize costs which had been advanced under 17 the 273 loan for improvements to the site, and the 18 increases that were made through the course of 2022 19 to the MZGI-393 loan were for the purposes of 20 funding construction costs which were not made 21 available -- the funds were not made available 22 through KingSett. 23 200 Q. I think that KingSett construction 24 facility, was that -- am I right that that was 25 approximately 66 million?</p>	<p>57</p> <p>1 ultimately was actually less, the way it played 2 out, right? 3 A. Correct. 4 205 Q. All right. I said before I would 5 come back to the beginning sentence in this 6 paragraph: 7 "Portland has been made aware 8 of this loan for several years now 9 (note email thread attached which 10 includes discussion as part of the 11 March 2023 proforma exercise)." 12 Do you see that? 13 A. I do. 14 206 Q. So I guess it is not several 15 years, if I am just looking at a March 2023 16 reference? It is, like, a year? 17 A. Correct, yeah, I think, yes. 18 207 Q. Okay. 19 A. Correct. 20 208 Q. So I asked Mr. Chaiton this 21 morning for that attachment, the email thread 22 attached, the reference there, and I am going to 23 put up what I received. 24 So let me know if this is big enough. 25 A. Yeah, I can see it.</p>



<p>58</p> <p>1 209 Q. So I am going to scroll 2 down -- again, I am just going to orient ourselves 3 to this email, and then I'll come back to 4 questions. 5 So there is an email of March 30, 2023, 6 from Mr. Carleton. He is one of your colleagues? 7 A. Yes, he is. 8 210 Q. All right. And it is to 9 Mr. Wain-Lowe? 10 A. Yes. 11 211 Q. Okay. The subject line is 12 "Mapleview Proforma &amp; Markham Repayment Update"? 13 A. Correct. 14 212 Q. Right. So this is the attachment 15 that was referred to in your February 5, 2024 16 email? 17 A. Yes, correct. 18 213 Q. Okay. And it looks like you 19 flipped it to Mr. Chaiton in January, and I 20 received it this morning at 9:37 a.m.; do you see 21 that? 22 A. Yes. 23 MR. SOUTTER: Okay. So I am going to 24 make this email the next exhibit, Exhibit 17. 25 EXHIBIT NO. 17: Email from Harvey</p>	<p>60</p> <p>1 talking about, right? 2 A. Correct. 3 218 Q. Okay. But obviously MZGI-274 is, 4 and there is -- and this is a -- this whole update 5 is a discussion about a pro forma for the Mapleview 6 project, right? 7 A. Correct. 8 219 Q. Right. So essentially how -- you 9 know, what is the potential revenue from the 10 project; how is that going to be distributed; how 11 does it flow down the debt stack, right? 12 A. Okay. 13 220 Q. And there is a heading "Repayment 14 Waterfall Summary" with discussion of how that 15 water -- with discussion of that waterfall, right? 16 A. Correct. 17 221 Q. Right. And then the waterfall 18 itself, that is in the attached Excel document, 19 right? 20 A. Yes, correct. 21 222 Q. All right. I'll turn it up in a 22 moment, but -- well, why don't I do it now, 23 actually. 24 Do you see that? 25 A. Yes, I do.</p>
<p>59</p> <p>1 Chaiton to Alexander Soutter dated 2 January 7, 2025. 3 BY MR. SOUTTER: 4 214 Q. Okay. So I am looking now at the 5 March 30, 2023 email, and it look like there is 6 discussion of two facilities. There is MZGI-274, 7 and then MZGI-285; do you see that? 8 A. I do. 9 215 Q. All right. So MZGI-285, that has 10 to do with a different project? 11 A. Correct. That was a loan facility 12 that was also associated with Pace as borrower or a 13 subsidiary of Pace, and as security for that loan 14 we -- the lenders were granted a pledge of Pace's 15 shares in the Mapleview project. 16 So that creates the linkage between the 17 other project's indebtedness and the Mapleview 18 project. 19 216 Q. Okay. It is not secured by MZ 2 20 or any of the charges on title to the Mapleview 21 lands? 22 A. No. The security for MZ 2, aka 23 MZGI-274, is separate from 285. 24 217 Q. Right. Okay. Yeah, basically I 25 want to clarify, it is not relevant to what we are</p>	<p>61</p> <p>1 223 Q. So this Excel document, that is 2 the one that was attached to the email from 3 Mr. Carlton we were just looking at, Exhibit 17? 4 A. Yes. 5 224 Q. All right. And it essentially 6 describes, if we scroll down, how the proceeds of 7 the project would go to repaying secured creditors. 8 That is that "Repayment Waterfall" section? 9 A. Correct. 10 225 Q. Right. So we see KingSett first, 11 and then here "Mapleview Refinance - MZGI 393" 12 split across two facilities with interest; do you 13 see that? 14 A. I do. 15 226 Q. Right. And then MZGI-274 after 16 that? 17 A. Yes. 18 227 Q. Right. And then another 19 MarshallZehr facility? 20 A. Yes. 21 MR. SOUTTER: Right. Yeah, I'll make 22 this the next exhibit, Exhibit 18, this Excel 23 document. 24 EXHIBIT NO. 18: Excel document titled 25 "Mapleview &amp; Markham Proforma".</p>

<p>62</p> <p>1 MR. SOUTTER: Okay. I think I'm either 2 done or very nearly done, so I think it would be 3 helpful to take a short break from my perspective, 4 but maybe we would want to take a longer one. 5 So why don't we go off the record. 6 We'll have a short discussion about that and then 7 go from there. 8 MR. CHAITON: Okay. That is fine. 9 [Discussion Off The Record.] 10 -- RECESSED AT 11:44 A.M. 11 -- RESUMED AT 12:00 NOON. 12 EXAMINATION BY MR. BEEFORTH: 13 228 Q. I suppose it is good afternoon, 14 Mr. Atkinson. 15 A. Good afternoon. 16 MR. SOUTTER: Michael, let me just jump 17 in here for a second, if you don't mind. 18 MR. BEEFORTH: Please. 19 MR. SOUTTER: I'll just -- so I don't 20 think I have any further questions, but we are in a 21 unique position here where we are the responding 22 party and my friend is about to ask you some 23 questions. 24 It is our view that we are entitled to 25 respond to the evidence adduced by Portland, so we</p>	<p>64</p> <p>1 questions pertaining to today's matter, trying to 2 understand, I think, the relationship between 3 MarshallZehr and Portland, the nature of their 4 repayment from the 273 loan, the nature of the 274 5 loan. 6 232 Q. Okay. Anything else? 7 A. I mean, I don't recall all of the 8 exact specifics, but you know, generally it was all 9 questioning in line with what we have, you know, 10 been discussing here today. 11 233 Q. Okay. And was anything -- were 12 any written communications exchanged following that 13 call or summarizing what was discussed during that 14 call? 15 A. I don't believe anything coming 16 out of that call. 17 As Mr. Soutter mentioned, there were a 18 couple of requests that were included in the Notice 19 of Examination which Harvey sent to them this 20 morning and I believe yesterday as well. 21 234 Q. Okay. Thank you. 22 And I take it, sir, that prior to 23 today's examination, you reviewed the affidavit of 24 Chris Wain-Lowe that we have referred to a couple 25 of times today?</p>
<p>63</p> <p>1 reserve the right to ask additional questions, if 2 we think we need to. I don't think so sitting here 3 right now, but that is our position. 4 I just wanted to put that on the 5 record. Thank you. 6 BY MR. BEEFORTH: 7 229 Q. Okay. Understood. 8 So, Mr. Atkinson, you remain affirmed 9 to tell the truth today? 10 A. Yes, correct. 11 230 Q. And it may be obvious, but we are 12 counsel for Portland who we have been referring to 13 today, and I have a few questions for you about 14 some of the materials we have looked at. 15 I am going to do my best not to repeat 16 anything that Mr. Soutter has asked you. If I do, 17 it is mostly by design, but I am sure your counsel 18 will step in if I belabour that too much. 19 Prior to today's examination, 20 Mr. Atkinson, did you speak with Mr. Soutter about 21 the matters at issue in this matter? 22 A. Yes, we did have one phone call. 23 231 Q. Okay. And what did you discuss 24 during that call? 25 A. Mr. Soutter was asking some</p>	<p>65</p> <p>1 A. I did. 2 235 Q. All right. Now, we spent some 3 time looking at the Commitment Letters for MZGI-273 4 and MZGI-274. I may refer to those as the "273 5 loan" and the "274 loan", if that is all right. 6 A. Yeah. 7 236 Q. And my understanding is that these 8 Commitment Letters set out the details of the loans 9 that MarshallZehr was prepared to provide as lender 10 involving Portland as an investor; correct? 11 A. Yes, correct. 12 237 Q. Okay. And those Commitment 13 Letters set out the terms that would govern those 14 loan arrangements as between borrower and lender? 15 A. Correct. 16 238 Q. Okay. What role, Mr. Atkinson, 17 did you play in arranging these loans and preparing 18 the Commitment Letters? Were you the lead or part 19 of a team? 20 A. So I was part of a team. At the 21 time in 2019, so Josh Thiessen, who was referenced 22 in one of the exhibits - I think it was Exhibit M -- 23 239 Q. Uhm-hmm. 24 A. -- he participated as, you know, 25 what I would say is the -- you know, the account</p>

<p>66</p> <p>1 manager, the salesperson, in essence, the 2 relationship manager. 3 240 Q. Yes. 4 A. And I was, you know, the 5 underwriting associate who would have assisted on 6 the file, so, you know, budgetary analysis, 7 pro forma, things of that nature, collecting 8 documents to share with the investors. 9 241 Q. Okay. And Mr. Marshall and 10 Mr. Zehr, I have seen their signatures on certain 11 documents, but they weren't involved as part of 12 that team in arranging these loans; is that fair? 13 A. They were not involved in the 14 day-to-day -- you know, day-to-day email exchanges 15 and discussions pertaining to the loan, no. 16 242 Q. Okay. But they did have some 17 greater involvement than signing on behalf of 18 MarshallZehr? 19 A. As owners in the company and as 20 owners in MarshallZehr, they were, you know, made 21 aware of what the team was doing, but they were 22 not -- you know, they were not the boots on the 23 ground responsible for the day-to-day operations at 24 that time. 25 243 Q. Okay.</p>	<p>68</p> <p>1 points of contact for Portland. 2 246 Q. Okay. And in addition to being 3 the lender under the Commitment Letters, 4 MarshallZehr was the mortgage administrator for 5 each of the 273 loan and 274 loans; correct? 6 A. Correct. 7 247 Q. And that was pursuant to the 8 Mortgage Administration Agreement we looked at 9 earlier with Mr. Soutter? 10 A. Yes, that's correct. 11 248 Q. And I have some questions about 12 that agreement, which I will get to in a bit. But 13 broadly speaking, Mr. Atkinson, can you describe 14 for me the responsibilities of a mortgage 15 administrator? 16 MR. CHAITON: Well, I am going to just 17 stop for a minute and ask you where you are going 18 with this, because what is in issue, as I 19 understand it, is the priority -- relative priority 20 of the mortgages. 21 MR. BEEFORTH: It is, but what is also 22 at issue is the extent to which Portland, as an 23 investor, was entitled to be informed of changes in 24 its position and the requirement of its consent to 25 certain changes.</p>
<p>67</p> <p>1 A. So they wouldn't have -- you know, 2 they wouldn't have been drafting Commitment Letters 3 themselves or going through the financial analysis 4 themselves. They, you know, participated in an 5 executive capacity, and the -- you know, we'll call 6 it the deal team would have kept them apprised 7 along the way. 8 244 Q. Okay. And that deal team was you 9 and Mr. Thiessen, primarily? 10 A. Primarily, yeah, we -- there were, 11 you know, two other individuals, I believe, who 12 assisted at various times. So Anthony Carlton, who 13 was, you know, the associate of mine who sent that 14 March 2023 pro forma update to Mr. Wain-Lowe, as 15 well as Joe Varrecchia was another colleague of 16 mine, no longer with MarshallZehr, and he was 17 responsible in a similar capacity to Anthony's 18 involvement, which was in a more junior capacity on 19 the team. 20 245 Q. Okay. And in terms of being the 21 main point of contact for investors, was that 22 Mr. Thiessen and then subsequently you? 23 A. It wasn't quite so cut and dry 24 where it would always be Mr. Thiessen, but yeah, 25 Mr. Thiessen and I would have been the primary</p>	<p>69</p> <p>1 And so that goes to the relationship 2 between MarshallZehr as mortgage administrator and 3 Portland as investor. 4 R/F MR. CHAITON: So I am not going to let 5 you pursue that round of questioning. If you want 6 to ask the questions about whether consent was 7 sought and obtained, you can ask that question. 8 MR. BEEFORTH: Okay. 9 MR. CHAITON: But in terms of what 10 their obligations are is really not the subject 11 matter of this motion. 12 BY MR. BEEFORTH: 13 249 Q. Okay. Thank you. 14 So I may have some other questions 15 along that vein, and I understand if you refuse 16 them, so be it, but I will put them on the record 17 in any event. 18 Mr. Atkinson, I take it in its role as 19 mortgage administrator, MarshallZehr at all times 20 had relevant information regarding the status of 21 both the 273 loan and the 274 loan? 22 A. Can you elaborate on what you mean 23 by "the status"? 24 250 Q. The amounts advanced under each of 25 those loans at any given time?</p>

<p>70</p> <p>1 A. Yes, that is a fair statement.</p> <p>2 251 Q. Any amendments to those loans that</p> <p>3 may have occurred and amendments to the Commitment</p> <p>4 Letters?</p> <p>5 A. Yes.</p> <p>6 252 Q. And the priority status of each of</p> <p>7 those loans relative to each other or other loans</p> <p>8 that may have been secured against the property in</p> <p>9 question?</p> <p>10 A. Yes.</p> <p>11 253 Q. All right. And I am going to pull</p> <p>12 up the Appointment Agreement we looked at earlier.</p> <p>13 We looked at a couple of these. The one that I am</p> <p>14 going to pull up, can you see that, Mr. Atkinson?</p> <p>15 A. Yes. 25th of September, 2019?</p> <p>16 254 Q. Yes. And I will just scroll to</p> <p>17 section 5.02, which we looked at earlier. This, as</p> <p>18 I understand it, was the original Appointment</p> <p>19 Agreement for the 274 loan; is that right?</p> <p>20 A. Yes.</p> <p>21 255 Q. And I think we marked that as</p> <p>22 Exhibit 3 to your examination, and if I have got</p> <p>23 that wrong, we can correct that later.</p> <p>24 MR. CHAITON: That's right.</p> <p>25 BY MR. BEEFORTH:</p>	<p>72</p> <p>1 259 Q. Okay. And so at least as with</p> <p>2 respect to that document, the obligations of</p> <p>3 MarshallZehr vis-à-vis any mortgage over which it</p> <p>4 was appointed administrator would be the same?</p> <p>5 A. Correct. I mean, we provide that</p> <p>6 agreement with each funding, and unless there was</p> <p>7 cause for an amended agreement, you know, to our</p> <p>8 template, it would be the same agreement that we</p> <p>9 would provide with each funding from each investor.</p> <p>10 260 Q. And there weren't any amendments</p> <p>11 to the Administration Agreements with respect to</p> <p>12 the loans in this matter?</p> <p>13 A. I can't say for certain. I</p> <p>14 know -- I believe the version that was pulled up</p> <p>15 earlier I think was a 2018 version of the document.</p> <p>16 I believe we may have later made changes to that</p> <p>17 template, but I am not sure when that occurred and</p> <p>18 if that revised document was part of any of the</p> <p>19 subsequent fundings later on in the Mapview</p> <p>20 project.</p> <p>21 261 Q. Okay. Thank you.</p> <p>22 And if we look at section 4.01 of the</p> <p>23 Appointment Agreement, which is on our screen here,</p> <p>24 this says that:</p> <p>25 "The Administrator is hereby</p>
<p>71</p> <p>1 256 Q. Thank you.</p> <p>2 And, Mr. Atkinson, other than certain</p> <p>3 provisions relating to, I suppose, the parties and</p> <p>4 the amount being advanced that we just looked at,</p> <p>5 is the Appointment Agreement a standard form of</p> <p>6 agreement used by MarshallZehr?</p> <p>7 A. Yes.</p> <p>8 257 Q. Okay. And so it is fair to say</p> <p>9 that the duties, obligations and responsibilities</p> <p>10 set out in this agreement would apply to all loans</p> <p>11 in respect of which MarshallZehr was appointed as</p> <p>12 administrator?</p> <p>13 MR. CHAITON: Well, although they are,</p> <p>14 you know, same or similar, without looking at each</p> <p>15 specific one, it is hard to give that broad</p> <p>16 sweeping an answer.</p> <p>17 But the obligations, the contractual</p> <p>18 obligations, anyway, would be similar.</p> <p>19 BY MR. BEEFORTH:</p> <p>20 258 Q. Okay. Thank you.</p> <p>21 And we'll look at it in a moment, but I</p> <p>22 believe you told Mr. Soutter that the Mortgage</p> <p>23 Administration Agreement itself is a standard form?</p> <p>24 A. Correct, yes, it is a template</p> <p>25 document that we use.</p>	<p>73</p> <p>1 authorized and directed to negotiate</p> <p>2 the final terms of the Loan</p> <p>3 Commitment and to enter into the</p> <p>4 Loan Commitment and a Third-Party</p> <p>5 Mortgage Administration Agreement,</p> <p>6 if applicable [...]"</p> <p>7 Pausing there for a moment, I don't</p> <p>8 believe any Third-Party Administration Agreement</p> <p>9 was entered into; is that right?</p> <p>10 A. Not to my knowledge, no.</p> <p>11 262 Q. And the capital "L" and capital</p> <p>12 "C" "Loan Commitment" are the Commitment Letters</p> <p>13 that we referred to earlier today?</p> <p>14 A. Yes, I believe that is correct.</p> <p>15 263 Q. So I'll continue:</p> <p>16 "[...] and to enter into the</p> <p>17 Loan Commitment [...] if applicable,</p> <p>18 as bare trustee and nominee of</p> <p>19 Principal [...]"</p> <p>20 And in this case, the "Principal" here</p> <p>21 was Portland for the 274 mortgage?</p> <p>22 A. Yes.</p> <p>23 264 Q. Pardon me, I should have said the</p> <p>24 274 loan. Thank you.</p> <p>25 "[...] provided:"</p>

<p>74</p> <p>1 And then it goes through a number of</p> <p>2 provisions here.</p> <p>3 And so MarshallZehr acting as bare</p> <p>4 trustee and nominee of Portland, that means that</p> <p>5 MarshallZehr would advance funds and hold any</p> <p>6 security for the benefit of Portland; correct?</p> <p>7 A. Correct. Portland was the</p> <p>8 beneficial owner of that specific mortgage.</p> <p>9 265 Q. Right. And so you would agree</p> <p>10 with me that MarshallZehr could only take steps in</p> <p>11 relation to the loan and the mortgage if it had</p> <p>12 instructions to do so from Portland?</p> <p>13 MR. CHAITON: No, I wouldn't</p> <p>14 necessarily agree with that. It all depends on if</p> <p>15 you are talking about at the time of making the</p> <p>16 loan, at the time of enforcement of the loan.</p> <p>17 There are different points in time that would be</p> <p>18 applicable.</p> <p>19 So perhaps, again, Counsel, if you can</p> <p>20 focus on what is in issue in this motion, I would</p> <p>21 appreciate that.</p> <p>22 BY MR. BEEFORTH:</p> <p>23 266 Q. Okay. Thank you. Understood.</p> <p>24 I'll stop sharing for a moment here.</p> <p>25 I'll share my screen again.</p>	<p>76</p> <p>1 about, right, the 274 loan in this case?</p> <p>2 A. Yes.</p> <p>3 269 Q. "[...] on behalf of the</p> <p>4 Principals" - i.e., Portland - "to</p> <p>5 the same extent and in the same</p> <p>6 manner as if [MarshallZehr] were the</p> <p>7 actual and sole lender under the</p> <p>8 Investment including, without</p> <p>9 limitation:</p> <p>10 a) to exercise all of the</p> <p>11 powers and remedies as may be</p> <p>12 provided for and/or available under</p> <p>13 the Credit Documents or at law to</p> <p>14 enforce and ensure performance by</p> <p>15 the Borrower [...]"</p> <p>16 And the "Borrower" here is Maplevue,</p> <p>17 right?</p> <p>18 A. In respect of 274 --</p> <p>19 270 Q. Actually, I --</p> <p>20 A. -- technically Urban North, but</p> <p>21 yes.</p> <p>22 271 Q. That's right. Thank you.</p> <p>23 A. Yes, yeah.</p> <p>24 272 Q. Quite right, Urban North in</p> <p>25 respect of 274.</p>
<p>75</p> <p>1 Mr. Atkinson, this is the Mortgage</p> <p>2 Administration Agreement that we looked at earlier</p> <p>3 when Mr. Soutter was asking you questions. I</p> <p>4 believe this is Exhibit 2 to your examination.</p> <p>5 Mr. Chaiton, do you know if that is --</p> <p>6 do I have that right?</p> <p>7 MR. CHAITON: Let me just check. Yes,</p> <p>8 it is.</p> <p>9 BY MR. BEEFORTH:</p> <p>10 267 Q. Thank you.</p> <p>11 And this is the standard form document</p> <p>12 we were referring to earlier. And you will see</p> <p>13 there - you are right - this is a 2018 version;</p> <p>14 correct?</p> <p>15 A. Yes.</p> <p>16 268 Q. Okay. And if we look at section</p> <p>17 3.01 of this document, it states that:</p> <p>18 "Except as may be specifically</p> <p>19 provided to the contrary herein,</p> <p>20 Administrator" - that is</p> <p>21 MarshallZehr - "is hereby</p> <p>22 irrevocably authorized and directed,</p> <p>23 to manage and administer the</p> <p>24 Investment [...]"</p> <p>25 And that is the loan we are talking</p>	<p>77</p> <p>1 "[...] of all of its</p> <p>2 obligations under the Credit</p> <p>3 Documents and otherwise reasonably</p> <p>4 necessary and prudent to protect the</p> <p>5 Principals under the Investment</p> <p>6 [...]"</p> <p>7 So one of -- you would agree with me</p> <p>8 that one of the responsibilities of MarshallZehr</p> <p>9 under the Administration Agreement was to protect</p> <p>10 the interests of Portland in relation to its loan?</p> <p>11 R/F MR. CHAITON: Yeah, you don't need to</p> <p>12 answer that question, Mr. Atkinson. The document</p> <p>13 says what it says.</p> <p>14 BY MR. BEEFORTH:</p> <p>15 273 Q. Okay. And section 3.02 of this</p> <p>16 agreement states:</p> <p>17 "Without in any way limiting</p> <p>18 the foregoing, the Principals hereby</p> <p>19 direct and authorize the</p> <p>20 Administrator" - MarshallZehr -</p> <p>21 "to:"</p> <p>22 And if we look at sub (d):</p> <p>23 "provide each Principal with a</p> <p>24 regular accounting and inform each</p> <p>25 Principal in a timely manner of all</p>

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<p>1 material changes in circumstances 2 affecting the Investment including, 3 without limitation, any subsequent 4 financing contrary to the terms of 5 the Credit Documents [...]" 6 And it goes on to say a few other 7 things. 8 And so another one of MarshallZehr's 9 responsibilities was to inform Portland in a timely 10 manner of all material changes in the circumstances 11 affecting the 274 loan; correct? 12 MR. CHAITON: I think that is what it 13 says, Counsel. 14 BY MR. BEEFORTH: 15 274 Q. And you accept Mr. Chaiton's 16 response, Mr. Atkinson? 17 MR. CHAITON: I -- 18 THE WITNESS: Yeah. 19 MR. CHAITON: To be clear, what we 20 are -- the position is that the document says what 21 it says, and you have read it. 22 MR. BEEFORTH: Yes, I have. I 23 understand that. And I am asking for 24 Mr. Atkinson's understanding of MarshallZehr's 25 responsibilities under this standard form of</p>	<p>1 Subdivision Agreement, any new agreement against 2 title to the property. 3 BY MR. BEEFORTH: 4 276 Q. Okay. Thank you. 5 And what about "a significant change in 6 the circumstances affecting [...] the transaction 7 contemplated"? What would be a significant change 8 as contemplated by this agreement? 9 R/F MR. CHAITON: Again, don't answer that 10 question. 11 MR. BEEFORTH: Is there -- 12 MR. CHAITON: The position is that I 13 think you are going beyond the -- really what -- 14 the scope of the motion. 15 BY MR. BEEFORTH: 16 277 Q. Okay. Would a significant change 17 include a change to the priority of a loan security 18 vis-a-vis other charges or loans on title? 19 THE WITNESS: Should I answer? 20 MR. CHAITON: Well, perhaps you could 21 repeat it. I am not sure I understood the 22 question. 23 BY MR. BEEFORTH: 24 278 Q. Would a significant change include 25 a change to the priority of a loan security</p>
79	81
<p>1 MarshallZehr's agreement, but I have your position. 2 MR. CHAITON: Okay. Thank you. 3 BY MR. BEEFORTH: 4 275 Q. And then if we look at 5 section 6.02, it says: 6 "The Administrator shall 7 promptly notify each Principal if 8 the Administrator becomes aware of a 9 subsequent encumbrance on the 10 properties subject to a 11 Charge/Mortgage under the Security 12 or any significant change in the 13 circumstances affecting of the 14 transaction contemplated by the 15 Credit Documents and/or the Security 16 thereunder." 17 Mr. Atkinson, what is your 18 understanding of what a "subsequent encumbrance" 19 is, as referenced in this provision? 20 THE WITNESS: Harvey, am I okay to 21 answer that? 22 MR. CHAITON: Yes. Go ahead. 23 THE WITNESS: So a -- in my view, a 24 subsequent encumbrance would be the registration of 25 a new mortgage, you know, registration of the</p>	<p>1 vis-a-vis other charges or loans registered on 2 title? 3 MR. CHAITON: Do you know the answer to 4 that, Mr. Atkinson? 5 THE WITNESS: Yeah. So my view of, you 6 know, a significant change would be if we -- if 7 there were additional amounts which were being 8 funded, not contemplated, you know, in the original 9 agreement ahead of Portland, then yes, that would, 10 you know, have the effect of putting them further 11 back in the debt stack. 12 Anything that goes on behind them, not 13 necessarily a significant change. 14 BY MR. BEEFORTH: 15 279 Q. Okay. Thank you. 16 And if a significant change occurred, 17 MarshallZehr was to promptly notify Portland, 18 right? 19 A. I believe that is what it says 20 here. 21 280 Q. Thank you. 22 So I'll put this document away, and I 23 am going to pull up -- this is the Commitment 24 Letter for the 274 loan, Exhibit B to the Wain-Lowe 25 affidavit, and we looked at this earlier,</p>

<p>82</p> <p>1 Mr. Atkinson.</p> <p>2 So as you pointed out, the borrower</p> <p>3 under this agreement is Urban North, right?</p> <p>4 A. Yes.</p> <p>5 281 Q. And there are a number of</p> <p>6 guarantors, and one of those guarantors is a</p> <p>7 numbered company, 2552741 Ontario Inc., and I</p> <p>8 understand that company is owned by Mr. Zehr and</p> <p>9 Mr. Marshall. Do you know that to be the case?</p> <p>10 A. Yes. They would be the beneficial</p> <p>11 owners of that company.</p> <p>12 282 Q. All right. And my understanding</p> <p>13 is that 255 is or was at this time a 50 percent</p> <p>14 shareholder of Mapleview Developments Ltd.; is that</p> <p>15 correct?</p> <p>16 A. Correct. 255 is a 50 percent</p> <p>17 co-tenant in the Mapleview Developments Ltd.</p> <p>18 co-tenancy.</p> <p>19 283 Q. And so -- thank you for that.</p> <p>20 And so the principals of MarshallZehr</p> <p>21 indirectly were borrowers under both the 273 loan</p> <p>22 and the 274 loan; correct?</p> <p>23 A. Correct.</p> <p>24 284 Q. And I understand that they also</p> <p>25 had an equity stake in the Mapleview development</p>	<p>84</p> <p>1 potential for a conflict of interest to arise?</p> <p>2 R/F MR. CHAITON: Don't answer the</p> <p>3 question.</p> <p>4 BY MR. BEEFORTH:</p> <p>5 286 Q. Okay. And would you agree with me</p> <p>6 that MarshallZehr was obliged as administrator to</p> <p>7 do its best to avoid any such conflicts?</p> <p>8 R/F MR. CHAITON: Don't answer that</p> <p>9 question.</p> <p>10 BY MR. BEEFORTH:</p> <p>11 287 Q. All right. Okay. If we look at</p> <p>12 page 2 of this Commitment Letter, you will see here</p> <p>13 under "Purpose" - and Mr. Soutter went over some of</p> <p>14 this with you - the purpose of the 274 loan was a</p> <p>15 2nd mortgage for a land loan required to purchase</p> <p>16 the Phase 4 lands; correct?</p> <p>17 A. Correct. It was -- and just to</p> <p>18 clarify that, because it is explained in a little</p> <p>19 bit more detail down below, as Mr. Soutter had</p> <p>20 pulled up in his part of the examination, the</p> <p>21 expectation was that once the PINs had been</p> <p>22 separated, had -- once the subdivision of the</p> <p>23 property had been separated to the effect to give</p> <p>24 Phase 4 its own PIN or PINs and closing of the sale</p> <p>25 occurred to Urban North on the Go, that this</p>
<p>83</p> <p>1 project which these loans were intended to finance?</p> <p>2 R/F MR. CHAITON: Counsel, I am going to</p> <p>3 have to cut off this line of questioning here. You</p> <p>4 are using this for a collateral purpose, and unless</p> <p>5 you are going to focus on what is in issue in this</p> <p>6 motion, I think we are going to have to just cancel</p> <p>7 this examination at this point.</p> <p>8 MR. BEEFORTH: Well, I would be</p> <p>9 surprised if we did that, but, Mr. Chaiton, if you</p> <p>10 want to refuse the questions, I am not going to</p> <p>11 press the issue, but I will put them on the record</p> <p>12 and --</p> <p>13 MR. CHAITON: Okay.</p> <p>14 MR. BEEFORTH: -- I don't see any need</p> <p>15 to adjourn or cancel, but --</p> <p>16 MR. CHAITON: I would prefer not to.</p> <p>17 MR. BEEFORTH: -- you'll let me know if</p> <p>18 we get there.</p> <p>19 MR. CHAITON: I would prefer not to.</p> <p>20 BY MR. BEEFORTH:</p> <p>21 285 Q. As would I.</p> <p>22 You would agree with me, Mr. Atkinson,</p> <p>23 that in circumstances where principals of</p> <p>24 MarshallZehr were borrowers under loans that</p> <p>25 MarshallZehr was administering, there was a</p>	<p>85</p> <p>1 mortgage would be in second position upon closing</p> <p>2 of the purchase by Urban North on the Go.</p> <p>3 288 Q. All right. And, well, it says</p> <p>4 here:</p> <p>5 "The initial advance will be</p> <p>6 secured against the whole of the</p> <p>7 Mapleview lands as defined in the</p> <p>8 Project."</p> <p>9 So you have just explained that, right?</p> <p>10 There weren't individual PINs at this time, and so</p> <p>11 it just went into the debt stack for the project</p> <p>12 lands overall, right?</p> <p>13 A. Correct. The subdivision did not</p> <p>14 occur until January, I believe, of 2021, and so</p> <p>15 when this mortgage was registered in 2019, it was</p> <p>16 secured against all the phases to the extent that</p> <p>17 there was only one PIN for the project.</p> <p>18 289 Q. Okay. And the "Purpose" then goes</p> <p>19 on to say:</p> <p>20 "Upon separate PINS being made</p> <p>21 available the security over the</p> <p>22 Mapleview land [...]"</p> <p>23 That is the entire land, right?</p> <p>24 A. Correct.</p> <p>25 290 Q. "[...] will be released with a</p>

<p>86</p> <p>1 2nd charge provided against the 2 Phase 4 lands." 3 So what you have said there. 4 What I don't see, Mr. Atkinson, in this 5 Commitment Letter is the second mortgage on the 6 Phase 4 lands being contingent upon closing of the 7 purchase by Urban North. 8 Can you point out to me where in this 9 Commitment Letter that is a condition to the 10 registration of the second mortgage on the Phase 4 11 lands? 12 R/F MR. CHAITON: Don't answer that 13 question. 14 MR. BEEFORTH: Okay. Well, that goes 15 directly to the priority issue. 16 MR. CHAITON: No, but -- I understand. 17 But the document says what it says, and if it is 18 not there, it is not there. 19 If you want to ask him -- I am just not 20 sure where this line of questioning is going as it 21 relates to the priority issue. 22 Your affidavit is pretty 23 straightforward. It just says we registered after. 24 There were advances made by the prior mortgagee -- 25 MR. BEEFORTH: Uhm-hmm.</p>	<p>88</p> <p>1 closing"? 2 MR. CHAITON: You were reading that, I 3 thought. 4 MR. BEEFORTH: No, I am not. I am 5 saying that it is not there, and I am asking 6 Mr. Atkinson where that piece, "upon closing", 7 comes from. 8 MR. CHAITON: So just so I understand, 9 are you asking whether Portland was to get a second 10 mortgage at the time of the advance irrespective of 11 whether the Urban North transaction closed? 12 BY MR. BEEFORTH: 13 293 Q. I am asking whether -- so this 14 provision says, at the bottom of the first 15 paragraph under "Purpose": 16 "Upon separate PINS being made 17 available the security over the 18 Maplevue land will be released with 19 a 2nd charge provided against the 20 Phase 4 lands". 21 And Mr. Atkinson said upon separate 22 PINs being made available and upon closing of the 23 sale transaction, the second charge will be 24 provided against the Phase 4 lands, and I am asking 25 Mr. Atkinson what he is relying upon for that</p>
<p>87</p> <p>1 MR. CHAITON: -- without our knowledge 2 and consent. That is your position. 3 MR. BEEFORTH: Well, no, that is our 4 evidence, but our position is going to be based in 5 part on Mr. Atkinson's evidence and what was to 6 occur as opposed to what did occur. 7 And so -- 8 MR. CHAITON: Well -- 9 BY MR. BEEFORTH: 10 291 Q. -- maybe I'll ask it in a 11 different way, Mr. Chaiton. If you want to refuse 12 it, I understand. Let me ask a different question. 13 Mr. Atkinson, you said that upon 14 closing of the sale of the Phase 4 lands to Urban 15 North, this second mortgage on the Phase 4 lands 16 would be registered, right? I am paraphrasing, but 17 that is what you said a moment ago? 18 A. Yes. 19 292 Q. Okay. Is there a provision in the 20 Commitment Letter that you are relying upon or 21 thinking of in support of your statement? 22 MR. CHAITON: I am not following. It 23 says that it is upon closing and it never closed. 24 MR. BEEFORTH: Where does it say that? 25 That is what I am asking, where does it say "upon</p>	<p>89</p> <p>1 second condition that he referred to. 2 A. So I think the section in the 3 commitment that details the security to be 4 delivered is section 3. I don't have the exact 5 page reference, but around page 12, like 11, 12, 6 13 -- yeah, you are -- actually just scroll up just 7 a page or two. 8 294 Q. Yes. 9 A. And so there, part (a), 10 "Mortgage": 11 "Initially A 5th Mortgage 12 [...]" 13 And that would be the supplement that 14 describes the initial giving of a fifth mortgage -- 15 295 Q. Yes. 16 A. -- to then later revert to a 17 second mortgage against Phase 4 behind Vector, who 18 was anticipated to be the first mortgage lender to 19 help finance Urban North's purchase of Phase 4 from 20 Maplevue. 21 296 Q. Okay. And I understand that. Can 22 you point me in this section where it says that in 23 order for the second mortgage to be registered on 24 the Phase 4 lands, the sale has to close? 25 U/A MR. CHAITON: We'll take that under</p>



<p>90</p> <p>1 advisement.</p> <p>2 MR. BEEFORTH: Okay. So you --</p> <p>3 MR. CHAITON: Well, I think you have</p> <p>4 heard, Counsel, that, you know, Mr. Atkinson had</p> <p>5 indicated that the financing, you know, in part was</p> <p>6 in contemplation of that transaction.</p> <p>7 MR. BEEFORTH: Yes, I have heard that,</p> <p>8 and I have also heard him say that the registration</p> <p>9 of the second mortgage on the Phase 4 lands was</p> <p>10 conditional upon the sale transaction closing, and</p> <p>11 I am asking -- and he has taken me to this</p> <p>12 provision of the Commitment Letter, and I am asking</p> <p>13 him where in this part of the Commitment Letter it</p> <p>14 says that closing is a condition to the second</p> <p>15 mortgage.</p> <p>16 So if you are taking that under</p> <p>17 advisement, I understand --</p> <p>18 MR. CHAITON: Yeah, we will. We will</p> <p>19 take it under advisement.</p> <p>20 BY MR. BEEFORTH:</p> <p>21 297 Q. Okay. And so, Mr. Atkinson - and</p> <p>22 your counsel may also take this under advisement -</p> <p>23 would you agree with me that the intention of the</p> <p>24 parties was that the 274 loan would be secured</p> <p>25 against the Phase 4 lands as a second mortgage upon</p>	<p>92</p> <p>1 subordinate the 274 loan to any amounts advanced by</p> <p>2 KingSett following the creation of the Phase 4</p> <p>3 PINs?</p> <p>4 MR. CHAITON: Sorry, can you repeat</p> <p>5 that?</p> <p>6 BY MR. BEEFORTH:</p> <p>7 300 Q. Would you agree with me,</p> <p>8 Mr. Atkinson, that there is no provision in this</p> <p>9 "Security to be Delivered" section or anywhere in</p> <p>10 the Commitment Letter pursuant to which Portland</p> <p>11 agreed to subordinate the 274 loan to any amounts</p> <p>12 advanced by KingSett following the creation of the</p> <p>13 Phase 4 PINs?</p> <p>14 R/F MR. CHAITON: I am going to instruct</p> <p>15 the witness not to answer the question because,</p> <p>16 again, this is all highly theoretical and</p> <p>17 hypothetical because it never closed.</p> <p>18 BY MR. BEEFORTH:</p> <p>19 301 Q. Okay. All right. And then I have</p> <p>20 the same question, Mr. Atkinson, with respect to</p> <p>21 the 273 loan or any other MarshallZehr loan</p> <p>22 advanced with respect to this project.</p> <p>23 R/F MR. CHAITON: The same thing, a</p> <p>24 refusal.</p> <p>25 BY MR. BEEFORTH:</p>
<p>91</p> <p>1 the availability of individual PINs for those</p> <p>2 lands?</p> <p>3 R/F MR. CHAITON: Don't answer the</p> <p>4 question.</p> <p>5 MR. BEEFORTH: Is that a refusal or an</p> <p>6 advisement?</p> <p>7 MR. CHAITON: A refusal.</p> <p>8 BY MR. BEEFORTH:</p> <p>9 298 Q. Okay. Okay. Counsel, in addition</p> <p>10 to the advisement you have made, could I also have</p> <p>11 an undertaking, please, for any other documents or</p> <p>12 evidence that MarshallZehr relies upon in support</p> <p>13 of its position that the closing of the Phase 4</p> <p>14 sale -- pardon me, the closing of the Phase 4 lands</p> <p>15 sale transaction was a condition to the 274 loan</p> <p>16 being registered as a second mortgage against those</p> <p>17 lands?</p> <p>18 U/A MR. CHAITON: I'll take it under</p> <p>19 advisement.</p> <p>20 BY MR. BEEFORTH:</p> <p>21 299 Q. Okay. Thank you.</p> <p>22 And, Mr. Atkinson, would you agree with</p> <p>23 me that there is no provision in this "Security to</p> <p>24 be Delivered" section or anywhere in the Commitment</p> <p>25 Letter pursuant to which Portland agreed to</p>	<p>93</p> <p>1 302 Q. Okay. Mr. Atkinson, this</p> <p>2 Commitment Letter was never amended, to your</p> <p>3 knowledge; correct?</p> <p>4 A. I can't recall if there were any</p> <p>5 amendments to this loan, the 274 loan.</p> <p>6 303 Q. Okay. If you become aware of</p> <p>7 an -- I am not, but if you become aware of an</p> <p>8 amendment, can you let me know, please?</p> <p>9 U/T MR. CHAITON: Yes.</p> <p>10 BY MR. BEEFORTH:</p> <p>11 304 Q. Thank you.</p> <p>12 If we look at page 7 of this Commitment</p> <p>13 Letter, Mr. Atkinson, there is a provision there</p> <p>14 labelled "Subordinate Financing", and it reads, in</p> <p>15 part:</p> <p>16 "No additional financing will</p> <p>17 be permitted without the prior</p> <p>18 written consent of the Lender and in</p> <p>19 the event of a default under this</p> <p>20 restriction, the entire principal,</p> <p>21 interest, fees and all other amounts</p> <p>22 under the Commitment and security</p> <p>23 issued pursuant thereto shall become</p> <p>24 immediately due and payable."</p> <p>25 So based on this provision, you would</p>

<p>94</p> <p>1 agree with me, Mr. Atkinson, that if there was to 2 be any additional financing that would impact the 3 274 loan in any manner, the lender's consent was 4 required? 5 MR. CHAITON: Firstly, I am not sure 6 that you are interpreting that document correctly. 7 MR. BEEFORTH: Okay. 8 MR. CHAITON: I disagree with the 9 premise that "subordinate financing" means 10 increasing a prior ranking loan. 11 BY MR. BEEFORTH: 12 305 Q. Okay. And so is it MarshallZehr's 13 position that if the principal amount of a prior 14 ranking loan ahead of the 274 loan was increased, 15 the lender of the 274 loan was not required to 16 consent to that increase? 17 MR. CHAITON: Is that our -- again, I 18 am not sure that is a proper question, but I would 19 tell you that, as I think the evidence has already 20 disclosed, Portland had agreed to rank behind prior 21 ranking financing, construction financing of at 22 least \$68 million. 23 MR. BEEFORTH: Well, I don't think that 24 is entirely reflective of all of the evidence, but, 25 look, I have asked my question. I can repeat it if</p>	<p>96</p> <p>1 for -- to the investor for, I should say. 2 BY MR. BEEFORTH: 3 307 Q. Okay. And in circumstances -- in 4 this particular circumstance that we are talking 5 about where the principal amount of a loan that 6 ranked ahead of the 274 loan was to be increased, 7 is that a situation in which you would need to go 8 to Portland for consent? 9 R/F MR. CHAITON: I am actually going to 10 cut off this line of questioning, Counsel. 11 BY MR. BEEFORTH: 12 308 Q. Okay. So following the execution 13 of the Commitment Letters, Mr. Atkinson - and you 14 covered this with Mr. Soutter - the full balance of 15 the 273 loan and the first tranche of the 274 loan 16 were advanced by MarshallZehr; correct? 17 A. Correct. 18 309 Q. And charges securing those loans 19 were registered against the lands, those are at 20 Exhibits G and H of Mr. Wain-Lowe's affidavit. 21 And we can pull up Exhibit H here, and 22 I can blow this up for you a bit. This is a 23 charge, 1629461. You will see here it is for 24 \$9 million. My understanding is this is the charge 25 for the 274 loan. Can you tell that by looking at</p>
<p>95</p> <p>1 you would like. 2 MR. CHAITON: Okay. 3 MR. BEEFORTH: You can take it under 4 advisement or refuse it. 5 U/A MR. CHAITON: I'll take it under 6 advisement. 7 BY MR. BEEFORTH: 8 306 Q. Okay. Thank you. 9 And, Mr. Atkinson, if the lender's 10 consent was required - and I understand your 11 counsel has taken that under advisement - you would 12 agree with me that the lender, i.e., MarshallZehr, 13 in turn would be required to obtain consent from 14 Portland as its principal? 15 MR. CHAITON: Sorry, you are saying if 16 it was required? 17 MR. BEEFORTH: Yes, if it was required. 18 THE WITNESS: Harvey, is that something 19 I can answer? 20 MR. CHAITON: Sure. 21 THE WITNESS: So if written consent was 22 required from MarshallZehr as the lender, then we 23 would revert to the Mortgage Administration 24 Agreement as to whether or not that requirement was 25 something that we needed to go back to the lender</p>	<p>97</p> <p>1 this document? 2 A. Based on the dollar amount, I 3 believe that is correct. 4 310 Q. Okay. 5 A. Yeah. 6 311 Q. And attached to this charge is the 7 Schedule of Additional Provisions, and if we scroll 8 to section 12 of this document, you will see there 9 it states -- it is entitled "Restrictions on 10 Further Financing", and it states: 11 "The Chargor" - which is 12 Maplevue - "covenants and agrees 13 that it will not enter into, create, 14 incur, assume, suffer or permit to 15 exist any other charge, pledge or 16 other form of financing against the 17 Real Property and/or in respect of 18 any chattels or other equipment 19 directly related to the Real 20 Property, and not to further 21 encumber same in any manner without 22 the prior written consent of the 23 Chargee [...]" 24 And my understanding is that is 25 MarshallZehr; correct?</p>

<p>98</p> <p>1 A. Yes, I believe that is correct.</p> <p>2 312 Q. "[...] which approval may be</p> <p>3 unreasonably withheld by the</p> <p>4 Chargee."</p> <p>5 And so this is similar to the term we</p> <p>6 looked at in the Commitment Letter.</p> <p>7 And under this provision of the</p> <p>8 additional charge terms, would you agree with me</p> <p>9 that the property on which the 274 loan was --</p> <p>10 against which it was secured could not be further</p> <p>11 encumbered without MarshallZehr's consent?</p> <p>12 THE WITNESS: Harvey, am I okay to</p> <p>13 answer that?</p> <p>14 MR. CHAITON: Yeah, go ahead.</p> <p>15 THE WITNESS: Yeah. Yeah, correct, I</p> <p>16 believe that is what this section here is referring</p> <p>17 to.</p> <p>18 BY MR. BEEFORTH:</p> <p>19 313 Q. And in order to provide that</p> <p>20 consent, you would need to go to Portland, as your</p> <p>21 investor, to obtain its consent?</p> <p>22 R/F MR. CHAITON: Don't answer that</p> <p>23 question.</p> <p>24 BY MR. BEEFORTH:</p> <p>25 314 Q. Okay. I think you mentioned a few</p>	<p>100</p> <p>1 Okay. So we'll go back to -- actually,</p> <p>2 we'll just pull this down for a minute.</p> <p>3 Following the creation of PINs for the</p> <p>4 Phase 4 lands, did MarshallZehr cause a second</p> <p>5 mortgage to be registered on the Phase 4 lands in</p> <p>6 favour of the 274 loan?</p> <p>7 THE WITNESS: Harvey?</p> <p>8 MR. CHAITON: Yeah, go ahead.</p> <p>9 THE WITNESS: Yeah. No, the second</p> <p>10 mortgage did not get registered. The sale to Urban</p> <p>11 North on the Go had not closed.</p> <p>12 BY MR. BEEFORTH:</p> <p>13 319 Q. And I was going to ask you why</p> <p>14 not, and is that the answer, that the sale hadn't</p> <p>15 closed and therefore, in MarshallZehr's view, the</p> <p>16 mortgage was not required to be registered?</p> <p>17 A. The --</p> <p>18 MR. CHAITON: You can answer.</p> <p>19 THE WITNESS: Correct, yes. So the</p> <p>20 sale did not close. The mortgages were subject to</p> <p>21 a standstill agreement with KingSett, and the sale</p> <p>22 did not -- yeah, the sale did not close.</p> <p>23 BY MR. BEEFORTH:</p> <p>24 320 Q. I don't think I have seen a copy</p> <p>25 of that standstill agreement. Would you be able to</p>
<p>99</p> <p>1 moments ago, Mr. Atkinson, that individual PINs</p> <p>2 were assigned to the Phase 4 lands in January 2021?</p> <p>3 A. Yes, I believe January 2021 was</p> <p>4 when the Subdivision Agreement was registered with</p> <p>5 the subdivision plan, and it created, I believe it</p> <p>6 was, two PINs for Phase 4.</p> <p>7 315 Q. Okay. And I was going to ask you</p> <p>8 to identify these for me, but maybe we can do it</p> <p>9 this way. If we turn to Exhibit O of</p> <p>10 Mr. Wain-Lowe's affidavit, I have a couple</p> <p>11 questions about this a little later, but for now,</p> <p>12 this is the January 20, 2022 amendment to MZGI-393,</p> <p>13 right?</p> <p>14 A. Correct.</p> <p>15 316 Q. All right. And this amendment has</p> <p>16 a schedule, Schedule 1, which sets out the</p> <p>17 subdivision/PIN description. And you will see here</p> <p>18 there are two PINs that are associated with</p> <p>19 Phase 4. Are these the PINs you were referring to</p> <p>20 a moment ago?</p> <p>21 A. Yes, I believe that is correct.</p> <p>22 317 Q. Okay. And if that turns out to be</p> <p>23 incorrect, you'll let me know?</p> <p>24 U/T A. Yes.</p> <p>25 318 Q. Thank you.</p>	<p>101</p> <p>1 produce one? That may be a question for you,</p> <p>2 Harvey.</p> <p>3 U/A MR. CHAITON: Yeah, I don't have it</p> <p>4 offhand. I am trying to think about whether it is</p> <p>5 already in the Court material in the receivership</p> <p>6 proceedings. But let me look for the standstill.</p> <p>7 And so I'll take it under advisement and get back</p> <p>8 to you.</p> <p>9 BY MR. BEEFORTH:</p> <p>10 321 Q. Thank you.</p> <p>11 Okay. We talked and Mr. Soutter asked</p> <p>12 you questions earlier about the June 2020 amendment</p> <p>13 to the 273 loan, and I will pull up my screen here.</p> <p>14 This is Exhibit I to Mr. Wain-Lowe's</p> <p>15 affidavit. We looked at this earlier, Mr. Atkinson.</p> <p>16 This is the amendment to the 273 Commitment Letter;</p> <p>17 correct?</p> <p>18 A. Yes, the first amendment, yes.</p> <p>19 322 Q. Right. And this is when Tranche B</p> <p>20 was introduced?</p> <p>21 A. Correct.</p> <p>22 323 Q. And the purpose of Tranche B was</p> <p>23 to, in part, pay out Portland's position in the 273</p> <p>24 loan, which was Tranche A?</p> <p>25 A. Correct.</p>

<p>102</p> <p>1 324 Q. Right. And we know that happened 2 subsequent to the execution of this amendment. 3 And prior to the amendment being 4 entered into, there was some -- there was an email 5 exchange between Mr. Wain-Lowe and Mr. Thiessen and 6 yourself, and we looked at this earlier with 7 Mr. Soutter. It is Exhibit M to the Wain-Lowe 8 affidavit. You recall this, looking at this email? 9 A. Yes, I do. 10 325 Q. All right. And if we scroll down 11 to page 6 of the email, this is an email from 12 Mr. Thiessen to Mr. Wain-Lowe, copying you, dated 13 June 17th, 2020, and he says here: 14 "As discussed Monday evening, 15 please find the attached MZGI273 16 Amendment which we will be sending 17 out for execution to the Borrower 18 [...]" 19 And so I take it this amendment had 20 already been discussed with Portland prior to this 21 email being sent? 22 A. Yes, I believe, based on the 23 email, that Josh had a conversation with Chris to 24 explain what was going to be presented in the 25 amendment.</p>	<p>104</p> <p>1 from KingSett for Phase 3 financing, so an 2 amendment -- you know, a Commitment Letter which 3 would amend and increase the loan facilities. 4 At that time, we had approached 5 Portland for consent to allow for the increased 6 charge for the additional borrowings. They 7 declined. And so we began upon a path to find a 8 letter to take us -- you know, take assignment and 9 assume Portland's position in the 273 loan, which 10 created -- you know, which was reflected in this 11 amendment. 12 330 Q. Okay. 13 A. And so by presenting this 14 amendment to Portland, we were explaining to say, 15 hey, guys, we have got -- you know, we have got 16 funding lined up with an investor to take you out 17 of 273. It is subject to a couple of conditions, 18 and you know, essentially keep them apprised on how 19 they are to be repaid and explain to them -- as you 20 will see in the email correspondence that follows 21 the June 17th email, it explains the timing and the 22 pieces that would ultimately repay Portland, which 23 included some funds from 273 Tranche B, some funds 24 from KingSett's Phase 3 initial advance, and some 25 funds that were injected by the owners of the</p>
<p>103</p> <p>1 326 Q. Okay. And part of the reason for 2 sending this email to Portland was to obtain 3 Portland's consent to the amendment; is that fair? 4 A. Correct. 5 327 Q. And MarshallZehr took those steps, 6 I would suggest to you, because it was obliged to 7 do so under the terms of both the 273 Commitment 8 Letter and Mortgage Administration Agreement as 9 well as the 274 loan Commitment Letter and Mortgage 10 Administration Agreement; would you agree with me? 11 MR. CHAITON: Perhaps, Counsel, ask the 12 witness if he knows why MarshallZehr sought or had 13 this line of communication with Portland. 14 BY MR. BEEFORTH: 15 328 Q. Sure. We'll try it that way. 16 Why was MarshallZehr seeking Portland's 17 consent to this amendment? 18 A. So when we were providing this 19 amendment to them, it was to explain to Portland 20 their -- essentially how they were going to exit 21 the 274 loan, their participation in -- or sorry, 22 not the 274. The 273 loan. 23 329 Q. Yes. 24 A. So, you know, for context, prior 25 to this, earlier in 2020 we had received an offer</p>	<p>105</p> <p>1 project to round out the repayment of Portland from 2 273. 3 331 Q. Okay. And so you said a moment 4 ago that this commitment -- or this amendment, 5 rather, was in part driven by the desire to bring 6 in additional financing from KingSett and 7 Portland's refusal to consent to that financing; is 8 that -- do I have that accurately? 9 A. Correct. As it pertained to their 10 investment in 273, correct. 11 332 Q. Right. But that also would have 12 affected 274 as also being subordinate to that 13 proposed additional financing? 14 A. As being subordinate to that 15 proposed financing, yes. However, 274 eventually, 16 you know, the purpose was for Phase 4 financing. 17 We understood that Portland would not have an 18 objection to KingSett pursuing the Phase 3 19 financing once they had exited and been repaid from 20 273. 21 333 Q. Right. And -- 22 A. Which is why in this 23 correspondence here and in the discussions that we 24 had with Portland, it was made very clear that 25 KingSett was to be registering their Phase 3</p>

<p>106</p> <p>1 mortgage and Portland's 274 loan was to -- you 2 know, that would keep their same position in the 3 debt stack behind the KingSett funds, and it was 4 just that they were just getting repaid from 273. 5 334 Q. Right. And that -- 6 A. And in the correspondence from 7 Chris, he consented to us proceeding, and you know, 8 was made aware that he was going to get paid out of 9 273. KingSett was going to register their Phase 3 10 charges, and he would still be -- Portland would 11 still be owed their investment in 274. 12 335 Q. Yes. And you are quite right that 13 Mr. Wain-Lowe did consent, and we see that here at 14 the top of page 2 of the email, following 15 Mr. Thiessen's email that you looked at with 16 Mr. Soutter, where he says, in part: 17 "[...] your position in the 18 [...] 274 facility will remain 19 covered with mortgage security and 20 will not lose its position in the 21 debt stack." 22 That is what you were referring to a 23 moment ago? 24 A. Correct. 25 336 Q. Okay. And so just as Portland's</p>	<p>108</p> <p>1 committed for the construction, servicing, 2 financing, as contemplated in the KingSett 3 commitments. 4 338 Q. Right. And you sought Portland's 5 consent in relation to all of its investments in 6 the Maplevue project because your agreements with 7 Portland required you to do so; is that fair? 8 R/F MR. CHAITON: Don't answer that 9 question. 10 BY MR. BEEFORTH: 11 339 Q. This email from Mr. Thiessen, 12 Mr. Atkinson, refers to a solicitor's 13 recommendation. Do you know if that recommendation 14 was made in writing? 15 A. I am not sure. 16 MR. CHAITON: I think you might be 17 getting into solicitor-client privileged 18 communications. 19 BY MR. BEEFORTH: 20 340 Q. Well, I mean, if Mr. Thiessen is 21 providing Mr. Wain-Lowe with advice respecting his 22 priority in reliance on a solicitor's 23 recommendation, I would argue that is producible. 24 And so I will ask if there was a 25 written recommendation, for a copy of that, please.</p>
<p>107</p> <p>1 consent to additional KingSett financing was 2 required with respect to the 273 loan, that same 3 consent would be required with respect to the 274 4 loan; would you agree with me? 5 R/F MR. CHAITON: Don't answer that 6 question. Again, if you want to ask whether 7 consent was sought and obtained, that is perfectly 8 appropriate. 9 MR. BEEFORTH: I think he has already 10 told me that. 11 MR. CHAITON: Okay. 12 MR. BEEFORTH: And we see from this 13 email that it was sought and -- 14 MR. CHAITON: I meant in respect of 15 274. 16 BY MR. BEEFORTH: 17 337 Q. Okay. Was consent -- did 18 MarshallZehr seek consent from Portland in its 19 capacity as the investor in the 274 loan? 20 A. My understanding of this 21 communication was that we were seeking consent from 22 Portland in respect of all of their participations 23 in Maplevue to proceed to allow the KingSett 24 charge for Phase 3 to be registered and for 25 Maplevue to be entitled to borrow all the amounts</p>	<p>109</p> <p>1 U/A MR. CHAITON: I'll take it under 2 advisement. 3 BY MR. BEEFORTH: 4 341 Q. Okay. Thank you. 5 And if it was a verbal recommendation, 6 I would like a summary of what that recommendation 7 was, please. 8 U/A MR. CHAITON: Under advisement. 9 BY MR. BEEFORTH: 10 342 Q. Thank you. 11 Did MarshallZehr make any 12 recommendation to Portland regarding this 13 amendment, or was it Portland's decision to make? 14 A. We -- so it was Portland's -- it 15 was Portland's decision to make to the extent that, 16 for an interim period, while they were being repaid 17 from 273 in a couple of phases, there would be 18 another lender funding in the 273 loan that would 19 have -- you know, that would be funding in pari 20 passu with them. And so we, you know, required 21 their consent to do that. 22 And as far as did we recommend they 23 proceed with this amendment? We felt that this was 24 an appropriate solution, given the circumstances, 25 to affect Portland's request to be repaid from 273</p>

<p>110</p> <p>1 by MarshallZehr sourcing another lender to take 2 over the position. 3 343 Q. Thank you. 4 Okay. So moving along chronologically, 5 we know that subsequently Portland was paid out of 6 the 273 loan, and from I believe it was August 7 2020 -- you had said earlier October 2020, but 8 whatever it is, following the repayment of that, 9 that investment in 273, Portland's only investment 10 in the Maplevue project was the 274 loan, right? 11 A. Yes, that's correct. 12 344 Q. Right. And in July 2021 - 13 Mr. Soutter and you discussed this at length, so I 14 only have a few questions - the 273 loan was 15 refinanced; correct? 16 A. Correct. 17 345 Q. And that was pursuant to this 18 July 9th, 2021 Commitment Letter at Exhibit N to 19 Mr. Wain-Lowe's affidavit? 20 A. Correct. 21 346 Q. And that was a new loan entitled 22 MZGI-393, right? 23 A. Correct. We issued a fresh 24 Commitment Letter. 25 347 Q. Okay. Why was this refinancing</p>	<p>112</p> <p>1 "a) [...] - A 4th mortgage in 2 the amount of \$11,000,000 on the 3 Maplevue Refinance MZGI-393 Project 4 [...]" 5 Do you see that? 6 A. Yes. 7 350 Q. Okay. And was a new charge 8 registered against title in respect of this 9 mortgage? 10 A. I don't believe that is the case, 11 no. I believe they assumed the charge that had 12 been granted to 273. 13 351 Q. Okay. And would you be able to - 14 this is a question for Mr. Chaiton - would you be 15 able to confirm by way of undertaking the 16 registration number associated with that charge, if 17 in fact it was assumed -- 18 MR. CHAITON: Well, I think the witness 19 is not using the word "assumption" in the legal 20 sense. 21 MR. BEEFORTH: Okay. 22 MR. CHAITON: I think all the -- you 23 can tell me if I am right or wrong, Mr. Atkinson, 24 but I believe really what he is saying is that that 25 lender was -- got the benefit of that mortgage. So</p>
<p>111</p> <p>1 required? 2 A. The lender who funded 273 3 Tranche B had provided a commitment for 4 approximately one year, and at maturity of that 5 commitment, they asked to be repaid. And so we 6 sought financing from another lender, which ended 7 up being Drewco, to recapitalize the position that 8 had originally been funded by Portland and 273 and 9 was later, you know, assumed by the second lender 10 through Tranche B, to then recapitalize it into 11 this facility with Drewco and extend the maturity 12 date, which would provide for this to be in -- this 13 financing to be in place during the course of what 14 we thought was construction of the project to 15 deliver all of the phases. 16 348 Q. Okay. And Drewco then, I take it, 17 was not an investor in 273? 18 A. Correct. They invested in the 393 19 loan commitment which, as security for the loan, 20 assumed the security which had been granted under 21 273. 22 349 Q. Okay. And if we scroll to page 10 23 of this Commitment Letter, and I apologize, it is 24 not the greatest copy, we see here under section 3 25 "Security to be Delivered", it refers to:</p>	<p>113</p> <p>1 that mortgage secured that loan. And you will 2 recall that the mortgage was held by MarshallZehr 3 as trustee. 4 THE WITNESS: Correct. 5 BY MR. BEEFORTH: 6 352 Q. Okay. And you are referring to 7 the charge that was originally registered in 8 relation to the 273 loan? 9 MR. CHAITON: Yes. 10 BY MR. BEEFORTH: 11 353 Q. All right. 12 A. Correct, I believe Exhibit G to 13 the Wain-Lowe affidavit, if we have our exhibits 14 correct. 15 354 Q. This charge here, which is the 16 \$11 million charge in 2019 for the 273 loan? 17 A. Correct. 18 MR. CHAITON: Yeah. 19 BY MR. BEEFORTH: 20 355 Q. All right. So this is the charge 21 that secured the 393 loan? 22 MR. CHAITON: Yeah. It was just a 23 different beneficiary. That's all. 24 BY MR. BEEFORTH: 25 356 Q. Okay. Thank you. That is</p>

<p>114</p> <p>1 helpful.</p> <p>2 And I think you told Mr. Soutter</p> <p>3 earlier MarshallZehr did not provide Portland with</p> <p>4 notice of this refinancing at the time; correct?</p> <p>5 A. Correct. At the time that 273 was</p> <p>6 recapitalized into 393, Portland had been repaid</p> <p>7 from 393 -- or sorry, from 273.</p> <p>8 357 Q. Yeah.</p> <p>9 A. And from the date that Portland</p> <p>10 was repaid from 273, they would not receive any</p> <p>11 further reporting pertaining to 273.</p> <p>12 358 Q. Were they entitled to notification</p> <p>13 in their role as the investor in the 274 loan?</p> <p>14 R/F MR. CHAITON: Don't answer that</p> <p>15 question. If you want to -- again, if you want to</p> <p>16 ask whether their consent was sought and obtained,</p> <p>17 you can ask that.</p> <p>18 MR. BEEFORTH: We -- well, Mr. Atkinson</p> <p>19 has just told us that it was not, and he said --</p> <p>20 MR. CHAITON: Right.</p> <p>21 MR. BEEFORTH: -- it was not because</p> <p>22 once Portland had exited the 273 loan, they weren't</p> <p>23 entitled to any further updates with respect to</p> <p>24 that loan.</p> <p>25 And I am asking Mr. Atkinson whether</p>	<p>116</p> <p>1 A. -- who participate in a blind</p> <p>2 trust.</p> <p>3 So unless a specific investor were to</p> <p>4 require, you know, to be co-registered on title for</p> <p>5 whatever reason, then the participants in that loan</p> <p>6 are not disclosed to the other participants and</p> <p>7 they participate blindly.</p> <p>8 So a change in beneficial ownership</p> <p>9 would typically not be considered sufficient</p> <p>10 grounds to have to notify or seek consent from</p> <p>11 investors.</p> <p>12 361 Q. Okay. Thank you. That is</p> <p>13 helpful.</p> <p>14 And then if we proceed further along</p> <p>15 chronologically - we looked at this a few minutes</p> <p>16 ago - in January of 2022, the 393 loan was amended</p> <p>17 to increase the principal amount by \$12 million;</p> <p>18 correct?</p> <p>19 A. Correct.</p> <p>20 362 Q. And that is the amending agreement</p> <p>21 here at Exhibit O to the Wain-Lowe affidavit.</p> <p>22 And I understood your explanation to</p> <p>23 Mr. Soutter earlier was that this amendment was</p> <p>24 made because KingSett refused to advance funds</p> <p>25 under its construction revolver; is that accurate?</p>
<p>115</p> <p>1 Portland was entitled to notification as the</p> <p>2 investor of the 274 loan.</p> <p>3 MR. CHAITON: Of the prior ranking</p> <p>4 mortgage advance?</p> <p>5 MR. BEEFORTH: Yes.</p> <p>6 MR. CHAITON: Are you in a position to</p> <p>7 answer that, Mr. Atkinson?</p> <p>8 THE WITNESS: Well, I -- yeah, I think</p> <p>9 our position was that 274 -- so Portland in their</p> <p>10 capacity as investor in 274 had, from the onset of</p> <p>11 the 274 loan, consented to rank behind an</p> <p>12 \$11 million charge, which was later -- you know, as</p> <p>13 Harvey corrected, you know, beneficial ownership of</p> <p>14 that charge was later given to Drewco.</p> <p>15 BY MR. BEEFORTH:</p> <p>16 359 Q. Okay. And so if we go back to the</p> <p>17 terms of the Mortgage Administration Agreement we</p> <p>18 were referring to earlier, the change in beneficial</p> <p>19 ownership under an existing charge wasn't a</p> <p>20 significant change?</p> <p>21 A. Correct. So just for some</p> <p>22 context, when MarshallZehr funds a loan, as you are</p> <p>23 aware, you know, it is a syndicated loan, often</p> <p>24 with multiple investors --</p> <p>25 360 Q. Yes.</p>	<p>117</p> <p>1 A. Correct.</p> <p>2 363 Q. Okay. And do you know why</p> <p>3 KingSett refused to do so?</p> <p>4 A. Yes. So at the time, at the time</p> <p>5 of this amendment and shortly prior to, so</p> <p>6 construction had begun in, call it, fall of 2021,</p> <p>7 and it had been some time since KingSett had</p> <p>8 committed to funding their construction facility</p> <p>9 for Phase 1 and 2, and they requested the project</p> <p>10 cost consultant update the budget to reflect any</p> <p>11 current pricing which was going to apply to Phase 1</p> <p>12 and Phase 2.</p> <p>13 And they were not prepared to make</p> <p>14 further advances or advances of the construction</p> <p>15 facility based on what they believed to be budget</p> <p>16 increases.</p> <p>17 364 Q. Okay. And so I believe it was</p> <p>18 Aggregated Investments that ended up stepping in</p> <p>19 and funded this 12 million increase; correct?</p> <p>20 A. I don't recall the specific</p> <p>21 timing, whether this was done by Drewco and then</p> <p>22 later assigned to Aggregated, or if it had been</p> <p>23 assigned to Aggregated prior to this first</p> <p>24 amendment, but Drewco and Aggregated in the</p> <p>25 aggregate funded the 47 and a half million in</p>

<p>118</p> <p>1 advances.</p> <p>2 365 Q. Right. So that this 12 and then</p> <p>3 the two other advances that we looked at?</p> <p>4 A. Yes.</p> <p>5 366 Q. All right. And if we look at</p> <p>6 provision -- section 3 of this amendment, the</p> <p>7 "Security to Be Delivered" section, the new</p> <p>8 language - and Mr. Soutter looked at this - a</p> <p>9 mortgage in the amount of \$30 million on the</p> <p>10 project which would be registered as different</p> <p>11 priority charges on different phases of the land,</p> <p>12 which is set out in Schedule 1; correct?</p> <p>13 A. Correct.</p> <p>14 367 Q. All right. And if we go to</p> <p>15 Schedule 1 of this document, we looked at the PINs</p> <p>16 earlier, and then behind the PINs is this chart</p> <p>17 which sets out the various charges registered</p> <p>18 against the lands as at this point in time. Is</p> <p>19 that an accurate description of this chart?</p> <p>20 A. So this chart was</p> <p>21 forward-looking --</p> <p>22 368 Q. All right.</p> <p>23 A. -- being as Meridian had not and</p> <p>24 never did close on their Phase 4 financing and the</p> <p>25 sale to Urban north on Phase 4 was never completed.</p>	<p>120</p> <p>1 that they would be repaid from 274.</p> <p>2 373 Q. Okay. But this amendment itself,</p> <p>3 this amendment to the 393 loan and the increase in</p> <p>4 principal of \$12 million was not -- Portland was</p> <p>5 not notified of this amendment at the time it was</p> <p>6 entered into; correct?</p> <p>7 A. I believe Portland was notified</p> <p>8 after this advance was made.</p> <p>9 374 Q. And was that as part of the March</p> <p>10 2023 pro forma we looked at earlier?</p> <p>11 A. It was addressed in that March</p> <p>12 2023 pro forma.</p> <p>13 375 Q. Yes.</p> <p>14 A. As well as I believe there was an</p> <p>15 update sent to Portland, an email update in</p> <p>16 November of 2022 where we advised Portland that the</p> <p>17 Meridian financing, which was to be the source of</p> <p>18 their repayment from 274, was not proceeding, that</p> <p>19 KingSett had amended their commitment to cancel and</p> <p>20 withdraw availability of the construction</p> <p>21 facilities.</p> <p>22 376 Q. Yes.</p> <p>23 A. And that MarshallZehr had secured</p> <p>24 alternative financing in lieu of KingSett, which in</p> <p>25 updating Portland of that we were -- you know, we</p>
<p>119</p> <p>1 369 Q. Okay. And so this \$90 million</p> <p>2 charge here in first position, that was never</p> <p>3 consummated?</p> <p>4 A. Correct.</p> <p>5 370 Q. Okay. I don't see the 274 loan</p> <p>6 anywhere on this chart. Why is that?</p> <p>7 A. So at the time that we were in</p> <p>8 discussions with Meridian, the request was for</p> <p>9 Meridian to fund all of the purchase of Phase 4 on</p> <p>10 behalf of Urban North on the Go --</p> <p>11 371 Q. Yes.</p> <p>12 A. -- which would have had the effect</p> <p>13 of -- again, the request to Meridian was that it</p> <p>14 would recapitalize and repay 274 for the deposit</p> <p>15 money that it had loaned to Urban North on the Go.</p> <p>16 So this being forward-looking, this</p> <p>17 anticipated that once Meridian closed, 274 would be</p> <p>18 repaid and the debt stack as against the project as</p> <p>19 a whole would be reflected as you see here.</p> <p>20 372 Q. All right. And was Portland</p> <p>21 advised of this plan to potentially take them out</p> <p>22 in relation to this amendment?</p> <p>23 A. Yes, I believe the updates and the</p> <p>24 discussion that we had with Portland was that we</p> <p>25 were anticipating, upon closing of Meridian's loan,</p>	<p>121</p> <p>1 were advising them of the 393 loan and its</p> <p>2 amendments which would fund construction in Phase 1</p> <p>3 and 2 in lieu of KingSett for their, you know,</p> <p>4 construction facilities they have withdrawn.</p> <p>5 377 Q. Okay. And that email would have</p> <p>6 been in the package of documents Mr. Chaiton's</p> <p>7 office sent to us last night?</p> <p>8 A. Yes, I believe it --</p> <p>9 MR. CHAITON: I --</p> <p>10 THE WITNESS: Sorry, Harvey, go ahead.</p> <p>11 U/T MR. CHAITON: I believe it was. If it</p> <p>12 wasn't, we'll get it to you.</p> <p>13 BY MR. BEEFORTH:</p> <p>14 378 Q. Okay. Thank you.</p> <p>15 So, Mr. Atkinson, the effect of this</p> <p>16 amendment was to increase the principal amount of</p> <p>17 the 393 loan by \$12 million, right?</p> <p>18 A. Correct. I am not sure if there</p> <p>19 were other changes that were made, but yes, it was</p> <p>20 to increase the principal advanced under the loan</p> <p>21 by 12.</p> <p>22 379 Q. And would you agree with me that</p> <p>23 this amendment and the increase in that loan amount</p> <p>24 was a significant change in the circumstances</p> <p>25 affecting the 274 loan?</p>



<p>122</p> <p>1 R/F MR. CHAITON: Don't answer the</p> <p>2 question.</p> <p>3 BY MR. BEEFORTH:</p> <p>4 380 Q. And MarshallZehr consented to this</p> <p>5 amendment in its capacity as mortgage administrator</p> <p>6 of the 274 loan; correct?</p> <p>7 THE WITNESS: Am I okay to answer that,</p> <p>8 Harvey?</p> <p>9 MR. CHAITON: Yeah, go ahead.</p> <p>10 THE WITNESS: Yes, we did.</p> <p>11 BY MR. BEEFORTH:</p> <p>12 381 Q. You would agree with me that it</p> <p>13 was in the interests of the borrower to obtain this</p> <p>14 increase in funding so that the project could</p> <p>15 continue to be developed, right?</p> <p>16 THE WITNESS: Harvey? Am I okay to</p> <p>17 answer that?</p> <p>18 MR. CHAITON: You can answer that</p> <p>19 limited question on the subject, yeah.</p> <p>20 THE WITNESS: It was in the interests</p> <p>21 of the borrower to keep construction going, yes.</p> <p>22 BY MR. BEEFORTH:</p> <p>23 382 Q. Okay. And then that interest</p> <p>24 would equally apply to the borrower's shareholders?</p> <p>25 R/F MR. CHAITON: Don't answer the</p>	<p>124</p> <p>1 Portland of this amendment and seek its consent?</p> <p>2 A. I don't believe they were notified</p> <p>3 until after this amendment.</p> <p>4 387 Q. And so consent was not obtained</p> <p>5 either?</p> <p>6 A. No, on -- and on the basis that</p> <p>7 Portland had already consented to construction</p> <p>8 advances being made for home construction in Phase</p> <p>9 1 and Phase 2.</p> <p>10 388 Q. Had Portland ever consented to an</p> <p>11 increase in the amount of funds advanced under the</p> <p>12 393 loan?</p> <p>13 A. Not explicitly, to my knowledge,</p> <p>14 but they did consent to, as discussed with</p> <p>15 Mr. Soutter earlier in the examination,</p> <p>16 construction advances for Phase 1 and 2 home</p> <p>17 construction in the approximate amount of</p> <p>18 \$66 million.</p> <p>19 389 Q. Okay. And very briefly, we also</p> <p>20 looked at the last amendment to the 393 loan, which</p> <p>21 I am sharing here. This is the October 20, 2022</p> <p>22 amendment, which I believe is Exhibit 6 to your</p> <p>23 examination. Do you recall looking at this?</p> <p>24 A. Yes.</p> <p>25 390 Q. And this gets us to the 47 million</p>
<p>123</p> <p>1 question.</p> <p>2 BY MR. BEEFORTH:</p> <p>3 383 Q. Okay. In August 2022, the 393</p> <p>4 loan was amended again. We looked at this at</p> <p>5 Exhibit Q of Mr. Wain-Lowe's affidavit. This was</p> <p>6 another increase to the principal amount of</p> <p>7 \$11.4 million, right?</p> <p>8 A. Yes, approximately, yeah. Yeah,</p> <p>9 11.4, yes.</p> <p>10 384 Q. And would you agree with me,</p> <p>11 Mr. Atkinson, that this increase in the principal</p> <p>12 amount of the 393 loan was a significant change in</p> <p>13 the circumstances affecting the 274 loan?</p> <p>14 R/F MR. CHAITON: Don't answer the</p> <p>15 question.</p> <p>16 BY MR. BEEFORTH:</p> <p>17 385 Q. All right. And MarshallZehr</p> <p>18 consented to this amendment in its capacity as</p> <p>19 mortgage administrator of the 274 loan; correct?</p> <p>20 THE WITNESS: I can answer that,</p> <p>21 Harvey?</p> <p>22 MR. CHAITON: Yeah.</p> <p>23 THE WITNESS: Yeah, yes, we did.</p> <p>24 BY MR. BEEFORTH:</p> <p>25 386 Q. And did MarshallZehr notify</p>	<p>125</p> <p>1 that you referred to earlier?</p> <p>2 A. Correct.</p> <p>3 391 Q. And would you agree with me that</p> <p>4 this third amendment was a significant change in</p> <p>5 the circumstances affecting the 274 loan?</p> <p>6 R/F MR. CHAITON: Don't answer that</p> <p>7 question.</p> <p>8 BY MR. BEEFORTH:</p> <p>9 392 Q. All right. And MarshallZehr</p> <p>10 consented to this amendment in its capacity as</p> <p>11 mortgage administrator of the 274 loan?</p> <p>12 A. Yes.</p> <p>13 393 Q. And did MarshallZehr seek and</p> <p>14 obtain Portland's consent at the time this</p> <p>15 amendment was entered into?</p> <p>16 A. No, we did not, on the same basis</p> <p>17 as I previously explained.</p> <p>18 MR. BEEFORTH: Can we go off the record</p> <p>19 for a moment.</p> <p>20 MR. CHAITON: Sure.</p> <p>21 [Discussion Off The Record.]</p> <p>22 -- RECESSED AT 1:19 P.M.</p> <p>23 -- RESUMED AT 1:25 P.M.</p> <p>24 BY MR. BEEFORTH:</p> <p>25 394 Q. You -- earlier, Mr. Atkinson, you</p>

<p>126</p> <p>1 referred to a November 2022 email, and I am just 2 going to share my screen here. 3 Is this the email you were referring to 4 where the increases -- you say that Portland was 5 advised of the increases to the 393 facility? 6 A. Yes, I believe that is the email, 7 yeah. 8 395 Q. Okay. And here we talk about 9 repayment of the Phase 4 deposit, which we talked 10 about earlier, and the Phase 4 financing with 11 Meridian, which we talked about earlier. 12 And at the third line here it 13 says -- the second and third line: 14 "[MarshallZehr] and Pace 15 decided at that time" - earlier this 16 year - "to focus on construction of 17 Phases 1, 2 &amp; 3 and have recently 18 finalized terms with KingSett and a 19 B capital partner to fund 20 construction to the end of Phase 3." 21 Is that the reference to the 393 loan? 22 A. Yes. I believe it may be spoken 23 to in a little bit more detail further below. 24 396 Q. Okay. 25 A. Or I am not sure if you have the</p>	<p>128</p> <p>1 are referencing MZGI-393. 2 402 Q. Right. And you would agree we, 3 nowhere in this email is there disclosure of the 4 amounts of the advances under 393? You just refer 5 to a construction facility that MarshallZehr 6 arranged? 7 A. Correct. 8 403 Q. Okay. I am going to pull up 9 another document here that Mr. Chaiton provided us 10 with yesterday in response to the parties' request 11 for a statement of account for these various loans. 12 I can blow this up a little bit. Can 13 you see that, Mr. Atkinson? 14 A. The -- yes, I can, yeah. 15 404 Q. Okay. And I understand this 16 is -- there is a tab for 273. There is a tab for 17 274, which are pretty straightforward. And then 18 there is this statement of account for the 393 19 loan, which is more detailed? 20 A. Yes, correct. 21 405 Q. And so if I understand this -- and 22 I'm sorry, before we go on, we should mark that 23 November 2022 email as Exhibit 19, I believe, to 24 your examination. 25 MR. CHAITON: Let me check. That's</p>
<p>127</p> <p>1 whole email. 2 397 Q. I do. 3 A. But yes. 4 398 Q. I do. So here is the second page. 5 A. Yes. Yes. 6 399 Q. The only reason I ask is I don't 7 see reference to 393 anywhere here, and so it may 8 be referred to by another name or description. 9 A. Yeah, so I don't believe we 10 referenced it by loan identifier number 11 specifically. 12 400 Q. Okay. 13 A. But in this email here, so in the 14 section above that you had, as well as I believe 15 the second paragraph from the top on page 2, we are 16 explaining, if you -- 17 401 Q. This one here? 18 A. Yeah, that one right there: 19 "Construction of Phase 1 &amp; 2 20 [...] is now being financed by 21 revolving closing proceeds and a 22 construction facility that has been 23 arranged by MarshallZehr." 24 So when I am referring to that 25 construction facility arranged by MarshallZehr, we</p>	<p>129</p> <p>1 right, yeah. 2 EXHIBIT NO. 19: Email from Rebecca 3 Bachynski to Anthony Carleton and Cecil 4 Haynes dated November 29, 2022. 5 MR. BEEFORTH: Okay. And let's mark 6 this Excel document as Exhibit 20. 7 EXHIBIT NO. 20: Excel document titled 8 "MZGI 273, MZGI 274 and MZGI 393 9 advance breakdown". 10 BY MR. BEEFORTH: 11 406 Q. So, Mr. Atkinson, if I am looking 12 at this properly, these are the various advance 13 amounts that were made between July 2021 and 14 December 2022 totalling the 47.5; correct? 15 A. Correct. 16 407 Q. And then we see a column "Sent to 17 Borrower/Project Operating Account" of 18 approximately \$21 million. We don't have a 19 breakdown of these costs in this statement of 20 account. I imagine that is because you don't have 21 insight into the borrower's account? 22 A. Correct. We -- I mean, we get 23 some update or we received some updates, bank 24 statements, but correct. That was the purpose of 25 having those amounts tabulated under a column where</p>

<p>130</p> <p>1 we don't have the same level of visibility into how 2 the funds were used as compared to when we were 3 distributing them directly to vendors, as we did 4 with some of the funds. 5 408 Q. Okay. And how were these amounts 6 used? Were these for construction costs or 7 something different? 8 A. Correct, it was our understanding 9 that they were all being used towards Phase 1 and 2 10 construction costs. 11 409 Q. Okay. And does MarshallZehr have 12 some sort of reconciliation or detailed account of 13 how these amounts were expended? 14 A. I am not sure exactly what we have 15 as support, but we would have some visibility into 16 how the funds were utilized. 17 410 Q. Counsel, could we have, to the 18 extent MarshallZehr has it in its possession, a 19 breakdown or support of these amounts in column D? 20 MR. CHAITON: And when you say 21 "support", just so I understand what it is you are 22 really asking for, are you asking for, like, 23 invoices? 24 MR. BEEFORTH: Whatever MarshallZehr 25 has to tell us what these amounts were expended on.</p>	<p>132</p> <p>1 is broken down in this table below; correct? 2 A. Correct. And just to clarify, the 3 movement of funds from advances into the cost 4 reserve, some of the funds, if you go back up into 5 column G above -- 6 414 Q. Yes. 7 A. -- the direct advancements -- 8 415 Q. Yes. 9 A. -- some of those funds were moved 10 to the cost reserve and within a day, call it the 11 same day or a day of advancing the funds were then 12 disbursed back out to suppliers, as noted below. 13 Some of the advances into the cost 14 reserve, as noted in column E, might have been put 15 into the cost reserve waiting for a -- you know, a 16 list of trades to be paid from Maplevue and then, 17 you know, disbursed some time later. 18 416 Q. Understood. 19 A. So there is some, I would say, 20 commingling between columns E and G where 21 they -- you know, it is not to say that nothing 22 from column G entered the cost reserve. It may 23 have entered the cost reserve just as an 24 administrative exercise and then been disbursed the 25 same day.</p>
<p>131</p> <p>1 If it is invoices, if it is statements of account, 2 if it is, you know, quarterly financials that were 3 referred to. I don't know what form it would take. 4 U/A MR. CHAITON: Well, let me take that 5 under advisement, okay. 6 BY MR. BEEFORTH: 7 411 Q. Okay. Thank you. 8 And then we see in column G here 9 "Direct Disbursements by [MarshallZehr] from 10 Advance" totalling 7.734 million. 11 What were these amounts, Mr. Atkinson? 12 A. So I don't recall exactly what 13 they were, what they were used for, but in 14 principle all of the 393 advances were being used 15 for home construction in Phases 1 and 2. 16 412 Q. Okay. Could I -- Counsel, could I 17 have a similar undertaking or advisement to provide 18 a breakdown of this 7.734 million? 19 U/A MR. CHAITON: Under advisement. 20 BY MR. BEEFORTH: 21 413 Q. Okay. Thank you. 22 And then we see the debt refinance 23 here, which we have already talked about, and then 24 this amount of 7 and a half million dollars which 25 was sent to the MarshallZehr cost reserve, and that</p>	<p>133</p> <p>1 417 Q. Okay. Understood. 2 And then if we look at the cost reserve 3 breakdown, we see here in August 2022 there were a 4 significant number of contractors or suppliers paid 5 out; correct? 6 A. Correct. 7 418 Q. And those are all, to your 8 knowledge, construction-related? 9 A. Yes. 10 419 Q. All right. And then if we look at 11 the breakdown of costs between September 2022 and 12 August 2023, there are a significant number of 13 payments made to KingSett for interest or 14 commitment fees or to pay certain invoices. 15 Do you know what these invoices were 16 for, Mr. Atkinson? 17 A. Yes, those invoices, to the best 18 of my knowledge, are all interest invoices. 19 So the -- for example, the November 20 20 -- or the November 1st, 2022 KingSett interest 21 payment -- 22 420 Q. You are on line 113? 23 A. 112 -- or sorry, yeah, 113 was the 24 funds coming into the account. 25 421 Q. Oh, I'm sorry.</p>

<p>134</p> <p>1 A. 112 was the funds going out of the 2 account. 3 422 Q. Yeah. 4 A. That would have been the sum of 5 multiple invoices. Essentially they issued an 6 invoice for each of their loan facilities. And 7 then so then when you see further down below, you 8 know, six or seven entries on the 1st of the month 9 or the 2nd or 3rd of the month, that is just the 10 facility-specific interest payment that was related 11 to. 12 423 Q. Okay. I understand. 13 You would agree with me, Mr. Atkinson, 14 that using funds from the 393 loan to pay interest 15 on KingSett's loans isn't -- certainly not a hard 16 construction cost? 17 A. Hard construction to the truest 18 sense of bricks and mortars, no. 19 424 Q. Okay. And were these interest 20 payments made in respect of KingSett's construction 21 financing? 22 A. At the time that these payments 23 were made, I believe KingSett had withdrawn their 24 construction commitments, and so this was to 25 service the payments associated with their</p>	<p>136</p> <p>1 the end of his questioning the amount that had been 2 committed by KingSett for construction financing as 3 against the amount that was advanced under the 393 4 loan; do you remember that? 5 A. Yes, I do. 6 429 Q. And you had said that KingSett had 7 put out a \$30 million revolving construction 8 facility but was expected to spend approximately 9 66 million, right? 10 A. Yes, that was my understanding. 11 430 Q. And the increases in the 393 loan 12 were 47 and a half million? 13 A. Yes, correct. 14 431 Q. Okay. But to the extent that the 15 advances on the 393 loan were used to service 16 KingSett's prior facilities rather than replacing 17 KingSett's withdrawn construction financing, you 18 would agree with me that is not an apples-to-apples 19 comparison? 20 R/F MR. CHAITON: I am not sure that is a 21 proper question for the witness. 22 BY MR. BEEFORTH: 23 432 Q. Okay. Has MarshallZehr or its 24 counsel had any communications with the Receiver 25 regarding the 273 loan, the 274 loan, the 393 loan</p>
<p>135</p> <p>1 servicing, mezzanine and cash and LC facilities 2 which were collectively secured with their -- I 3 think at the time it may have just been down to one 4 mortgage or it may have been a first and a second 5 mortgage -- 6 425 Q. Okay. And the -- I'm sorry, I 7 didn't mean to cut you off. 8 A. No, that is okay. Go ahead. 9 426 Q. Okay. So if the construction 10 facility had been withdrawn by this point, then 11 these payments for interest aren't indirectly 12 construction costs either. They were related to 13 prior financing that was outstanding and owing to 14 KingSett? 15 A. Yeah, I think that is a fair 16 statement, yeah. 17 427 Q. All right. And did MarshallZehr 18 ever advise Portland that additional funds had been 19 advanced on the 393 loan in priority to the 274 20 loan to service KingSett's non-construction related 21 mortgages? 22 A. To the best of my knowledge, I 23 don't think we specified that to Portland, no. 24 428 Q. Okay. And to the extent that you 25 were -- Mr. Soutter and you were discussing near</p>	<p>137</p> <p>1 or the priority of the Portland reserve? 2 A. To the best of my knowledge, I do 3 not believe we have had any discussions with the 4 Receiver regarding the Portland reserve. 5 MR. CHAITON: What kind of discussions 6 are you referring to? I mean, I think that there 7 has been some discussions insofar as, you know, 8 they believe the Receiver asked for some documents 9 and information that they have. They understand 10 that there is a priority issue. 11 BY MR. BEEFORTH: 12 433 Q. That is a fair point. What I 13 am -- let me try that question again. 14 Has MarshallZehr or its counsel had any 15 communications with the Receiver regarding the 16 priority as between the 273, 274 and 393 loans? 17 MR. CHAITON: Well, again, certainly 18 there has been discussion about the fact that there 19 is a priority dispute. 20 BY MR. BEEFORTH: 21 434 Q. Yes. Has MarshallZehr or its 22 counsel had any communications with the Receiver 23 regarding MarshallZehr's position in relation to 24 those priority -- in relation to that priority 25 dispute?</p>

<p style="text-align: right;">138</p> <p>1 MR. CHAITON: With the Receiver? Not</p> <p>2 that I am aware of. Sean?</p> <p>3 THE WITNESS: So I think, you know, the</p> <p>4 communications we have had with the Receiver were</p> <p>5 to the extent that in the communications with</p> <p>6 Portland in -- I think you were provided an email</p> <p>7 string in February, March, April of this year kind</p> <p>8 of leading up to the Receivership --</p> <p>9 BY MR. BEEFORTH:</p> <p>10 435 Q. Yes.</p> <p>11 A. -- where we were discussing the</p> <p>12 matter were Portland, Portland later requested that</p> <p>13 a -- that their position be made to the Receiver.</p> <p>14 So we made an introduction as between</p> <p>15 Mr. Wain-Lowe and the Receiver, and we advised them</p> <p>16 that they were a participant in the MarshallZehr</p> <p>17 mortgage and that they were disputing the priority</p> <p>18 relative to the 393 loan.</p> <p>19 436 Q. Okay. Thank you.</p> <p>20 And a similar question: has</p> <p>21 MarshallZehr or its counsel had any communications</p> <p>22 with Dunsire Homes, Aggregated Investments or</p> <p>23 Drewco regarding the issue of priority as between</p> <p>24 the 273, 274 and 393 loans?</p> <p>25 MR. CHAITON: Certainly there has been</p>	<p style="text-align: right;">140</p> <p>1 Mr. Soutter's clients and yours and to the extent</p> <p>2 that positions -- to the extent that MarshallZehr</p> <p>3 has provided a position, I would say that is</p> <p>4 directly relevant to the issue before the Court.</p> <p>5 MR. CHAITON: I disagree with you. I</p> <p>6 mean, we have had conversations with Portland as</p> <p>7 well and conversations with both parties because,</p> <p>8 after all, MarshallZehr is the mortgage</p> <p>9 administrator. But whatever their view is is not</p> <p>10 going to be determinative of the legal issue that</p> <p>11 has been raised.</p> <p>12 R/F So I don't think it is a proper</p> <p>13 question.</p> <p>14 MR. BEEFORTH: Okay. I have your</p> <p>15 refusal. Thank you.</p> <p>16 Subject to a handful of advisements and</p> <p>17 the refusals, that is all I have for you today,</p> <p>18 Mr. Atkinson. I appreciate your time.</p> <p>19 Thank you.</p> <p>20 MR. CHAITON: Thank you.</p> <p>21 Sorry, did you have some questions?</p> <p>22 MR. SOUTTER: I had a few clarifying</p> <p>23 questions that I hope will take two or three</p> <p>24 minutes at the maximum.</p> <p>25 MR. CHAITON: Okay.</p>
<p style="text-align: right;">139</p> <p>1 requests for information, just like you have made</p> <p>2 requests for information to understand everybody's</p> <p>3 position.</p> <p>4 BY MR. BEEFORTH:</p> <p>5 437 Q. That is fair. Sorry, I should</p> <p>6 have used my narrower question.</p> <p>7 Have there been any communications with</p> <p>8 any of those parties regarding MarshallZehr's</p> <p>9 position in relation to the priority issue?</p> <p>10 MR. CHAITON: What is the relevance of</p> <p>11 that question, Counsel?</p> <p>12 MR. BEEFORTH: Well, the priority is</p> <p>13 what we are fighting about here.</p> <p>14 MR. CHAITON: No, no, but what is the</p> <p>15 relevance of any communication that I may have had</p> <p>16 or that MarshallZehr may have had about it.</p> <p>17 MR. BEEFORTH: With --</p> <p>18 MR. CHAITON: That is all I am saying.</p> <p>19 MR. BEEFORTH: With Mr. Soutter's</p> <p>20 clients?</p> <p>21 MR. CHAITON: Yes.</p> <p>22 MR. BEEFORTH: I would say the -- I</p> <p>23 mean, I think the relevance is pretty obvious. We</p> <p>24 are fighting about priority, and to the extent that</p> <p>25 that issue has been discussed as between</p>	<p style="text-align: right;">141</p> <p>1 MR. SOUTTER: I am just going</p> <p>2 to -- Mr. Beeforth, would you mind if I shared the</p> <p>3 screen?</p> <p>4 MR. BEEFORTH: I don't at all.</p> <p>5 FOLLOW-UP EXAMINATION BY MR. SOUTTER:</p> <p>6 438 Q. Thank you.</p> <p>7 I am going to take you the Notice of</p> <p>8 Examination, which was Exhibit 14. And just to</p> <p>9 orient ourselves, we had asked for statements of</p> <p>10 account about the three facilities, MZGI-273, 274</p> <p>11 and 393, including amounts that were paid, amounts</p> <p>12 invested, dates, et cetera; do you see that that</p> <p>13 there?</p> <p>14 A. I do, yeah.</p> <p>15 439 Q. Okay. And then I'll take you to</p> <p>16 the exhibit that my friend introduced just now,</p> <p>17 Exhibit 20.</p> <p>18 My friend spent some time on the first</p> <p>19 of the tabs, which was 393, but there is a tab for</p> <p>20 273, right? It is a little zoomed out here. Sorry</p> <p>21 about that.</p> <p>22 A. Yeah.</p> <p>23 440 Q. Do you have it?</p> <p>24 A. Yes, I do.</p> <p>25 441 Q. Okay. So just to clarify, this is</p>

<p>142</p> <p>1 all amounts advanced. This doesn't show the return 2 of the \$2 million -- or sorry, I am getting ahead 3 of myself. 4 This doesn't show the paydown, right? 5 Or is that that second Tranche B first funding? 6 A. Yeah, okay. So these are the 7 advance statements that were provided for each time 8 we advanced funds through that facility. 9 Part of the second screenshot here, so 10 273 Tranche B first funding \$9 million, part of 11 those funds were used to pay down Portland's 12 position in 273 Tranche A. But there were later 13 additional funds that rounded out the balance of 14 the paydown. 15 442 Q. Okay. So suffice it to say that 16 it is not entirely complete, but it is a fact that 17 Portland was entirely paid out of 273? I don't 18 think this is controversial. I just want to make 19 sure there is not a confusion about the fact. 20 A. Correct. And I apologize, I 21 missed the part about the paydowns as well, but 22 yes, that's correct. 23 443 Q. Okay. 24 MR. BEEFORTH: Just to interject, not 25 to confuse things, but if you look at the third</p>	<p>144</p> <p>1 want to make sure we are on the same page, that 2 this isn't an exhaustive accounting. 3 A. Yes. 4 447 Q. But your evidence, which we have 5 already covered, covers that. 6 A. Yes, correct. 7 MR. SOUTTER: Okay. So I think subject 8 to the earlier caveat I gave, those are any 9 questions that I have. Thank you also for your 10 time today, Mr. Atkinson and Mr. Chaiton. 11 MR. CHAITON: Thanks, both Counsel. 12 Appreciate it. And Court Reporter also, thank you. 13 MR. SOUTTER: Okay. I think we can go 14 off the record. 15 16 -- Adjourned at 1:46 p.m. 17 18 19 20 21 22 23 24 25</p>
<p>143</p> <p>1 screenshot, they include the remaining payment of 2 Tranche A, which was Portland's position in 273, 3 that \$745,000 payment. 4 THE WITNESS: Uhm-hmm. 5 BY MR. SOUTTER: 6 444 Q. Okay. 7 A. Correct. I believe it was that 8 payment, plus I believe there was an additional 9 400,000 approximately that was injected by the 10 owners of the project to complete the payout of 11 Portland. 12 So it was partial repayment from 273 13 Tranche B initial advance, partial repayment from 14 the next advance, partial from KingSett's Phase 3 15 loan, and then the last piece, approximately 16 400,000 from the owners of the project. 17 And that breakdown more or less is 18 reflected in Exhibit -- in the email from Josh 19 Thiessen, Exhibit M to the Wain-Lowe affidavit. 20 445 Q. And then a similar question for 21 the tab 274. This shows the funds in; it doesn't 22 show the return of the deposit monies? 23 A. Correct. It just shows the funds 24 in. 25 446 Q. Right. Yeah. Like I said, I just</p>	<p>145</p> <p>1 REPORTER'S CERTIFICATE 2 3 I, DEANA SANTEDICOLA, RPR, CRR, 4 CSR, Certified Shorthand Reporter, certify: 5 That the foregoing proceedings were 6 taken before me at the time and place therein set 7 forth, at which time the witness was put under oath 8 by me; 9 That the testimony of the witness 10 and all objections made at the time of the 11 examination were recorded stenographically by me 12 and were thereafter transcribed; 13 That the foregoing is a true and 14 correct transcript of my shorthand notes so taken. 15 16 17 18 Dated this 7th day of January, 2025. 19 20 21 22 23 VERITEXT LEGAL SOLUTIONS 24 PER: DEANA SANTEDICOLA, RPR, CRR, CSR 25</p>

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# EXHIBIT “1”



**APPOINTMENT OF MORTGAGE ADMINISTRATOR AND  
THIRD-PARTY MORTGAGE ADMINISTRATOR**

**THIS AGREEMENT** made as of the 14<sup>th</sup> day of July, 2021.

**BETWEEN:**

**MARSHALLZEHR GROUP INC.**

(“Administrator”)

- and -

**DREWCO DEVELOPMENT CORP.**

(“Principal”)

**700, 750 & 780 Mapleview Drive East, Barrie ON**

**RECITALS**

WHEREAS Administrator is licensed pursuant to the *Mortgage Brokerages, Lenders and Administrators Act, 2006* with the Financial Services Regulatory Authority of Ontario (“FSRA”) as a mortgage administrator with license number 11955;

AND WHEREAS the Principal has agreed to participate in a mortgage secured syndicated loan investment arranged by MarshallZehr Group Inc., a mortgage broker licensed under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* with the Financial Services Regulatory Authority of Ontario as a mortgage brokerage with Brokerage License No. 12453, together with one or more Third-Party Mortgage Administrators (as that term is defined below);

AND WHEREAS each of the investors in the syndicated loan have agreed to appoint a mortgage administrator to administer all aspects of the syndicated loan and Administrator has agreed to administer the syndicated loan transaction on behalf of all of the investors;

AND WHEREAS some or all of the investors in the syndicated loan are prepared to participate only if the investors’ names are not disclosed to the other investors;

**NOW NOWTHEREFORE THIS AGREEMENT WITNESS** that in consideration of the premises and the terms and conditions herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the parties hereby agree with each other as follows:

**1.00 DEFINITIONS**

- a) “Appointment” means the agreement herein between the Administrator and the Principal wherein the Principal appoints Administrator and Administrator accepts the appointment as mortgage administrator and bare trustee of the Investment;
- b) “Borrower” means the debtor(s) under the Investment;

**EXHIBIT**

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- c) "Credit Documents" means all of the documentation delivered in respect of the Investment by or on behalf of the Borrower as a term or condition of the Principals advancing the Loan Amount including, without limitation and to the extent same may be applicable to the subject Investment, term sheet, commitment letter, loan agreement or such other like agreements detailing the agreed upon terms and conditions of the Investment, security including, the charge/mortgage of land, any Third-Party Mortgage Administration Agreement, and all other and ancillary loan documentation and agreements;
- d) "Guarantors" means those persons or entities that are bound by the Credit Documents to guarantee repayment of the Loan Amount and otherwise the performance by the Borrower of all of the Borrower's obligations under the terms of the Credit Documents;
- e) "Investment" means the mortgage secured syndicated loan described and contemplated by the loan commitment letter, loan term sheet or other like document attached hereto as Schedule "A";
- f) "Investor" means each person or entity participating in the Investment by advancing part of the Loan Amount;
- g) "Loan Amount" means the total principal amount advanced by the Principals in respect of the Investment;
- h) "Loan Commitment" means an executed and binding commitment letter, term sheet or other like agreement setting out the essential terms of the Investment, including such a document as prepared by a Retained Third-Party Mortgage Administrator;
- i) "Mortgage Administration Agreement" means the mortgage administration agreement attached hereto as Schedule "B";
- j) "Proportionate Share" means in respect of each Principal the fraction having as its numerator the amount advanced by such Principal from time to time on account of the Loan Amount and as its denominator the Loan Amount from time to time;
- k) "Retained Third-Party Mortgage Administrator" means a Third-Party Mortgage Administrator retained by the Administrator to administer the Investment pursuant to the terms of a Third-Party Mortgage Administration Agreement;
- l) "Security" means the charge/mortgage of land, general security agreements and any other such charges, liens and encumbrances of whatsoever kind delivered by the Borrower creating security interests in the assets of the Borrower and/or Guarantors in favour of the Investors;
- m) "Third-Party Mortgage Administrator" means a person licensed by FSRA as a mortgage administrator other than the Administrator; and
- n) "Third-Party Mortgage Administration Agreement" means, collectively as the case may be, all agreements between the Administrator and a Retained Third-Party Mortgage Administrator for administration of all or part of the Investment, which agreements may include provisions for inclusion of the Investment as part of a larger mortgage investment and the prioritization or subordination of the Investment therein.

## **2.00 APPOINTMENT**

**2.01** The Principal hereby appoints Administrator as the Principal's mortgage administrator with respect to the Investment and Administrator hereby accepts the appointment on the terms and conditions set out in the Mortgage Administration Agreement and acceptance of this Agreement shall be and be deemed to be acceptance of the Mortgage Administration Agreement and same shall be binding upon the Administrator and Principal with the same binding effect as if it were to be accepted directly by all of the Investors.

**2.02** The Principal hereby authorizes and directs Administrator to hold all Credit Documents and receive all payments in respect of the Investment in the name of Administrator, MarshallZehr Group Inc., as bare trustee.

**2.03** The Principal acknowledges and confirms that it has been informed that the Administrator is related to one of the other Principals that may or may not participate in the Investment either directly or indirectly, namely family members of David Marshall or Greg Zehr and companies owned by Greg Zehr or David Marshall or by Greg Zehr's family trust or David Marshall's family trust and hereby consents to the same.

**3.00 EXCLUSIVE APPOINTMENT**

**3.01** The Administrator acknowledges and agrees that this Agreement and the appointment herein made shall be effective only if and when the Administrator has obtained the agreement of all of the Investors to appoint, on the same terms and conditions as this Agreement, Administrator as mortgage administrator of the Investment such that Administrator is the sole and exclusive mortgage administrator of the Investment, either in its own capacity or through the engagement of a Third-Party Mortgage Administrator pursuant to a Third-Party Mortgage Administration Agreement.

**3.02** In the event that the Administrator does not obtain the appointment of all of the Investors on or before **August 26, 2021**, this Agreement and the appointment herein made shall be terminated and of no force and effect. It is further agreed and acknowledged that Principal shall not be called upon by Administrator to advance, in whole or in part, that portion of the Loan Amount agreed herein to be advanced by Principal until each Investor has entered into a valid and binding agreement appointing Administrator mortgage administrator of the Investment on the same terms and conditions as this Agreement.

**4.00 AUTHORITY TO NEGOTIATE AND ENTER INTO LOAN COMMITMENT AND THIRD-PARTY MORTGAGE ADMINISTRATION AGREEMENT**

**4.01** The Administrator is hereby authorized and directed to negotiate the final terms of the Loan Commitment and to enter into the Loan Commitment and a Third-Party Mortgage Administration Agreement, if applicable, as bare trustee and nominee of Principal provided:

- (a) the terms so negotiated are consistent with those set out in Schedule "A" hereto;
- (b) the binding commitment of the other Investors to participate in the Investment and to appoint Administrator as bare trustee and mortgage administrator of the Investment, either directly or through the engagement of a Third-Party Mortgage Administrator, has been obtained; and
- (c) the aggregate of the amounts agreed to be advanced by each Investor on account of the Loan Amount is equal to the Loan Amount.

**5.00 PRINCIPAL'S OBLIGATION TO ADVANCE**

**5.01** The Principal shall not be required to advance any part of the Loan Amount hereinafter agreed to be advanced by Principal until the Administrator has entered into a binding Loan Commitment with the Borrower and the Administrator or the Retained Third-Party Mortgage Administrator, if applicable, has arranged through its solicitors with the Borrower's solicitors a date for the advancing of the Loan Amount and the Administrator has notified the Principal of the agreed upon advance date at least two business days in advance thereof.

**5.02** The Principal agrees to advance the total sum of **TEN MILLION NINE HUNDRED THOUSAND DOLLARS (\$10,900,000.00)** on account of the Loan Amount and Administrator confirms that (subject to any amendments hereinafter negotiated with the Borrower in respect of the Loan Amount) the total Loan Amount shall be the sum of **TEN MILLION NINE HUNDRED THOUSAND DOLLARS (\$10,900,000.00)** and Principal's Proportionate Share shall be **100 percent (100.00%)**.

**6.00 SPECULATIVE NATURE OF INVESTMENT**

**6.01** The Principal acknowledges having been advised by the Administrator that notwithstanding the provisions of the Credit Documents held by the Administrator or its Retained Third-Party Mortgage Administrator as bare trustee on behalf of and for the exclusive benefit of the Principals, repayment of the Loan Amount and the Principal's Proportionate Share and the receipt of interest accrued thereon, as provided in the Credit Documents is not certain. For the purposes of clarity, the Principal acknowledges having been advised by the Administrator that the Investment is to be considered a speculative investment. The Principal further acknowledges that the Principal have received no advice whatsoever from the Administrator's professional advisers, consultants and agents including its solicitors, Chaitons LLP, as to the prudence of advancing monies on account of the Investment and that the Principal has no contractual, or other relationship of any kind with such advisers and its only recourse, if any, is against the Administrator.

**7.00 INDEPENDENT LEGAL ADVICE**

**7.01** The Principal hereby acknowledges that, prior to executing the Appointment of Administrator, they have been advised to and have had the opportunity to obtain independent legal advice and that the solicitors, Chaitons LLP., have been retained by the Administrator to exclusively advise and assist Administrator in carrying out its obligations under this Agreement and the Mortgage Administration Agreement and they have not provided any advice, directly or indirectly, to the Principal with respect to the advisability of entering into this investment, the details of the investment, the extent or nature of any risks or in respect of any other matter relating to the investment and appointments herein made.

**8.00 GENERAL CONTRACTUAL PROVISIONS**

**8.01** Any notice or other communication which may be or is required to be given or made pursuant to this Agreement shall, unless otherwise expressly provided herein, be in writing and shall be deemed to have been sufficiently and effectively given if signed by or on behalf of the party giving notice and delivered to the party for which it is intended at its address as follows:

(a) if to the Administrator, at:

MarshallZehr Group Inc.  
465 Phillip Street, Suite 206  
Waterloo, ON N2L 6C7  
Fax: 519-342-0851

(b) if to the Principal, at:

320 Dundas St., Unit 1  
London, ON N6B 3R8

Any notice or communication which may or is required to be given or made shall be made or given as herein provided or to such other address or in case of such other officer as a party may from time to time advise to the other parties hereto by notice in writing as aforesaid and shall not be deemed received until actual receipt thereof by the party to whom such notice is given except if sent by facsimile machine, in which case it shall be deemed received on the Business Day next following the date of transmission. Any notice or other communication given pursuant to this Section **8.01** is called "notice".

- 8.02** All monies owing by the Principals to the Administrator pursuant to the terms hereof shall be paid within five business days of notice being given to the Principal by way of certified cheque to the Administrator's address for service.
- 8.03** The term of this Agreement shall commence on the date hereof and shall continue in full force and effect until the Mortgage Administration Agreement is terminated in accordance with its terms.

Executed and delivered as of the date first written above.

**MARSHALLZEHR GROUP INC.**

Per:

DocuSigned by:

*Murray Snedden*

c/s

Name: Murray Snedden

Title: Chief Financial Officer & Principal Broker

*I have authority to bind the Corporation.*

**DREWCO DEVELOPMENT CORP**

Per:

DocuSigned by:

*Allan Drewlo*

c/s

Name: Allan Drewlo

Title: President

*I have authority to bind the Corporation.*

**SCHEDULE “A”**  
**Description of Proposed Syndicated Loan**

See attached.

**SCHEDULE “B”**  
**Mortgage Administration Agreement**

See attached.

# EXHIBIT “2”



**MORTGAGE ADMINISTRATION AGREEMENT  
(Version 6/21/2018)**

**THIS AGREEMENT** dated as of the date of the Appointment as defined below.

**BETWEEN:**

**MARSHALLZEHR GROUP INC.**

("Administrator")

- and -

**THE PRINCIPAL PARTIES FROM TIME TO TIME WHO HAVE APPOINTED MZG AS THEIR MORTGAGE ADMINISTRATOR PURSUANT TO AN APPOINTMENT OF MORTGAGE ADMINISTRATOR AGREEMENT WHICH INCORPORATES THIS MORTGAGE ADMINISTRATION AGREEMENT BY REFERENCE.**

(collectively referred to as the "Principals" and individually as the "Principal")

**RECITALS**

WHEREAS Administrator is licensed pursuant to the *Mortgage Brokerages, Lenders and Administrators Act, 2006* (the "Act") with the Financial Services Commission of Ontario ("FSCO") as a mortgage administrator with license number 11955 and mortgage brokerage with license number 12453;

AND WHEREAS the Principals have jointly agreed to participate as lenders in a mortgage secured syndicated loan;

AND WHEREAS each of the Principals wishes to appoint a licensed mortgage administrator to administer on their behalf the syndicated loan;

AND WHEREAS the Principals have mutually agreed to appoint administrator as the licensed mortgage administrator to administer the syndicated loan and Administrator has agreed to accept the appointment;

AND WHEREAS both the Administrator and the Principals wish to set out the terms and conditions of the appointment of Administrator;

**NOW NOWHEREFORE THIS AGREEMENT WITNESS** that in consideration of the premises and the terms and conditions herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the parties hereby agree with each other as follows:

**1.00 DEFINITIONS**

- a) "Appointment" means the mortgage administrator appointment agreement to which this Agreement is attached as Schedule "B" entered into between the Administrator and each Principal;

- b) "Borrower" means the debtor(s) under the Investment;
- c) "Credit Documents" means all of the documentation delivered in respect of the Investment by or on behalf of the Borrower as a term or condition of the Principals advancing the Loan Amount including, without limitation and to the extent same may be applicable to the subject Investment, term sheet, commitment letter, loan agreement or such other like agreements detailing the agreed upon terms and conditions of the Investment, security including, the charge/mortgage of land, Third-Party Mortgage Administration Agreements, and all other and ancillary loan documentation and agreements;
- d) "Guarantors" means those persons or entities that are bound by the Credit Documents to guarantee repayment of the Loan Amount and otherwise the performance by the Borrower of all of the Borrower's obligations under the terms of the Credit Documents;
- e) "Investment" has the same meaning as in the Appointment;
- f) "Loan Amount" means the total principal amount advanced by the Principals in respect of the Investment;
- g) "Loan Commitment" has the same meaning as in the Appointment;
- h) "Proportionate Share" means in respect of each Principal the fraction having as its numerator the amount advanced by such Principal from time to time on account of the Loan Amount and as its denominator the Loan Amount from time to time;
- i) "Retained Third-Party Mortgage Administrator" has the same meaning as in the Appointment;
- j) "Security" means the charge/mortgage of land, general security agreements and any other such charges, liens and encumbrances of whatsoever kind delivered by the Borrower creating security interests in the assets of the Borrower and/or Guarantors in favour of the Investment creditors;
- k) "Third-Party Mortgage Administrator" has the same meaning as in the Appointment; and
- l) "Third-Party Mortgage Administration Agreement" has the same meaning as in the Appointment.

## **2.00 APPOINTMENT**

- 2.01** The Principals hereby confirm their respective appointments of Administrator as the mortgage administrator of the Investment and Administrator hereby confirms its acceptance of the appointment as mortgage administrator of the Investment pursuant to the terms and conditions of the Appointment and this Agreement.

## **3.00 ADMINISTRATOR'S AUTHORITY AND POWERS**

- 3.01** Except as may be specifically provided to the contrary herein, Administrator is hereby irrevocably authorized and directed, to manage and administer the Investment on behalf of the Principals to the same extent and in the same manner as if Administrator were the actual and sole lender under the Investment including, without limitation:

- a) to exercise all of the powers and remedies as may be provided for and/or available under the Credit Documents or at law to enforce and ensure performance by the Borrower of all of its obligations under the Credit Documents and otherwise reasonably necessary and prudent to protect the interests of the Principals under the Investment; and
- b) to appoint a Third-Party Mortgage Administrator to administer the investment on behalf of the Administrator and for the benefit of the Principals.

The Administrator shall exercise all such rights and powers to such extent and standard as would a reasonably competent and professional mortgage administrator.

**3.02** Without in any way limiting the foregoing, the Principals hereby direct and authorize the Administrator to:

- (a) negotiate the final terms of the Loan Commitment and the other Credit Documents consistent with the commitment letter, term sheet and such other documents attached to the Appointment as Schedule "A";
- (b) oversee the preparation, execution, registration and delivery of the Credit Documents;
- (c) report on the transaction contemplated by the Credit Documents to the Principals in a timely manner following the completion of the transaction;
- (d) provide each Principal with a regular accounting and inform each Principal in a timely manner of all material changes in circumstances affecting the Investment including, without limitation, any subsequent financing contrary to the terms of the Credit Documents, any material defaults which the Administrator has remedied or which the Borrower has failed to remedy notwithstanding delivery of notice by the Administrator requiring the Borrower to remedy same, any material default by the Borrower in the payment of amounts payable pursuant to the Credit Documents when and as such are due;
- (e) administer, in a professional, competent and timely manner, the Investment in the ordinary course including, regularly remitting payment to each Principal of their respective Proportionate Shares of principal and/or interest payments received by the Administrator on account of the Investment, and entering into agreements with one or more Third-Party Mortgage Administrators to administer the Investment on behalf of the Administrator and the Principals; and
- (f) obtain and act in accordance with the instructions of the Principals when and as required by the terms of this Agreement.

**3.03** Subject to the terms hereof, the Administrator may hold the Security, realize upon the Security, grant extensions of time and other indulgences, take and give up any of the Security, accept compositions, grant releases and discharges and otherwise deal with the Borrower and/or Guarantors, debtors of the Borrower and/or Guarantors, sureties and others and with the Credit Documents and Security from time to time as it may reasonably see fit subject to any restrictions as set out herein.

**4.00 INDEMNITY FROM PRINCIPALS**

**4.01** The Principals agree, based on their Proportionate Share, to indemnify the Administrator (to the extent that the Administrator is not promptly reimbursed by the Borrower and/or one or more of the Guarantors on demand) from and against any and all liabilities, obligations (whether direct or indirect), losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any nature or kind whatsoever which may be imposed on, incurred by, or asserted against the Administrator in its capacity as Administrator hereunder or any action taken or omitted by the Administrator which in any way relate to or arise out of the Credit Documents, the Appointment or this Agreement; provided that no Principal shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements which result from the Administrator's gross negligence or willful misconduct. Without limitation, each Principal agrees to reimburse the Administrator promptly upon demand for its Proportionate Share of out-of-pocket expenses (including the fees and disbursements of counsel) incurred by the Administrator in connection with

the preparation of the Credit Documents and other documentation reasonably contemplated thereby and the determination or preservation of any rights of the Administrator or the Principals under, or the enforcement of, or legal advice in respect of rights or responsibilities under, the Credit Documents, to the extent that the Administrator is not promptly reimbursed for such expenses by the Borrower and/or the Guarantors on demand or otherwise in accordance with Subsection **12.01(f)** hereof. The obligation of the Principals to indemnify the Administrator shall survive termination of this Agreement.

**5.00 EXCULPATION**

- 5.01** The Administrator shall have no duties or responsibilities except those expressly set forth in the Appointment and this Agreement.
- 5.02** Neither the Administrator nor any of its officers, directors, employees or agents, successors or assigns (collectively, the "Administrator Parties") shall be liable for any action taken or omitted to be taken under or in connection with the Credit Documents, unless such act or omission constitutes gross negligence or willful misconduct; nor shall any of the Administrator Parties be liable in respect of entry into a Third-Party Mortgage Administration Agreement nor reliance on the advice of, nor delegation of tasks to, a Retained Third-Party Mortgage Administrator.
- 5.03** The duties of the Administrator shall be mechanical and administrative in nature, and some or all of them may be delegated by the Administrator to a Retained Third-Party Mortgage Administrator. The Administrator shall not have by reason of the Appointment, this Agreement or its position as bare trustee of the Investment a fiduciary relationship with any Principal and nothing therein, express or implied, is intended to or shall be construed as to impose upon the Administrator any obligation except as expressly set forth therein.
- 5.04** None of the Principals shall have any duties or responsibilities to any of the other Principals except as expressly set forth in the Credit Documents or this Agreement.
- 5.05** The Administrator shall not be responsible for any recitals, statements, representations or warranties in Credit Documents and/or which may be contained in any other document subsequently received by the Administrator or the Principals from or on behalf of the Borrower and/or one or more of the Guarantors or for the authorization, execution, effectiveness, genuineness, validity or enforceability of the Credit Documents and shall not be required to make any inquiry concerning the performance or observance by the Borrower and/or any of the Guarantors of any of the terms, provisions or conditions of the Credit Documents.
- 5.06** Each of the Principals severally represents and warrants to the Administrator that it has made and will continue to make such independent investigation of the financial condition and affairs of the Borrower and/or Guarantors as such Principal deems appropriate in connection with its participation in the Investment and the making of the Appointment, and that such Principal has and will continue to make its own appraisal of the creditworthiness of the Borrower and/or Guarantors.

**6.00 KNOWLEDGE AND REQUIRED ACTION**

**6.01** The Administrator shall not be deemed to have knowledge or notice of the occurrence of any Event of Default, as that term is defined under the Credit Documents (other than the non-payment of any principal, interest or other amount to the extent the same is required to be paid to the Administrator for the account of the Principals on a predetermined date) unless the Administrator has received written notice from a Retained Third-Party Mortgage Administrator, a Principal, the Borrower or one or more of the Guarantors specifying such Event of Default and stating that such notice is given pursuant to this section. In the event that the Administrator receives such a notice, it shall give prompt notice thereof to the Principals, and shall also give prompt notice to the Principals of each non-payment of any amount required to be paid to the Administrator for the account of the Principals. Unless the Administrator has retained a Retained Third-Party Mortgage Administrator, the Administrator shall, subject to this Article **6.00** of this Agreement take such action with respect to such Event of Default as shall be directed by the Principals in accordance with this Agreement provided that, unless and until the Administrator shall have received such direction the Administrator may, but shall not be obliged to, take such action, or refrain from taking such action, with respect to such Event of Default as it shall deem advisable in the best interest of the Principals; and provided further that the Administrator in any case shall not be required to take any such action which it determines to be contrary to the Credit Documents, this Agreement, the Appointment or, to any applicable law, or which it is formally advised by a Retained Third-Party Mortgage Administrator not to take.

**6.02** The Administrator shall promptly notify each Principal if the Administrator becomes aware of a subsequent encumbrance on the properties subject to a Charge/Mortgage under the Security or any significant change in the circumstances affecting of the transaction contemplated by the Credit Documents and/or the Security thereunder.

**7.00 CONFIDENTIALITY OF IDENTITY OF PRINCIPALS**

**7.01** The parties acknowledge that except as set out herein it is their joint intention that the identity of the Principals is to be kept confidential to the fullest extent possible, even as between the Principals themselves, but that the Administrator may in its sole and unfettered discretion be permitted to reveal the identity of the Principals where required by law or to their legal counsel and/or professional advisors, and/or a Retained Third-Party Mortgage Administrator, and/or where required to carry out the terms of the Appointment, this Agreement, the Credit Documents or any documents ancillary thereto.

**8.00 EXCHANGE OF INFORMATION**

**8.01** The Principals shall give notice to the Administrator and the Administrator shall give notice to the (other) Principals such information concerning the financial position and property and operations of the Borrower and/or the Guarantors as, in the opinion of such Principal or the Administrator, is relevant to the ability of the Borrower and/or the Guarantors to fulfill their respective obligations under or in connection with the Credit Documents.

**8.02** In order to protect and keep confidential the identity of each Principal, each Principal shall receive a true copy of this Agreement but not any copies of the Appointment made by any of the other Principals. The Administrator covenants and agrees to retain all of



the Appointments made and to maintain at all times a complete and up-to-date list of all Principals including the amount advanced by each Principal and their addresses for service. The Administrator shall provide each Principal with an up-to-date list indicating the number of Principals and the sum then advanced by each of them in respect of the Investment, keeping the identity of each Principal confidential in that document.

**9.00 THE ADMINISTRATOR INDIVIDUALLY**

**9.01** With respect to any portion of the Loan Amount made available by it and any documents to which it may be a party in its personal corporate capacity as a participant in the Investment, Administrator shall have the same rights and powers hereunder as any other Principal and may exercise such rights and powers as though it were not the mortgage administrator of the Investment, and the term "Principals" shall, unless the context clearly otherwise indicates, include Administrator in its personal corporate capacity in the event it advances part of the Loan Amount.

**10.00 MEETINGS OF THE PRINCIPALS**

**10.01** Subject to Article **6.00** and Section **17.01** hereof, the Administrator shall convene a meeting of the Principals to obtain instructions regarding any action required or proposed to be made by the Administrator in the following circumstances:

- (a) when in the Administrator's sole and unfettered discretion it deems it appropriate to obtain instructions from the Principals with respect to any actions and/or approvals which, by the terms of the Credit Documents or this Agreement, the Administrator is permitted or required to take or to grant; and/or
- (b) upon a default by the Borrower and/or one or more of the Guarantors under the Credit Documents which in the reasonable opinion of the Administrator calls for the exercise by the Administrator of its discretion in respect of deciding upon a course of remedial and/or enforcement action and where in the reasonable opinion of the Administrator the continuing default has materially increased the risk of loss to the Principals.

**10.02** For the purposes any meeting of Principals called pursuant to this Article **10.00**, each Principal is entitled to a number of votes equal to their Proportionate Share rounded to the nearest two decimal places and shall be entitled to appoint a proxy to attend and the proxy shall not be required to disclose the Principal the proxy represents except to the Administrator. Each meeting shall be held at the offices of the Administrator or such other place as the Administrator may designate within the City of Waterloo.

**10.03** The Administrator shall call each meeting of Principals by notice in writing delivered at least ten (10) business days in advance and in accordance with the notice provisions of this Agreement. Each notice shall specify the place, day and hour of meeting and the general nature of the business to be transacted.

**10.04** The Administrator shall be solely responsible for chairing such meetings and shall do so in an orderly fair and equitable manner. All decisions made at a meeting of Principals shall be decided by majority vote based on each Principal's Proportionate Share and only of those Principals present or represented by proxy at the meeting.

**10.05** The Administrator shall be obligated to call a meeting of the Principals if and when the Administrator receives a request(s) for a meeting of the Principals for the purposes of

determining whether this Agreement and the Appointment should be terminated from at least such number of principals whose total Proportionate Share equals at least one half of the Loan Amount.

## **11.00 RESIGNATION AND TERMINATION OF ADMINISTRATOR**

### **11.01** If at any time:

- (a) the Administrator shall deem it advisable or otherwise desire to resign from its appointment as mortgage administrator for the Investment and as bare trustee, and delivers to each of the Principals, at least 30 business days written notification of its intention to resign and notice of a meeting of Principals for the purposes of appointing a replacement licensed mortgage administrator and bare trustee; or
- (b) the Principals shall, at a meeting of Principals duly called for the purpose by the Administrator in accordance with the provisions of paragraph **10.05** above, determine by a majority vote of not less than 80% of the votes available to be cast to terminate the appointment of the Administrator as the mortgage administrator of the Investment and its appointment as the bare trustee; or
- (c)
  - i. the Administrator is in default of a provision of this agreement, notice of which default (the "Default Notice") has been delivered to the Administrator by a Principal affected by such default (the "Default Notice Party"), and
  - ii. such default has not been cured by the Administrator within 45 days of delivery of the Default Notice to the Administrator, and
  - iii. the Principals shall, at a meeting of Principals duly called for the purpose by the Administrator in accordance with the provisions of paragraph **10.05** above, a request for which meeting having been made by the Default Notice Party, determine by a vote of more than 50% of the votes available to be cast to terminate the appointment of the Administrator as the mortgage administrator of the Investment and its appointment as the bare trustee,

then the Administrator shall assist the Principals in good faith to approve the appointment of a replacement licensed mortgage administrator and bare trustee and upon acceptance of such appointment by the proposed administrator and bare trustee the appointment of Administrator as such shall become effective provided, the Administrator shall continue to work with the then appointed administrator and bare trustee to ensure a cost effective and orderly assumption of responsibilities by the appointed administrator (including the assignment and assumption by it of any rights and obligations of the Administrator under any Third-Party Mortgage Administration Agreements) and all of the Administrator's costs and expenses and any outstanding amounts owed to the Administrator in respect of its services as mortgage administrator and bare trustee shall be reimbursed. If in no appointment of a successor administrator and bare trustee has been made by the Principals within 30 days, the Administrator may make such appointment on behalf of the Principals, and shall forthwith facilitate the assumption and transfer of responsibilities as hereinbefore provided.

### **11.02** If at any time:

- (a) the Administrator has been declared bankrupt or insolvent and has entered into liquidation or winding-up, whether compulsory or voluntary (and not merely a voluntary liquidation for the purposes of amalgamation or reorganization); or
- (b) if the Administrator makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency, or

- (c) a license issued to the Administrator has been automatically suspended by operation of section 17 of the Act, which suspension has not terminated within 10 business days of such suspension becoming effective, or
- (d) the Administrator otherwise ceases to possess the necessary regulatory licenses and registrations to perform its duties and obligations under this Agreement, then

the Administrator shall immediately do all of the following:

- (e) disclose the identities and contact particulars of each Principal to each other Principal,
- (f) tender its resignation as mortgage administrator and bare trustee to the Principals, and
- (g) call a meeting of the Principals within 5 business days for the purpose of accepting such resignation and appointing replacements therefor,

and forthwith upon acceptance of such resignation, the Administrator shall work with the Principals in good faith to effect an orderly assumption of the Administrator's responsibilities as mortgage administrator and bare trustee by the party or parties so determined as replacements therefor by the Principals.

## **12.00 ADMINISTRATOR'S OBLIGATIONS TO DISTRIBUTE INVESTMENT RECEIPTS**

**12.01** The Administrator shall distribute all amounts (including penalties and bonuses) received by the Administrator on account of the Investment in accordance with the following provisions:

- (a) the Administrator shall be under no obligation to make any payment (whether in respect of principal, interest, fees or otherwise) to any Principal until an amount in respect of such payment has been received by the Administrator from a Borrower or one of the Guarantors, or from a Retained Third-Party Mortgage Administrator;
- (b) if the Administrator receives less than the full amount of any payment of principal, interest, fees or other amount owing by the Borrower, or one of the Guarantors, or a Retained Third-Party Mortgage Administrator under this Agreement, then the Administrator shall have no obligation to remit to each Principal any amount other than such Principal's Proportionate Share of that amount in accordance with the terms of the Loan Commitment and Subsection **12.01(f)** hereof;
- (c) the Administrator, acting reasonably and in good faith shall determine in all cases the amount of all payments to which each Principal is entitled and such determination shall, in the absence of manifest error, be binding and conclusive;
- (d) upon request, the Administrator shall deliver a statement detailing any of the payments to the Principals referred to herein;
- (e) all payments by the Administrator to a Principal hereunder shall be made to such Principal at its address set forth in their Appointment unless notice to the contrary is received by the Administrator from such Principal pursuant to paragraph **17.01** hereof; and
- (f) before distributing monies to the Principals, the Administrator shall be entitled to first deduct monies on account of:
  - i. any fees owed to the Administrator hereunder or under any the Credit Documents; and
  - ii. all reasonable out-of-pocket costs and expenses (including without limitation reasonable legal fees) of the Administrator in connection



with enforcing the rights of the Administrator and the Principals under the Credit Documents.

**13.00 DIRECT PAYMENTS**

**13.01** If any Principal (a "Receiving Principal") shall obtain any payment of moneys due under the Credit Documents, the Receiving Principal shall forthwith remit such payment to the Administrator and, upon receipt, the Administrator shall distribute such payment in accordance with the provisions hereof.

**14.00 ACKNOWLEDGEMENTS, REPRESENTATIONS AND COVENANTS OF PRINCIPALS**

**14.01** Each Principal acknowledges that they require the prior written approval of the Administrator in order to dispose of all or part of their interest in the Credit Documents. Such consent will only be given in extraordinary circumstances so long as such disposition does not affect the value of the Credit Documents and/or the position of the Borrower, Guarantors and/or other Principals. Subject to the foregoing, any disposition shall only be permissible to a Principal's personal representative and/or beneficiary/beneficiaries under a will and/or estate or, in the case of a corporate Principal, to a wholly-owned subsidiary of that Principal.

**14.02** It is acknowledged and agreed by each Principal that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, property, affairs, status and nature of the Borrower and the Guarantors. Accordingly, each Principal confirms to the Administrator that it has not relied, and will not hereafter rely, on the Administrator (except as the Administrator may otherwise agree):

(a) to check or inquire on its behalf into the adequacy or completeness of any information provided by the Borrower and the Guarantors under or in connection with this Agreement or the transactions herein contemplated (whether or not such information has been or is hereafter distributed to such Principal by the Administrator); or

(b) to assess or keep under review on its behalf the financial condition, creditworthiness, property, affairs, status or nature of the Borrower and the Guarantors.

**14.03** Each Principal represents and warrants where applicable that it has the legal capacity to enter into this Agreement pursuant to its charter and any applicable legislation and has not violated its charter, constating documents or any applicable legislation by so doing.

**14.04** Each of the Principals acknowledges and confirms that in the event that the Administrator does not receive payment in accordance with this Agreement, it shall not be the obligation of the Administrator to maintain the Investment in good standing nor shall any Principal have recourse to the Administrator in respect of any amounts owing to such Principal under this Agreement and the Credit Documents.

**14.05** Each Principal shall respond promptly to each request by the Administrator for the consent of such Principal required hereunder.

**14.06** Each Principal acknowledges that as of the date hereof, the Administrator has not charged any fees to the Principals for the administration of the Investment.

**15.00 RIGHTS OF ADMINISTRATOR**

**15.01** In administering the Credit Documents and the Investment, the Administrator may retain, at the expense of the Principals, if such expenses are not recoverable from the Borrower and/or the Guarantors, such Retained Third-Party Mortgage Administrators, solicitors, counsel, auditors and other experts and agents as the Administrator may select, in its sole discretion, acting reasonably and in good faith after consultation with the Principals.

**15.02** The Administrator shall be entitled to rely on any communication, instrument or document believed by it to be genuine and correct and to have been signed by the proper individual or individuals, and shall be entitled to rely and shall be protected in relying as to legal matters upon opinions of independent legal advisors selected by it. The Administrator may also assume that any representation made by the Borrower and/or one or more of the Guarantors is true and that no Event of Default has occurred unless the officers or employees of Administrator, directly responsible and active in their capacity as officers or employees of Administrator for the Borrower's account, have actual knowledge to the contrary or have received reasonably reliable notice to the contrary.

**15.03** Except in its potential capacity as Principal, the Administrator shall not be required to advance its own funds for any purpose, and in particular, shall not be required to pay with its own funds insurance premiums, taxes or public utility charges or the cost of repairs or maintenance with respect to the assets which are the subject matter of the Security, nor shall it be required to pay with its own funds the fees of solicitors, counsel, auditors, experts or agents engaged by it as permitted hereby.

**16.00 COLLECTIVE ACTION OF THE PRINCIPALS**

**16.01** Each of the Principals hereby acknowledges that to the extent permitted by applicable law, the remedies provided under the Credit Documents with respect to the enforcement of the performance of the Borrower's and Guarantors' obligations under the Credit Documents are for the benefit of the Principals collectively and acting together and not severally and further acknowledges that its rights hereunder and under the Credit Documents are to be exercised not severally, but by the Administrator in accordance with the provisions of this Agreement. Accordingly, notwithstanding any of the provisions contained herein, each of the Principals hereby covenants and agrees that it shall not be entitled to take any action hereunder or under any of the Credit Documents but that any such action shall be taken only by the Administrator in accordance with the provisions hereof. Each of the Principals hereby further covenants and agrees to co-operate fully with the Administrator to the extent requested by the Administrator.

**17.00 GENERAL CONTRACTUAL PROVISIONS**

**17.01** Any notice or other communication which may be or is required to be given or made pursuant to this Agreement shall, unless otherwise expressly provided herein, be in writing and shall be deemed to have been sufficiently and effectively given if signed by or on behalf of the party giving notice and delivered to the party for which it is intended at its address as follows:

- (a) if to the Administrator, at:  
MarshallZehr Group Inc.  
465 Phillip Street, Suite 206  
Waterloo, ON N2L 6C7

Fax: 519-342-0851

- (b) if to the Principals, at the addresses identified on the respective Appointments.

The date of receipt of any such notice, demand or request shall be deemed to be the date of delivery of such notice, demand or request if served personally or by courier, or if mailed, to have been received by the addressee on the fourth postal delivery day following the date on which it is so mailed. If served by fax delivery shall be deemed to be one hour after sending if sent during normal business hours on a business day and if sent outside normal business hours or not on a business day then delivery shall be deemed to be at the start of business on the next business day.

- 17.02** All monies owing by the Principals to the Administrator pursuant to the terms hereof shall be paid within five business days of notice being given to the Principals by way of certified cheque to the Administrator's address for service.
- 17.03** The parties agree that this Agreement shall be conclusively deemed to be a contract made under, and for all purposes be governed by and construed in accordance with, the laws of the Province of Ontario and of Canada applicable therein.
- 17.04** This Agreement shall be binding upon and enure to the benefit of each of the Principals respective heirs, executors, administrators and permitted assigns and any entity or individual to which a Principal's Proportionate Share is, in whole or in part, transferred, assigned or assumed shall be deemed to have as a precondition of such transfer, assignment or assumption appointed Administrator the administrator of the Investment in the same terms and conditions as Administrator is then appointed.
- 17.05** Any provision in this Agreement which is or becomes prohibited or unenforceable in any jurisdiction shall not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- 17.06** No amendment to this Agreement shall be effective unless made in writing and accepted by all of the Principals together with the Administrator.
- 17.07** The term of this Agreement shall commence on the date hereof and shall continue in full force and effect until all funds advanced, accruing and otherwise owing by the Borrower under the Credit Documents has been paid in full or determined to be commercially uncollectible, or until terminated pursuant to the provisions contained herein.
- 17.08** The parties hereto shall sign such further and other documents, do and perform and cause to be done and performed such further or other acts or things as may be necessary or desirable in order to give full force and effect to this Agreement and every part thereof.
- 17.09** The provisions contained in this Agreement shall not create or be deemed to create any relationship between the parties save and except for the relationship of Administrator and principals as between the Administrator and Principals

- 17.10** This Agreement, taken together with the Appointments constitutes the entire agreement made between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior agreements, undertakings, declarations or representations, written or verbal, in respect thereof.
- 17.11** Descriptive headings are inserted solely for convenience of reference, do not form part of this agreement, and are not to be used as an aid in the interpretation of this agreement.
- 17.12** It is agreed that unless the context of this agreement requires otherwise, the singular number shall include the plural and vice versa, the number of the verb shall be construed as agreeing with the word so substituted, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and vice versa.

Executed and delivered as of the date noted at the beginning of the Agreement.

**MARSHALLZEHR GROUP INC.**

Per:



Name: Murray Spedden

Title: CFO and Principal Broker

*I have authority to bind the Corporation.*

# EXHIBIT “3”

**APPOINTMENT OF MORTGAGE ADMINISTRATOR AND  
THIRD-PARTY MORTGAGE ADMINISTRATOR**

**THIS AGREEMENT** made as of the 25<sup>th</sup> day of September, 2019.

**BETWEEN:**

**MARSHALLZEHR GROUP INC.**

("Administrator")

- and -

**PORTLAND INVESTMENT COUNSEL INC., as manager of  
PORTLAND PRIVATE INCOME LP**

("Principal")

**700 & 725 Maplevue Drive E., Barrie, ON**

**RECITALS**

WHEREAS Administrator is licensed pursuant to the *Mortgage Brokerages, Lenders and Administrators Act, 2006* with the Financial Services Commission of Ontario ("FSCO") as a mortgage administrator with license number 11955;

AND WHEREAS the Principal has agreed to participate in a mortgage secured syndicated loan investment arranged by MarshallZehr Group Inc., a mortgage broker licensed under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* with the Financial Services Commission of Ontario as a mortgage brokerage with Brokerage License No. 12453, together with one or more Third-Party Mortgage Administrators (as that term is defined below);

AND WHEREAS each of the investors in the syndicated loan have agreed to appoint a mortgage administrator to administer all aspects of the syndicated loan and Administrator has agreed to administer the syndicated loan transaction on behalf of all of the investors;

AND WHEREAS some or all of the investors in the syndicated loan are prepared to participate only if the investors' names are not disclosed to the other investors;

**NOW NOWHEREFORE THIS AGREEMENT WITNESS** that in consideration of the premises and the terms and conditions herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the parties hereby agree with each other as follows:

**1.00 DEFINITIONS**

- a) "Appointment" means the agreement herein between the Administrator and the Principal wherein the Principal appoints Administrator and Administrator accepts the appointment as mortgage administrator and bare trustee of the Investment;
- b) "Borrower" means the debtor(s) under the Investment;



- c) "Credit Documents" means all of the documentation delivered in respect of the Investment by or on behalf of the Borrower as a term or condition of the Principals advancing the Loan Amount including, without limitation and to the extent same may be applicable to the subject Investment, term sheet, commitment letter, loan agreement or such other like agreements detailing the agreed upon terms and conditions of the Investment, security including, the charge/mortgage of land, any Third-Party Mortgage Administration Agreement, and all other and ancillary loan documentation and agreements;
- d) "Guarantors" means those persons or entities that are bound by the Credit Documents to guarantee repayment of the Loan Amount and otherwise the performance by the Borrower of all of the Borrower's obligations under the terms of the Credit Documents;
- e) "Investment" means the mortgage secured syndicated loan described and contemplated by the loan commitment letter, loan term sheet or other like document attached hereto as Schedule "A";
- f) "Investor" means each person or entity participating in the Investment by advancing part of the Loan Amount;
- g) "Loan Amount" means the total principal amount advanced by the Principals in respect of the Investment;
- h) "Loan Commitment" means an executed and binding commitment letter, term sheet or other like agreement setting out the essential terms of the Investment, including such a document as prepared by a Retained Third-Party Mortgage Administrator;
- i) "Mortgage Administration Agreement" means the mortgage administration agreement attached hereto as Schedule "B";
- j) "Proportionate Share" means in respect of each Principal the fraction having as its numerator the amount advanced by such Principal from time to time on account of the Loan Amount and as its denominator the Loan Amount from time to time;
- k) "Retained Third-Party Mortgage Administrator" means a Third-Party Mortgage Administrator retained by the Administrator to administer the Investment pursuant to the terms of a Third-Party Mortgage Administration Agreement;
- l) "Security" means the charge/mortgage of land, general security agreements and any other such charges, liens and encumbrances of whatsoever kind delivered by the Borrower creating security interests in the assets of the Borrower and/or Guarantors in favour of the Investors;
- m) "Third-Party Mortgage Administrator" means a person licensed by FSCO as a mortgage administrator other than the Administrator; and
- n) "Third-Party Mortgage Administration Agreement" means, collectively as the case may be, all agreements between the Administrator and a Retained Third-Party Mortgage Administrator for administration of all or part of the Investment, which agreements may include provisions for inclusion of the Investment as part of a larger mortgage investment and the prioritization or subordination of the Investment therein.

## **2.00 APPOINTMENT**

- 2.01** The Principal hereby appoints Administrator as the Principal's mortgage administrator with respect to the Investment and Administrator hereby accepts the appointment on the terms and conditions set out in the Mortgage Administration Agreement and acceptance of this Agreement shall be and be deemed to be acceptance of the Mortgage Administration Agreement and same shall be binding upon the Administrator and Principal with the same binding effect as if it were to be accepted directly by all of the Investors.

**2.02** The Principal hereby authorizes and directs Administrator to hold all Credit Documents and receive all payments in respect of the Investment in the name of Administrator, MarshallZehr Group Inc., as bare trustee.

**2.03** The Principal acknowledges and confirms that it has been informed that the Administrator is related to one of the other Principals that may or may not participate in the Investment either directly or indirectly, namely family members of David Marshall or Greg Zehr and companies owned by Greg Zehr or David Marshall or by Greg Zehr's family trust or David Marshall's family trust and hereby consents to the same.

**3.00 EXCLUSIVE APPOINTMENT**

**3.01** The Administrator acknowledges and agrees that this Agreement and the appointment herein made shall be effective only if and when the Administrator has obtained the agreement of all of the Investors to appoint, on the same terms and conditions as this Agreement, Administrator as mortgage administrator of the Investment such that Administrator is the sole and exclusive mortgage administrator of the Investment, either in its own capacity or through the engagement of a Third-Party Mortgage Administrator pursuant to a Third-Party Mortgage Administration Agreement.

**3.02** In the event that the Administrator does not obtain the appointment of all of the Investors on or before **November 15, 2019**, this Agreement and the appointment herein made shall be terminated and of no force and effect. It is further agreed and acknowledged that Principal shall not be called upon by Administrator to advance, in whole or in part, that portion of the Loan Amount agreed herein to be advanced by Principal until each Investor has entered into a valid and binding agreement appointing Administrator mortgage administrator of the Investment on the same terms and conditions as this Agreement.

**4.00 AUTHORITY TO NEGOTIATE AND ENTER INTO LOAN COMMITMENT AND THIRD-PARTY MORTGAGE ADMINISTRATION AGREEMENT**

**4.01** The Administrator is hereby authorized and directed to negotiate the final terms of the Loan Commitment and to enter into the Loan Commitment and a Third-Party Mortgage Administration Agreement, if applicable, as bare trustee and nominee of Principal provided:

- (a) the terms so negotiated are consistent with those set out in Schedule "A" hereto;
- (b) the binding commitment of the other Investors to participate in the Investment and to appoint Administrator as bare trustee and mortgage administrator of the Investment, either directly or through the engagement of a Third-Party Mortgage Administrator, has been obtained; and
- (c) the aggregate of the amounts agreed to be advanced by each Investor on account of the Loan Amount is equal to the Loan Amount.

**5.00 PRINCIPAL'S OBLIGATION TO ADVANCE**

**5.01** The Principal shall not be required to advance any part of the Loan Amount hereinafter agreed to be advanced by Principal until the Administrator has entered into a binding Loan Commitment with the Borrower and the Administrator or the Retained Third-Party Mortgage Administrator, if applicable, has arranged through its solicitors with the Borrower's solicitors a date for the advancing of the Loan Amount and the Administrator has notified the Principal of the agreed upon advance date at least two business days in advance thereof.



- 5.02** The Principal agrees to advance the total sum of **TWO MILLION THREE HUNDRED TEN THOUSAND DOLLARS (\$2,310,000)** on account of the Loan Amount and Administrator confirms that (subject to any amendments hereinafter negotiated with the Borrower in respect of the Loan Amount) the total Loan Amount shall be the sum of **SIX MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$6,450,000)** and Principal's Proportionate Share shall be **THIRTY FIVE POINT EIGHT ONE percent (35.81%)**.

**6.00 SPECULATIVE NATURE OF INVESTMENT**

- 6.01** The Principal acknowledges having been advised by the Administrator that notwithstanding the provisions of the Credit Documents held by the Administrator or its Retained Third-Party Mortgage Administrator as bare trustee on behalf of and for the exclusive benefit of the Principals, repayment of the Loan Amount and the Principal's Proportionate Share and the receipt of interest accrued thereon, as provided in the Credit Documents is not certain. For the purposes of clarity, the Principal acknowledges having been advised by the Administrator that the Investment is to be considered a speculative investment. The Principal further acknowledges that the Principal have received no advice whatsoever from the Administrator's professional advisers, consultants and agents including its solicitors, Chaitons LLP, as to the prudence of advancing monies on account of the Investment and that the Principal has no contractual, or other relationship of any kind with such advisers and its only recourse, if any, is against the Administrator.

**7.00 INDEPENDENT LEGAL ADVICE**

- 7.01** The Principal hereby acknowledges that, prior to executing the Appointment of Administrator, they have been advised to and have had the opportunity to obtain independent legal advice and that the solicitors, Chaitons LLP., have been retained by the Administrator to exclusively advise and assist Administrator in carrying out its obligations under this Agreement and the Mortgage Administration Agreement and they have not provided any advice, directly or indirectly, to the Principal with respect to the advisability of entering into this investment, the details of the investment, the extent or nature of any risks or in respect of any other matter relating to the investment and appointments herein made.

**8.00 GENERAL CONTRACTUAL PROVISIONS**

- 8.01** Any notice or other communication which may be or is required to be given or made pursuant to this Agreement shall, unless otherwise expressly provided herein, be in writing and shall be deemed to have been sufficiently and effectively given if signed by or on behalf of the party giving notice and delivered to the party for which it is intended at its address as follows:

- (a) if to the Administrator, at:

MarshallZehr Group Inc.  
465 Phillip Street, Suite 206  
Waterloo, ON N2L 6C7  
Fax: 519-342-0851

- (b) if to the Principal, at:

1375 Kerns Road, Suite 100  
Burlington, ON L7P 4V7

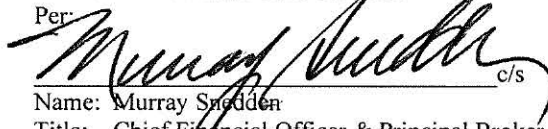
Any notice or communication which may or is required to be given or made shall be made or given as herein provided or to such other address or in case of such other officer as a party may from time to time advise to the other parties hereto by notice in writing as aforesaid and shall not be deemed received until actual receipt thereof by the party to whom such notice is given except if sent by facsimile machine, in which case it shall be deemed received on the Business Day next following the date of transmission. Any notice or other communication given pursuant to this Section 8.01 is called "notice".

- 8.02** All monies owing by the Principals to the Administrator pursuant to the terms hereof shall be paid within five business days of notice being given to the Principal by way of certified cheque to the Administrator's address for service.
- 8.03** The term of this Agreement shall commence on the date hereof and shall continue in full force and effect until the Mortgage Administration Agreement is terminated in accordance with its terms.

Executed and delivered as of the date first written above.

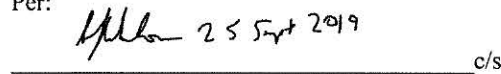
**MARSHALLZEHR GROUP INC.**

Per:

 c/s  
 Name: Murray Snodden  
 Title: Chief Financial Officer & Principal Broker  
*I have authority to bind the Corporation.*

**PORTLAND INVESTMENT COUNSEL INC., as manager of  
 PORTLAND PRIVATE INCOME LP**

Per:

 25 Sept 2019 c/s  
 Name:  
 Title: Authorized Signing Officer  
*I have authority to bind the Corporation.*

**Waiver of Independent Legal Advice**

September 25, 2019

TO: Chaitons LLP  
5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

AND TO: MarshallZehr Group Inc., ("Mortgage Administrator")

AND TO: All Principals pursuant to appointments of Mortgage Administrator (the "Appointments of Mortgage Administrator") made under a Mortgage Administration Agreement dated the 25 day of September, 2019 (the "Mortgage Administration Agreement") between the Mortgage Administrator and various principals advancing funds to URBAN NORTH ON THE GO LTD.. (the "Borrower") pursuant to the terms of a commitment letter dated the 18th day of September, 2019 (the "Commitment Letter") each between the Mortgage Administrator and Borrower (the Appointments of Mortgage Administrator, Mortgage Administrator Agreement and Commitment Letter being collectively referred to herein as the "Agreements")

Sirs:

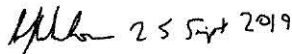
We, Portland Investment Counsel Inc., as manager of Portland Private Income LP, hereby acknowledge that Chaitons LLP has represented the Mortgage Administrator only with respect to the above-noted Agreements and that Chaitons LLP has not acted on my/our behalf in any capacity whatsoever. I/we further acknowledge being advised by Chaitons LLP and the Mortgage Administrator to seek Independent Legal Advice with respect these Agreements and notwithstanding being so advised to seek counsel and independent legal advice I/we have opted not to seek Independent Legal Advice. I/we further acknowledge I/we have not been represented in any legal capacity and that I/we fully acknowledge the ramifications involved in not having any legal representation with respect to the execution of these Agreements.

I/We hereby acknowledge and declare that I/we have received and reviewed the Agreements. I/We further acknowledge and declare that I/we understand fully the nature and consequences of the Agreements and that no other person or entity has used any compulsion or made any threat or exercised any undue influence to have me/us to execute these Agreements to which I/we are a party.

SIGNED, SEALED AND DELIVERED  
in the presence of:

**PORTLAND INVESTMENT COUNSEL INC., as manager of  
PORTLAND PRIVATE INCOME LP**

Per:

 25 Sept 2019

c/s

Name:

Title: Authorized Signing Officer

*I have authority to bind the Corporation.*

# EXHIBIT “4”

## ASSIGNMENT AND TRANSFER AGREEMENT

**THIS AGREEMENT** made as of the 21<sup>th</sup> day of January, 2022.

**BETWEEN:**

**DREWCO DEVELOPMENT CORP.**, (hereinafter referred to as the  
“Assignor”)

OF THE FIRST PART

- and -

**MARSHALLZEHR GROUP INC.**, as Agent (hereinafter referred to as  
the “Assignee”)

OF THE SECOND PART

- and –

**MARSHALLZEHR GROUP INC.**, (hereinafter referred to as the  
“Administrator”)

OF THE THIRD PART

**WHEREAS** the Assignor entered into a mortgage administration agreement with the Administrator dated the 14<sup>th</sup> day of July, 2021 (the “**Mortgage Administration Agreement**”); and

**WHEREAS** the Mortgage Administration Agreement is in respect of a mortgage loan over a project known as Maplevue Refinance – MZGI 393 in which the Assignor’s interest therein the Initial Funding is \$11,864,574.90 in respect of principal, plus all accrued and unpaid interest thereon (the “**Assignor’s Interest**”); and

**WHEREAS** the said mortgage loan is secured by a Commitment Letter dated July 9<sup>th</sup>, 2021 and all security issued pursuant to the said Commitment Letter (the “**Security**”); and

**WHEREAS** the Assignee has agreed to purchase and the Assignor has agreed to sell all of the Assignor’s Interest in the Mortgage Administration Agreement;

**NOW THEREFORE, IN CONSIDERATION OF** the sum of Eleven Million Eight Hundred Sixty Four Thousand Five Hundred Seventy Four Dollars and Ninety Cents (\$10,900,000.00 principal and \$964,574.90 on account of accrued and unpaid interest) now paid by the Assignee to the Assignor, the Assignor does hereby transfer, assign and set over to the Assignee all of the Assignor’s Interest in the Mortgage Administration Agreement and all rights and benefits

**EXHIBIT**

**4**

thereunder and the Assignee covenants and agrees to be bound by the provisions of the Mortgage Administration Agreement to the same extent as if it were originally a party thereto.

This Assignment and Transfer may be executed in several counterparts, each of which shall be deemed to be an original and all of which collectively will constitute one and the same agreement.

**IN WITNESS WHEREOF** the parties hereto have entered into this agreement as of the date above written.

**MARSHALLZEHR GROUP INC. (as Agent)**

Per:

DocuSigned by:

*Murray Snedden*

Murray Snedden, CFO & Principal Broker  
*I have the authority to bind the Corporation.*

**DREWCO DEVELOPMENT CORP.**

Per:

DocuSigned by:

*Allan Drewlo*

Name: Allan Drewlo  
Title: Authorized Signing Officer  
*I have the authority to bind the Corporation.*

**MARSHALLZEHR GROUP INC.**

Per:

DocuSigned by:

*Murray Snedden*

Murray Snedden, CFO & Principal Broker  
*I have the authority to bind the Corporation.*

**SCHEDULE "A"**

**Calculations for Assignment**

# EXHIBIT “5”



## ASSIGNMENT AND TRANSFER AGREEMENT

THIS AGREEMENT made as of the 21<sup>st</sup> day of January, 2022.

BETWEEN:

**MARSHALLZEHR GROUP INC.**, (hereinafter referred to as the  
"Assignor")

OF THE FIRST PART

- and -

**AGGREGATED INVESTMENTS INC.**, as Agent (hereinafter referred  
to as the "Assignee")

OF THE SECOND PART

- and -

**MARSHALLZEHR GROUP INC.**, (hereinafter referred to as the  
"Administrator")

OF THE THIRD PART

**WHEREAS** the Assignor entered into a mortgage administration agreement with the Administrator dated the 14<sup>th</sup> day of July, 2021 (the "**Mortgage Administration Agreement**"); and

**WHEREAS** the Mortgage Administration Agreement is in respect of a mortgage loan over a project known as Maplevue Refinance – MZGI 393 in which the Assignor's interest therein the Initial Funding is \$11,864,574.90 in respect of principal, plus all accrued and unpaid interest thereon (the "**Assignor's Interest**"); and

**WHEREAS** the said mortgage loan is secured by a Commitment Letter dated July 9<sup>th</sup>, 2021 and all security issued pursuant to the said Commitment Letter (the "**Security**"); and

**WHEREAS** the Assignee has agreed to purchase and the Assignor has agreed to sell all of the Assignor's Interest in the Mortgage Administration Agreement;

**NOW THEREFORE, IN CONSIDERATION OF** the sum of Eleven Million Eight Hundred Sixty Four Thousand Five Hundred Seventy Four Dollars and Ninety Cents (\$10,900,000.00 principal and \$964,574.90 on account of accrued and unpaid interest) now paid by the Assignee to the Assignor, the Assignor does hereby transfer, assign and set over to the Assignee all of the Assignor's Interest in the Mortgage Administration Agreement and all rights and benefits

thereunder and the Assignee covenants and agrees to be bound by the provisions of the Mortgage Administration Agreement to the same extent as if it were originally a party thereto.

This Assignment and Transfer may be executed in several counterparts, each of which shall be deemed to be an original and all of which collectively will constitute one and the same agreement.

**IN WITNESS WHEREOF** the parties hereto have entered into this agreement as of the date above written.

**MARSHALLZEHR GROUP INC. (as Agent)**

Per:

---

Murray Snedden, CFO & Principal Broker  
*I have the authority to bind the Corporation.*

**AGGREGATED INVESTMENTS INC.**

Per:

---

Name: Allan Drewlo  
Title: Authorized Signing Officer  
*I have the authority to bind the Corporation.*

**MARSHALLZEHR GROUP INC.**

Per:

---

Murray Snedden, CFO & Principal Broker  
*I have the authority to bind the Corporation.*

**SCHEDULE "A"**

**Calculations for Assignment**

# EXHIBIT “6”



Thursday, October 20, 2022

**PRIVATE AND CONFIDENTIAL**

Mapleview Developments Ltd.  
30 Wertheim Court Unit 3, Building A  
Richmond Hill, Ontario  
L4B 1B9

**Attention: Dino Sciavilla**

**RE:**      **Project:**                      Mapleview Refinance – MZGI 393  
         **Purpose:**                        Third (3<sup>rd</sup>) Amendment  
         **Borrower:**                    Mapleview Developments Ltd.  
         **Property Address:**        700, 750 & 780 Mapleview Drive East, Barrie, Ontario  
         **Current Maturity Date:**   February 1<sup>st</sup>, 2024

MarshallZehr Group Inc. (the "Lender") is pleased to advise we have approved the following amendment (the "3<sup>rd</sup> Amendment") to the above noted mortgage and Commitment Letter dated Friday, July 9<sup>th</sup>, 2021 and amended Thursday, January 20<sup>th</sup>, 2022 (the "1<sup>st</sup> Amendment") and again on Friday, August 12<sup>th</sup>, 2022 (the "2<sup>nd</sup> Amendment").

Delete (Original):

**Loan Amount:**                      \$34,300,000 (the "Loan")

Tranche A:	\$ 11,400,000
Tranche B:	\$ 22,900,000
<b>Total Loan Amount:</b>	<b>\$ 34,300,000</b>

Tranche A shall be repaid to the Lender within 60 days of the initial advance date. If Tranche A is not repaid within 60 days, as of the 61<sup>st</sup> day after the initial advance date, the interest rate on Tranche A will increase from 0% to 25%, compounded monthly and accrued to maturity. If Tranche A is not repaid by the 90<sup>th</sup> day, as of the 91<sup>st</sup> day after the initial advance date, the interest rate on Tranche A will increase from 25% to 30%, compounded monthly and accrued to maturity. Interest will continue to be earned at the escalated rate going forward and will be due and payable as part of any discharge of Tranche A.

Insert (New):

**Loan Amount:**                      \$47,560,000 (the "Loan")

Facility 1 (Construction):	\$ 24,660,000
Facility 2 (Mezzanine):	\$ 22,900,000
<b>Total Loan Amount:</b>	<b>\$ 47,560,000</b>

Facility 2 (Mezzanine) shall be fully subordinate and postponed to Facility 1 (Construction).



Delete (Original):

**Interest Rate:**

**Tranche A:** Tranche A shall be repaid to the Lender within 60 days of the initial advance date. If Tranche A is not repaid within 60 days, as of the 61st day after the initial advance date, the interest rate on Tranche A will increase from 0% to 25%, compounded monthly and accrued to maturity. If Tranche A is not repaid by the 90th day, as of the 91st day after the initial advance date, the interest rate on Tranche A will increase from 25% to 30%, compounded monthly and accrued to maturity. Interest will continue to be earned at the escalated rate going forward and will be due and payable as part of any discharge of Tranche A.

**Tranche B:** 17% Per Annum (Fixed Rate)

Interest shall accrue commencing on the date of the Initial Advance, calculated daily (365 days/year), compounded monthly and payment deferred until maturity of the loan.

Insert (New):

**Interest Rate:**

**Facility 1 (Construction):** Prime + 8% (Floor of 13.45%)

Interest shall accrue commencing on the date of each advance, calculated daily (365 days/year), compounded monthly and payment deferred until maturity of the loan.

**Facility 2 (Mezzanine):** Prime + 15% (Floor of 16%)

Interest shall accrue commencing on the date of each advance, calculated daily (365 days/year), compounded monthly and payment deferred until maturity of the loan.

Delete (Original):

**Sources & Uses:****Uses**

Land & Servicing Costs	\$	131,550,000
Soft Costs	\$	7,410,304
Development Costs	\$	33,417,342
Hard Costs	\$	131,584,655
Financing Costs	\$	23,001,718
<b>Total Uses</b>	<b>\$</b>	<b>326,964,019</b>

**Sources**

KingSett Debt Facilities	\$	106,047,588
Mapleview Refinance – MZGI 393	\$	34,300,000
Revolving Trade Facility	\$	138,156,707
Deferred Equity	\$	14,587,193
Borrower Equity	\$	15,680,451
Purchaser Deposits	\$	18,192,080
<b>Total Sources</b>	<b>\$</b>	<b>326,964,019</b>



Insert (New):  
Sources & Uses:

Uses		
Land & Servicing Costs	\$	131,550,000
Soft Costs	\$	7,410,300
Development Costs	\$	33,417,300
Hard Costs	\$	131,584,600
Financing Costs	\$	25,253,300
<b>Total Uses</b>	<b>\$</b>	<b>329,215,500</b>
Sources		
KingSett Debt Facilities	\$	98,812,800
Construction Revolving Facility	\$	166,993,000
Mapleview Refinance – MZGI 393 (Facility 2)	\$	22,900,000
Deferred Equity	\$	17,955,900
Borrower Equity	\$	6,232,600
Purchaser Deposits	\$	16,321,200
<b>Total Sources</b>	<b>\$</b>	<b>329,215,500</b>

Delete (Original):  
**4.2 FINANCIAL  
COVENANTS:**

**a) Project Net Equity** - The Borrower and Guarantors must have and maintain throughout the term of the loan a minimum combined net equity in the Project equal to \$15,680,451 (as per the Sources and Uses) excluding Phase 5 & 6 land value.

Insert (New):  
**4.2 FINANCIAL  
COVENANTS:**

**a) Project Net Equity** - The Borrower and Guarantors must have and maintain throughout the term of the loan a minimum combined net equity in Phases 1-3 equal to \$6,232,600 (as per the Sources and Uses).



Delete (Original):

**III. SECURITY TO BE  
DELIVERED**

**a) Mortgage** - A mortgage in the amount of \$49,500,000 on the Maplevue Refinance MZGI-393 Project and property plus any accrued contingent payments.

Insert (New):

**III. SECURITY TO BE  
DELIVERED**

**a) Mortgage** - A mortgage in the amount of \$49,500,000 on the Maplevue Refinance MZGI-393 Project and property plus any accrued contingent payments. Facility 1 (Construction) shall be in 2<sup>nd</sup> position on Phase I, Phase II, Phase III, Phase IV & Phase V and in 3<sup>rd</sup> position on Phase VI. Facility 2 (Mezzanine) shall be in 4<sup>th</sup> position on Phase I, Phase II, Phase III, Phase IV & Phase VI and in 3<sup>rd</sup> position on Phase V (see Appendix B).

The following provisions shall be included in this Amendment that were not contemplated in the original Commitment:

**Lender Fee:** \$260,000, earned upon signing and shall be deemed to be principal advanced.

**3<sup>rd</sup> Amendment Fee:** The fee for this Amendment shall be paid by the Borrower in accordance with all applicable Financing Fees outlined in the owners' Financing Agreement and Omnibus Amending Agreement.

**Subsearch:** A subsearch will be completed by the Lender's solicitor upon acceptance this 3<sup>rd</sup> Amendment at the Borrower's expense.

**All other terms of the Commitment shall survive, unamended.**





This 3<sup>rd</sup> Amendment may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterpart together shall constitute one and the same instrument. A facsimile or electronic copy of an executed counterpart shall be deemed to be an original.

By signing this amending letter the Borrowers and Guarantors agree that the Lender may obtain credit and other financially related information about the Borrower(s) and the Guarantor(s), including reports from other credit grantors, consumer reporting agencies and credit bureau.

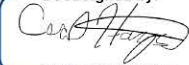
The execution of this letter does not obligate the Lender to advance any of the agreed funds unless all of the conditions to such advances have been satisfied to the satisfaction of the Lender and its solicitors.

**If you are in agreement with the above terms, please indicate such agreement by signing and forwarding to the undersigned a copy of this agreement, by October 26<sup>th</sup>, 2022.**

**This amending letter is not binding until it has been approved and signed back by an Officer of the Lender, MarshallZehr Group Inc. and the mortgage is in good standing.**

Sincerely,

**MARSHALLZEHR GROUP INC.**

DocuSigned by:  
  
6697E6642B774AE...

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

Name:

Title:

I have the authority to bind the Corporation



Acknowledged and agreed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

**Borrower:**

**Mapleview Developments Ltd.**

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

DocuSigned by:  
  
C7AE499691764A8...

Per: \_\_\_\_\_  
Name: Gregory Zehr  
Title: \_\_\_\_\_

I/we have authority to bind the Corporation

The following parties execute this Commitment in their capacities as guarantors only.

**Guarantors:**

**Urban North On-the-Go Ltd.**

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

I/we have authority to bind the Corporation

**Pace Developments Inc.**

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

I/we have authority to bind the Corporation

**Pace Mapleview Ltd.**

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

I/we have authority to bind the Corporation

**2552741 Ontario Inc.**

Per: \_\_\_\_\_  
Name: Gregory Zehr  
Title: \_\_\_\_\_

DocuSigned by:  
  
C7AE499691764A8...

I/we have authority to bind the Corporation



Pace Group Investments Inc.

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

A blue ink signature, appearing to be 'Dino', written over a horizontal line.

I/we have authority to bind the Corporation

Pace Group Holdings Inc.

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

A blue ink signature, appearing to be 'Dino', written over a horizontal line.

I/we have authority to bind the Corporation

A blue ink signature, appearing to be 'Dino', written over a horizontal line.

Gerardo (Dino) Sciavilla

I/S

A blue ink signature, appearing to be 'Dino', written over a horizontal line.

Witness:

A blue ink signature, appearing to be 'Yvonne', written over a horizontal line.

Yvonne Sciavilla

I/S

A blue ink signature, appearing to be 'Dino', written over a horizontal line.

Witness:



#### **Appendix A: Maplevue Phase Descriptions**

**Phase I and II:** Upon completion, Phase I and Phase II will be 311 low-rise townhomes (stacked & freehold). ~43 townhomes have been delivered as of the date of this amendment.

**Phase III:** Upon completion, Phase III will be 209 low-rise townhomes. All 209 units have been pre-sold to purchasers.

**Phase IV:** Upon completion, Phase IV will be 321 stacked townhomes. All 321 units have been pre-sold to purchasers.

**Phase V:** Raw land held by the Borrower that upon zoning approvals, is expected to be developed into ~135 stacked townhomes.

**Phase VI:** Raw land held by the Borrower that is zoned for 81 stacked townhomes.

#### **Appendix B: Mortgage Charge Summary**

##### **Phase 1 & 2:**

1<sup>st</sup>: KingSett Capital - \$132,500,000

2<sup>nd</sup>: MarshallZehr - MZGI 393 (Facility 1) - \$49,500,000

3<sup>rd</sup>: Westmount Guarantee - \$3,000,000

4<sup>th</sup>: MarshallZehr - MZGI 393 (Facility 2) - \$49,500,000

5<sup>th</sup>: MarshallZehr - MZGI 274 - \$9,000,000

6<sup>th</sup>: MarshallZehr - MZGI 112 - \$20,000,000

##### **Phase 3:**

1<sup>st</sup>: KingSett Capital - \$132,500,000

2<sup>nd</sup>: MarshallZehr - MZGI 393 (Facility 1) - \$49,500,000

3<sup>rd</sup>: Westmount Guarantee - \$7,962,950

4<sup>th</sup>: MarshallZehr - MZGI 393 (Facility 2) - \$49,500,000

5<sup>th</sup>: MarshallZehr - MZGI 274 - \$9,000,000

6<sup>th</sup>: MarshallZehr - MZGI 112 - \$20,000,000

##### **Phase 4:**

1<sup>st</sup>: KingSett Capital - \$132,500,000

2<sup>nd</sup>: MarshallZehr - MZGI 393 (Facility 1) - \$49,500,000

3<sup>rd</sup>: Westmount Guarantee - \$21,000,000

4<sup>th</sup>: MarshallZehr - MZGI 393 (Facility 2) - \$49,500,000

5<sup>th</sup>: MarshallZehr - MZGI 274 - \$9,000,000

6<sup>th</sup>: MarshallZehr - MZGI 112 - \$20,000,000



**Phase 5:**

**1<sup>st</sup>:** KingSett Capital - \$132,500,000

**2<sup>nd</sup>:** MarshallZehr – MZGI 393 (Facility 1) - \$49,500,000

**3<sup>rd</sup>:** MarshallZehr – MZGI 393 (Facility 2) - \$49,500,000

**4<sup>th</sup>:** MarshallZehr – MZGI 274 - \$9,000,000

**5<sup>th</sup>:** MarshallZehr – MZGI 112 - \$20,000,000

**Phase 6:**

**1<sup>st</sup>:** Vector Financial Services Ltd. - \$2,885,000

**2<sup>nd</sup>:** KingSett Capital - \$132,500,000

**3<sup>rd</sup>:** MarshallZehr – MZGI 393 (Facility 1) - \$49,500,000

**4<sup>th</sup>:** MarshallZehr – MZGI 393 (Facility 2) - \$49,500,000

**5<sup>th</sup>:** MarshallZehr – MZGI 274 - \$9,000,000

**6<sup>th</sup>:** MarshallZehr – MZGI 112 - \$20,000,000

# EXHIBIT “7”



## Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage

*Mortgage Brokerages, Lenders and Administrators Act, 2006*

Transaction Number: **MZGI-393**

### Important Information About This Form

Name of Mortgage Brokerage <b>MarshallZehr Group Inc.</b>		Mortgage Brokerage Licence number <b>12453</b>	
<b>Address</b>			
Unit Number <b>206</b>	Street Number <b>465</b>	Street Name <b>Phillip Street</b>	
City/Town <b>Waterloo</b>		Province <b>ON</b>	Postal Code <b>N2L 6C7</b>
Telephone number <b>519-342-1000</b>		Email Address <b>msnedden@marshallzehr.com</b>	
Name of Principal Broker <b>Murray Snedden</b>		Principal Broker Licence number <b>M13001624</b>	

#### Purpose of Form

This form provides important information to assist the investor/lender in making a decision about investing or lending under the syndicated mortgage proposed by the mortgage brokerage. This disclosure statement is required under subsection 31.1(1)1 of Ontario Regulation 188/08: Mortgage Brokerages Standards of Practice (O. Reg. 188/08) under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* (MBLAA).

The mortgage brokerage is required by law to provide the investor/lender with a completed **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** at a minimum two business days before the investor/lender commits to invest/lend.

This disclosure statement and the attached documents are not intended to provide a comprehensive list of factors to consider in making a decision concerning this investment/loan in a non-qualified syndicated mortgage.

#### Application of Form

**All non-qualified syndicated mortgages** – This form applies to all syndicated mortgage transactions that do not meet the definition of a "qualified syndicated mortgage." As defined in section 1 of O. Reg. 188/08, a qualified syndicated mortgage is a syndicated mortgage that meets all of the following criteria:

1. It is negotiated or arranged through a mortgage brokerage.
2. It secures a debt obligation on property that,
  - a. is used primarily for residential purposes,
  - b. includes no more than a total of four units, and
  - c. if used for both commercial and residential purposes, includes no more than one unit that is used for commercial purposes.
3. At the time the syndicated mortgage is arranged, the amount of the debt it secures, together with all other debt secured by mortgages on the property that have priority over, or the same priority as, the syndicated mortgage, does not exceed 90 per cent of the fair market value of the property relating to the mortgage, excluding any value that may be attributed to proposed or pending development of the property.

4. It is limited to one debt obligation whose term is the same as the term of the syndicated mortgage.
5. The rate of interest payable under it is equal to the rate of interest payable under the debt obligation.

A syndicated mortgage that secures a debt obligation incurred for the construction or development of property is not a qualified syndicated mortgage.

**All Investors/Lenders** – This form must be provided to each investor/lender in a non-qualified syndicated mortgage, whether or not the investor/lender is part of a designated class of investors/lenders. Members of a "designated class" are defined in subsection 2(1) of O. Reg. 188/08 (Refer to Appendix).

### **Waiting Period**

To enable the investor/lender to thoroughly review the proposed non-qualified syndicated mortgage, this disclosure statement, and to obtain independent legal advice, this **Form 3.2 – Disclosure Statement for Investor/ Lender in a Non-Qualified Syndicated Mortgage**, must be presented to the investor/lender no later than two business days before the earliest of the following events:

1. When the mortgage brokerage receives money from the investor/lender.
2. When the mortgage brokerage enters into an agreement to receive money from the investor/lender.
3. When the investor/lender enters into a mortgage agreement or an agreement to trade in a mortgage.
4. The money is advanced to the borrower under the mortgage.
5. The trade completion date.

**The investor/lender CANNOT waive this two-day waiting period.**

### **Investment Limit**

Section 24.2 of O. Reg. 188/08 limits the amount that an investor/lender can invest/lend in a non-qualified syndicated mortgage to sixty thousand dollars (\$60,000) in any twelve (12)-month period for investors/lenders that are not part of a designated class of lenders and investors (i.e., this limit does not apply to investors/lenders that are part of a designated class). The "designated classes" are defined in subsection 2(1) of O. Reg. 188/08.

When determining whether the applicable limit has been reached for a non-qualified syndicated mortgage, the mortgage brokerage shall not count any investments/loans in respect of non-qualified syndicated mortgages entered into prior to July 1, 2018. By law, the mortgage brokerage cannot sell a proposed non-qualified syndicated mortgage to an investor/lender unless the investor/lender is eligible under these rules. The investor/lender should confirm his/her eligibility with the mortgage brokerage.

### **Record-Keeping**

The mortgage brokerage must provide the investor/lender with a copy of this completed form pursuant to subsection 31.1(1)1 of O. Reg. 188/08, and retain a copy for the mortgage brokerage's records in accordance with sections 46(1)4 and 48 of O. Reg. 188/08.

### **Disclaimer**

This disclosure statement was prepared by the mortgage brokerage and has not been filed with the Financial Services Regulatory Authority of Ontario (FSRA) or other government authority and neither FSRA nor another government authority has reviewed or approved the completed disclosure statement.



## Section 1 – About Your Investment

Name of Investment Project:

[Mapleview Refinance - MZGI 393](#)

Address of Property / Security to be Mortgaged:

Unit Number	Street Number <a href="#">700, 750 &amp; 780</a>	Street Name <a href="#">Mapleview Drive East</a>	
City/Town <a href="#">Barrie</a>	Province <a href="#">ON</a>	Postal Code <a href="#">L4N 0M2</a>	

## Section 2 – Investor/Lender Information

Name

[Drewco Development Corp.](#)

Mailing address

Unit Number <a href="#">1</a>	Street Number <a href="#">320</a>	Street Name <a href="#">Dundas Street</a>	
City/Town <a href="#">London</a>	Province <a href="#">ON</a>	Postal Code <a href="#">N6B 3R8</a>	
Telephone number <a href="#">519-472-8200</a>	Email Address <a href="#">adrewlo10@rogers.com</a>		

**Investor Representative, if applicable (e.g. for entity investor)**

Name <a href="#">Allan Drewlo</a>	Title <a href="#">President</a>
Telephone number <a href="#">519-671-8073</a>	Email Address <a href="#">adrewlo10@rogers.com</a>

## Section 3 – Investor/Lender Status

☒ Member of a Designated Class who is a/an:

1. Non-Individual, or
2. Individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the *Securities Act*, the cash surrender value of a life insurance contract; a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, **exceeds \$5 million** and who provides written confirmation of this to the brokerage.

**If the investor/lender meets the descriptions in (1) or (2), indicate the following and complete Sections 4 and 5 of this form:**

Type of designated class: [letter \(T\) on the Certification Form](#)

Type of documentation supporting investor/lender's status: \_\_\_\_\_

- ☐ Member of a Designated Class who is not an individual described in (2). **Complete Sections 6 to 11 of this form.**
- ☐ Not a Member of a Designated Class. **Complete Sections 6 to 11 of this form**

The designated classes of lenders and investors are defined in subsection 2(1) of O. Reg. 188/08 (Refer to Appendix). These include classes for certain entities or individuals who have net income before taxes, net assets and net financial assets above a defined limit.

Section 4 – Disclosure Summary

Part A – Role of the Brokerage and Other Parties Involved

1. The mortgage brokerage is acting for:

- ☒ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☐ Both the borrower and the investor/lender.

2. Identify the name of following parties involved investment/loan in a non-qualified syndicated mortgage:

Borrower Mapleview Developments Ltd.	
Developer, if different from the borrower	
Mortgage Administrator MarshallZehr Group Inc.	Licence No. 11955
Individual or Corporate Guarantor (if applicable) See the text box below in 2. for the list of guarantors for this mortgage	

Part B – Loan and Property Details

1. Existing or new mortgage: The investor/lender's investment is to:

- ☐ Purchase a portion of an existing registered mortgage
- ☒ Fund a portion of a new mortgage that has not yet been registered

2. Type of Property:

- ☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)
- ☒ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

**Guarantors:**  
Corporate - Pace Developments Inc., Pace Mapleview Ltd., 2552741 Ontario Inc., Pace Group Investments Inc., Urban North On-the-Go Ltd. & Pace Group Holdings Inc.. Personal - Gerardo (Dino) Sciavilla & Yvonne Sciavilla

**Project information:**  
The Mapleview master development will have 1,400+ units built out over 6 phases. Phase 1 & 2 are under construction and Phases 1-4 have secured construction financing. A construction/unit schedule can be available upon request.

3. Terms of Mortgage

(a) Amount of your investment (\$):	\$10,900,000.00
(b) Source(s) of investment funds:	

(c) Face Value of Mortgage Amount (\$): \$10,900,000.00

(d) Mortgage Term: 30-Months

(e) Maturity Date (yyyy-mm-dd): 2024-02-01

(f) No. of other investors/lender that have an interest in this mortgage: 0

(g) Rank of Mortgage (1st, 2nd, 3rd, etc.): 4th

(h) Provide the name of prior mortgagee(s), if applicable:

**KingSett Capital - more information in the encumbrances section.**  
**Vector 1st mortgage on Phase 6**  
**Meridian Credit Union will be registering a 1st mortgage on Phase 4 for Land, Servicing & Construction. This is expected to occur in August of 2021.**

(i) Existence of a subordination clause (Yes/No): Yes

(j) Describe the use of the mortgage funds:

**The \$10,900,000 will be used to refinance the debt on-site (MZGI 273) and pay for legal & administrative costs associated with the loan.**

## Part C – Appraisal of Property

### 1. Name, professional designation and address of appraiser:

Name <b>Paul Stewart</b>		Professional Designation <b>AACI</b>	
Firm Name <b>Avison Young Valuation &amp; Advisory Services</b>			
<b>Address</b>			
Unit Number <b>50</b>	Street Number <b>55</b>	Street Name <b>Commerce Valley Drive</b>	
City/Town <b>Markham</b>		Province <b>Ontario</b>	Postal Code <b>L3T 7V9</b>
Telephone number <b>905-968-8030</b>		Email Address <b>paul.stewart@avisonyoung.com</b>	

2. The date of the appraisal report (yyyy-mm-dd): 2019-05-23

3. The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report: \$57,700,000.00

4. The effective date of the appraisal (yyyy-mm-dd): 2019-05-14

**Part D – Loan-to-Value Ratio**

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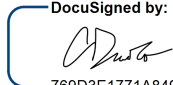
(a) Total of prior encumbrances:	<div></div>
(b) Amount of this mortgage:	<div></div>
(c) Total amount of mortgages: (a+b)	<div></div>
(d) Appraised estimated ("as is") value:	<div></div>
(e) Loan to "as is" value: (c/d X 100)	<div></div>

## Section 5 - Declaration by Investor/Lender of Certain Designated Class and the Mortgage Brokerage

### Declaration by the Investor/Lender

I hereby confirm and declare that:

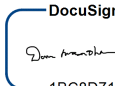
1. I qualify as a member of a designated class of lender and investor as defined in section 2 of O. Reg. 188/08.
2. For an individual who is a member of a designated class: I, alone or together with my spouse, have net financial assets of at least \$5 million. I have provided written confirmation to support my investor/lender status to the mortgage brokerage.
3. I acknowledge the receipt of this **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage**, signed by the mortgage broker, as well as any investment summary and other relevant documents from the mortgage brokerage pertaining to this syndicated mortgage.

Investor/lender Name	Signature of Investor/lender	Date (yyyy-mm-dd)
Drewco Development Corp.		
Entity Name (if applicable)		
Allan Drewlo	DocuSigned by:  769D3E1771A8498	7/14/2021
Entity Representative Name	Entity Representative Signature	Date (yyyy-mm-dd)

### Declaration by the Mortgage Brokerage

I hereby confirm and declare that:

1. I have fully completed this **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** in accordance with the *MBLAA* and its regulations and declare it accurate in every respect to the best of my knowledge.
2. I have obtained supporting documentation confirming the investor/lender's status as a member of a designated class of lenders and investors as defined in section 2 of O. Reg. 188/08, and the investor/lender has signed this form, attesting to his/her/its status as a designated class. For an individual who is a member of a designated class, I have obtained documentation confirming the investor/lender, alone or together with his or her spouse, has net financial assets of at least \$5 million.
3. I have discussed the contents of this form and other relevant information pertaining to this syndicated mortgage with the investor/lender. I provided a copy of this form, investment summary and other relevant documents to the investor/lender.

David Marshall	M09000275
Name of Mortgage Broker	Licence number of Mortgage Broker
DocuSigned by:  1000071E02B14DD...	7/14/2021
Signature of Mortgage Broker	Date (yyyy-mm-dd)
MarshallZehr Group Inc.	12453
Mortgage Brokerage Name	Licence number of Mortgage Brokerage

## Section 6 – Caution

All mortgage investments carry risk. There is a relationship between risk and return. In general, the higher the rate of return, the higher the risk of the investment. The investor/lender should very carefully assess the risk of the mortgage transaction described in this disclosure statement and in the supporting documentation before entering into the transaction.

A syndicated mortgage (defined as a mortgage with more than one investor/lender) may carry additional risks not only relating to the risk of default but also to the risks associated with participating in a syndication and the financing of real estate transactions.

By law, the mortgage brokerage must disclose to the investor/lender, in writing, the material risks of the mortgage investment/loan it presents to an investor/lender.

Investors/lenders are strongly advised to obtain independent legal and financial advice before committing to invest/lend in a non-qualified syndicated mortgage. Inexperienced investors should be cautious when deciding to enter into a non-qualified syndicated mortgage investment/loan.

**The general risks related to an investment/loan in non-qualified syndicated mortgages are outlined in Form 3.1 – Suitability Assessment for Investor/Lender in a Non-Qualified Syndicated Mortgage that you, the investor/lender, received on:**

2021-07-13

(yyyy-mm-dd)

Mortgage Broker initials:

Date: 7/14/2021

DS

PM

Investor/lender initials:

Date: 7/14/2021

DS

CD

## Section 7 – Nature of Mortgage Brokerage Relationships

The *Mortgage Brokerages, Lenders and Administrators Act, 2006* requires disclosure of the nature of the relationship between the mortgage brokerage and other persons and entities involved in the mortgage transaction. For the purposes of this form, two persons are "related" if they share any relationship other than an arm's length business relationship. For example, a shareholder, director, officer, partner or employee of a mortgage brokerage is related to the mortgage brokerage and to any mortgage broker or agent authorized to deal or trade in mortgages on behalf of the mortgage brokerage (this group of related parties is referred to as the mortgage brokerage and "its related parties" in this form).

### 1. The mortgage brokerage is acting for:

- ☐ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☒ Both the borrower and the investor/lender.

### 2. Nature of Relationships

Yes/No

(a) Does the mortgage brokerage or any of its related parties have or expect to have a direct or indirect interest in the property identified in Section 8, Part A of this form?	Yes
(b) Does any person who is a close familial relation to any individual who is a mortgage brokerage related party have or expect to have a direct or indirect interest in the property identified in Section 8, Part A of this form?	Yes
(c) Is the mortgage brokerage or any of its related parties related to any of the investors/lenders in the mortgage?	Yes
(d) Is the mortgage brokerage or any of its related parties related to the borrower?	Yes
(e) Is the mortgage brokerage or any of its related parties related to the individual or firm that appraised the property?	No
(f) Is the mortgage brokerage or any of its related parties related to the developer (if the developer is different from the borrower)?	Yes
(g) Is the mortgage brokerage also the mortgage administrator for the non-qualified syndicated investment/loan?	Yes
(h) Is the mortgage brokerage or any of its related parties entitled, directly or indirectly, to a share of the profits earned from the project?	Yes
(i) Has, or will, the mortgage brokerage or any of its related parties provide(d) any goods or services to the borrower or developer whether directly or through an entity owned or controlled by that person or entity?	No
(j) Has, or will, the mortgage brokerage or any of its related parties pay any referral fees in connection with securing investments for this property or non-qualified syndicated mortgage?	Yes
(k) Are there any circumstances or factors, in addition to the above, which may create commercial dependencies as between the mortgage brokerage and its related parties and the borrower, developer or any party related to the borrower or developer (e.g., the mortgage brokerage depends upon transactions with the borrower for a material portion of its revenue)?	Yes

If Yes, to any of the responses in Question 2 explain the relationship and the strategies in place to manage the actual/potential conflict of interest:

MarshallZehr is both the brokerage and administrator of the Mortgage. Being the administrator of the Mortgage allows MarshallZehr to continue to service the Lender's interests after closing of the mortgage transaction. MarshallZehr Group Inc. also discloses to the Borrower that we represent the lender and not the Borrower.

Greg Zehr and David Marshall are part owners of the project via the co tenant company 2552741 Ontario Inc.( 50% ownership of total project). The remaining 50% ownership interest is owned by Dino and Yvonne Sciavilla through Pace Mapreview Ltd.

2552741 Ontario Inc. does not hold a secured interest on title to secure it's ownership interest. Mortgage participants will benefit from repayment in advance of receipt of profit by the beneficial owners of the Project; monthly management fees up to the budgeted amount as approved by the lenders prior to funding will be permitted to be paid to Pace and MZ related entities, and any management fees in excess of those forming the initial project budget will require prior consent from the lenders.

The Administrator is related to one of the other Principals that may or may not participate in the Investment either directly or indirectly, namely family members of David Marshall or Greg Zehr and companies owned by Greg Zehr or David Marshall or by Greg Zehr's family trust or David Marshall's family trust and hereby consents to the same.

Of the 17% interest paid on the MZGI 393 loan (or 34% interest, in the case of the Wrap-Up period), all interest will be paid to the lender; there is no "MZ Trailer". There is a "Servicing Fee" on this loan of \$436,000 that will be paid from surplus cash in the project at a later date that is to be determined.

**3. Describe any actual/potential conflicts of interest or relationships in connection with this investment/loan in a non-qualified syndicated mortgage, other than those described in Question 2, and the strategies in place to manage the actual/potential conflict of interest.**

No known existing conflicts of Interest other than those potential conflicts identified above.

Mortgage Broker initials:

Date: 7/14/2021

DS  
PM

Investor/lender initials:

Date: 7/14/2021

DS  
CR



## Section 8 – Property and Mortgage Investment/Loan Details

### Part A – Property/Security to Be Mortgaged

#### 1. Legal and Municipal address of the property:

Legal address

Legal address listed below.

Municipal Address

Unit Number

Street Number

700, 750 & 780

Street Name

Mapleview Drive East

City/Town

Barrie

Province

Ontario

Postal Code

L4N 0M2

#### 2. Type of Property:

☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)

☒ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

Project information:

The Mapleview master development will have 1,400+ units built out over 6 phases. Phase 1 & 2 are under construction and Phases 1-4 have secured construction financing. A construction/unit schedule can be available upon request.

Legal Address:

PINs:

58091-3880 (LT) to 58091-3891 (LT), inclusive, and 58091-3893 (LT) to 58091-3902 (LT), inclusive

58091-0287 (LT). (Phase 6)

#### 3. Appraisal of Property:

Note: Under the *MBLAA*, the estimated market value of the property must reflect its condition and stage of development as of the date of the inspection or within 60 days after that. It cannot depend or rely on assumptions about proposed or future development of, or improvements to, the property or any other conditions not in existence at the date selected for the estimated market value.

(a) Name, professional designation and address of appraiser:

Name

Paul Stewart

Professional Designation

AACI

Firm Name

Avison Young Valuation & Advisory Services

Address

Unit Number

501

Street Number

55

Street Name

Commerce Valley Drive

City/Town

Markham

Province

Ontario

Postal Code

L3T 7V9

Telephone Number

905-968-8030

E-mail Address

paul.stewart@avisonyoung.com

- (b) The date the appraiser conducted the inspection of the property (yyyy-mm-dd): 2019-04-10
- (c) The date of the appraisal report (yyyy-mm-dd): 2019-05-23
- (d) The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report: \$57,700,000.00
- (e) The effective date of the appraisal (yyyy-mm-dd): 2019-05-14

**4. Property Taxes:**

(a) Annual property taxes: \$178,397.37

Are taxes in arrears?

☒ Yes

☐ No

☐ Investor/Lender's Solicitor to verify taxes prior to closing or ensure coverage under title insurance

If yes, amount of arrears: \_\_\_\_\_

**5. Condominium Fees (If applicable):**

(a) Monthly condominium fees: \_\_\_\_\_

Are fees in arrears?

☐ Yes

☐ No

If Yes, amount of arrears: \_\_\_\_\_

**6. Zoning: Is the zoning on the property appropriate for the proposed use?**

☒ Yes

☐ No

If No, provide details:

Zoning is in place for phases 1-4 & 6.  
Phase 5 zoning is not approved yet but is in process.

**Part B - Mortgage Particulars****1. Is the mortgage to fund the purchase of property?**☐ Yes☒ No

If Yes, describe the current ownership of the property and purchase arrangements:

If No, set out the purchase price and date of the purchase:

Purchase Price of Property:

Date of Purchase (yyyy-mm-dd):

\$35,461,750.00

**2. Will the mortgage proceeds be used to refinance, pay out, straight renew, renew with material change, redeem or reduce an existing mortgage on this property?**☒ Yes If yes complete (a) and (b)☐ No

(a) Select how the proceeds will be used:

☒ Refinance☒ Pay out☐ Straight renew☐ Renew with material change☐ Redeem☐ Reduce an existing mortgage☐ Other

(b) Explain your answer for (a):

\$35,461,750 purchase price referenced above is the sum of the Phase 1-5 purchase price (\$31,611,750; December 2016) and the Phase 6 purchase price (\$3,850,000; January 2020).

This loan is being used to refinance the MZGI 273 loan.

**3. Nature of investment or loan:**

(a) The investor/lender's investment represents:

- ☒ Participation in a mortgage
- ☐ Trade of a participation in a mortgage
- ☐ Any other interest or participation in a mortgage

Explain:

100% of the MZGI 393 loan will be funded by  
[Drewco Development Corp.](#)

(b) Percentage of total investor/lender's portion:

100.00%

(c) Number of other parties that have an interest in this mortgage:

0

(d) In what name(s) will the mortgage be registered?

[MarshallZehr Group Inc.](#)

(e) If the mortgage is not registered in the investor/lender's name, the mortgage brokerage must provide an explanation:

[The mortgage is registered in the name of the Mortgage Administrator. The Mortgage Administrator holds the mortgage in trust for all investors.](#)

**4. Existing or new mortgage: The investor/lender's investment is to:**

- ☐ Purchase a portion of an existing registered mortgage
- ☒ Fund a portion of a new mortgage that has not yet been registered

**5. If this investment is a purchase of an existing mortgage or a portion of an existing mortgage, is the mortgage now in default?**

- ☐ Yes
- ☒ No

Has it been in default in the last twelve months?

- ☐ Yes
- ☒ No

If Yes to either, explain:

**6. Administered Mortgage: Will the mortgage be administered for the investor/lender?**☒ Yes☐ No

If "Yes, name, address and licence number of mortgage administrator:

Name <u>MarshallZehr Group Inc.</u>		Licence Number <u>11955</u>
<b>Address</b>		
Unit Number <u>Suite 206</u>	Street Number <u>465</u>	Street Name <u>Phillip Street</u>
City/Town <u>Waterloo</u>		Province <u>Ontario</u>
		Postal Code <u>N2L 6C7</u>
Telephone number <u>519-342-1000</u>		Email Address <u>msnedden@marshallzehr.com</u>

**Note: A Mortgage Administrator must be licensed under the MBLAA.****7. Terms of the Mortgage**

Amount of your investment:	<u>\$10,900,000.00</u>	Term:	<u>30-Months</u>
Face value of the mortgage:	<u>\$10,900,000.00</u>	Amortization:	<u>Interest-only</u>
Interest rate		Maturity date (yyyy-mm-dd):	<u>2024-02-01</u>
<input checked="" type="radio"/> Fixed <input type="radio"/> Variable    Percentage per annum: <u>17.00%</u>		Balance on maturity:	<u></u>
Explain the interest rate:	<u>17%(Fixed-Rate)</u>	Borrower's first payment due (yyyy-mm-dd):	<u></u>
Compounding period:	<u>Monthly</u>	Borrower's rate of interest if different from the rate of interest to be paid to the investor:	<u></u>
Payment frequency:	<u>Deferred-to-maturity</u>	Investor's rate of interest:	<u>17.00%</u>
Payments to be made by borrower:	<u></u>		
Payments to the investor/lender:	<u></u>		
Source of funds: <u>No interest reserve on this loan as all of the interest will be accrued until maturity.</u>			

**8. Rank of Mortgage (according to information from borrower):**

(a) The mortgage to be purchased/advanced is/will be a:

- ☐ First  
☐ Second  
☐ Third  
☒ Other mortgage 4th mortgage

(b) Can the rank of the mortgage change?

- ☒ Yes  
☐ No

If Yes, explain how it might change and if it is expected to change:

Meridian Credit Union will be providing Servicing & Construction financing for Phase 4 (expected in August). This future mortgage will be in priority to the subject mortgage.

**9. Prior encumbrances:**

(a) Are there any prior encumbrances (existing or anticipated)?

- ☒ Yes  
☐ No

**Encumbrance A**

Priority	Face Amount	Amount Owing
1st, 2nd & 3rd Mortgages	\$226,000,000.00	
In default? <input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown		
If yes, explain: The \$226,000,000 is across 7 facilities including a letter of credit facility. The high watermark of the debt across the Maplevue site is \$160,000,000 as two of the larger facilities are servicing/construction revolvers.		
Name of Mortgagee: KingSett Capital		

Encumbrance B		
Priority <b>1st</b>	Face Amount <b>\$2,885,000.00</b>	Amount Owing
In default? <input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown		
If yes, explain:		
Name of Mortgagee: <b>Vector Financial</b>		

(b) Other encumbrances, including environmental, regulatory and/or liens:

--

## 10. Loan-to-Value Ratio

(a) Total of prior encumbrances:	_____
(b) Amount of this mortgage:	_____ <b>\$10,900,000.00</b>
(c) Total amount of mortgages: (a + b)	_____
(d) Appraised estimated ("as is") value:	_____
(e) Loan to "as is" value: (c/d X 100)	_____

**11. Amount of Mortgage Advance**

If the amount of the mortgage advance is less than the face value of the mortgage, explain:

The full \$10.9M will be advanced on the initial advance.

**Project Status/Overview:**

- The first 4 phases are made up of 841 low-rise units that are all pre-sold.
- These 841 units are generating a total of \$477,514,944 of net revenue.
- Total debt obligations including the subject loan are \$351,213,000
- Total costs for Phases 1-4 are \$434,914,198
- Profitability in Phases 1-4 is roughly \$42.6M

**12. Legal Rights of Investor/Lender**

Describe the legal rights of the investor/lender and nature of the investment including, but not limited to:

(a) right of the borrower or mortgage administrator to:

1. extend the term of the mortgage loan;
2. require the mortgage be subordinated to subsequent financing;
3. waive defaults under the mortgage loan;
4. increase the amount of the mortgage;
5. amend the terms of the mortgage and/or loan agreement; and
6. pay proceeds from the sale of the property based on a priority scheme other than that set out under Question 8(a).

(b) the rights of the investor/lender on default by the borrower, and the rights of the lender/investor to share the proceeds of any recovery from the borrower, in particular, the investor/lender's voting rights and whether the investor/lender has the right to institute individual legal action against the borrower, and, if not, the person or persons who may institute or co-ordinate the institution of legal action against the borrower.

The response "Refer to Administration Agreement" is not acceptable.

The Borrower holds a Renewal Option under the commitment letter for a 6 month extension provided the Borrower is not in default of any of its obligations under the Commitment or any Lender security. Any extensions beyond the end of the renewal term must be approved by the lenders.

MarshallZehr must notify the lender of written notices of default issued to the Borrower.

An increase to the mortgage requires lender consent.

Material terms of the mortgage require the lenders consent to be amended. Clerical amendments may be completed without consent or notice.

Provided that the Borrower is not in default, the Lender shall provide partial discharges of Project units (or parcels of land, if required) on the closing of a unit sale transaction provided the Borrower pays the Lender Net Sales Proceeds of each sale.

Each investor holds a proportionate share of voting rights based on their proportionate share of principle invested.

Investors in senior tranches/facilities/loans may have priority voting rights subject to any subordination and standstill agreements between the various lender parties.

The lender holds a 100% undivided interest in the mortgage, subject only to subordination and standstill with respect to senior ranking mortgage charges held by Kingsett, Vector, and Meridian (pending).



**Part C - Fees****1. Fees and charges payable by the investor/lender:**

(a) Fees and charges (please indicate fees and charges on the basis of the investor/lender's portion of the loan only).

Estimate	
Mortgage brokerage fee/commission/other costs:	
Approximate legal fees and disbursements:	
Administration fees (where applicable):	
Specify any other charges:	

Total:

(b) Are any of the fees or charges refundable?

☐ Yes☐ No

Explain:

**2. Fees and costs payable by the borrower:**

Type of Fee or Cost (i.e., purpose)	Payable To	Estimate
Lender Fee (Deferred to a later date TBD)	MarshallZehr Group Inc.	\$436,000.00
Legal Costs + Title and Disbursements	Borrower/Lenders Lawyers	\$50,000.00
Administration Fee	MarshallZehr Group Inc.	\$5,000.00

**Part D - Project and Use of Funds****1. Briefly describe the project and plans for the use of funds:**

This loan is to refinance and payout the MZGI 273 loan. The sources and uses in number 2 are total sources and uses for the servicing & construction of Phases 1-4.

**2. Use of loan proceeds:****(a) Construction/Development Loans:**

<b>Intended use of available funds</b>	<b>Amount (\$)</b>	<b>Party Receiving Payment (indicate if the party is a related party)</b>
Soft costs (e.g. applying for zoning charges, advertising, interior design and architect fees)		
Construction costs	\$167,541,000.00	Non-related
Payment of fees to brokerage, lawyers, etc.		
Payment of interest	\$5,658,000.00	Drewco Development Corp.
Specify any other costs:		
Servicing Costs	\$57,748,000.00	Non-related
Land Costs	\$68,743,000.00	Non-related
Development Costs	\$47,802,000.00	Non-related
Consultant Costs	\$9,940,000.00	Non-related
Marketing Costs	\$35,379,000.00	Non-related
Financing Costs	\$45,800,000.00	Various Lenders Incl. MZ (Deferred Fee)
Contingency Costs	\$11,432,000.00	Non-related
Predevelopment Costs (Phase 6)	\$1,500,000.00	Non-related
Working Capital	\$2,491,000.00	Non-related

**(b) Loans other than Construction/Development**

<b>Intended use of available funds</b>	<b>Amount (\$)</b>	<b>Party Receiving Payment (indicate if the party is a related party)</b>
Specify costs:		

**3. Will funds be raised from investors/lenders in stages?**

- ☐ Yes
- ☒ No

If Yes, disclose the period over which the funds will be raised and the criteria to determine when they will be raised:

**4. Identify any person who will monitor, or assist in monitoring, the disbursement of funds to the borrower. If this person is NOT the Mortgage Administrator detailed in Section 8, Part B, Question 6, provide details. Note: A Mortgage Administrator must be licensed under the MBLAA.**

All funds will be advanced on the initial advance. The Glynn Group is the QS on the entire Mapleview Development.

**5. Are there any arrangements under which any part of the funds raised will only become available to the borrower if certain conditions are fulfilled?**

- ☐ Yes
- ☒ No

If Yes, describe those conditions and the procedure for the return of funds to the investor/lender if the conditions are not met and any deduction or penalty imposed on the borrower or any other person for not meeting the conditions:

Once all conditions on the commitment have been met, we will be advancing the entire \$10,900,000.

**6. Describe any other information material to the use of the funds:**

The funds will be used as follows:

Debt Refinance - \$10,845,000  
 Legal Fees - \$50,000  
 Administrative Fees - \$5,000

**Part E - Material Risks**

Investments in non-qualified syndicated mortgages are speculative and involve a high degree of risk. Investors should be aware that this investment has not only the usual risks associated with the financial ability of the borrower to make repayments but also risks associated with financing real estate and other risks associated with syndication. Identified risks should include risks associated with non-qualified syndicated mortgages generally, the terms of this specific non-qualified syndicated mortgage and the specific characteristics and circumstances of this project.

The general risks of a non-qualified syndicated mortgage investment/loan are detailed in **Form 3.1 – Suitability Assessment for Investor/Lender in a Non-Qualified Syndicated Mortgage** that you (the investor/lender) have already acknowledged receiving earlier. These material risks should be consistent with those outlined to you earlier and also include those risks that are specific to this non-qualified syndicated mortgage investment/loan.

**Disclose the material risks of the investment (attach additional pages as required):**

These are the generic risks inherent in this mortgage:

Market Risk, Construction Risk, Economic Risk, Legislative and Regulatory Risk, Re-financing Risk, Environmental Risk, Budget Risk, Political Risk, Investment Risk, Currency Risk, Geographic Risk, Weather Risk, Liquidity Risk and Concentration/Exposure Risk.

See Rider attached for further disclosure regarding this transaction.

**Part F - Material Contracts**

1. Give particulars of every material contract relating to the offering of the investment entered into or to be entered into by the borrower or the mortgage brokerage or, if applicable, any of the affiliates of the borrower or mortgage brokerage, within the last two years of the date of this form and, where the material contracts are not attached to this form, state a time and place at which those contracts or copies of those contracts may be inspected.

MarshallZehr Group Inc. Commitment Letter including all documents referenced therein.

Mortgage Administration and/or co-lending agreements with Lenders.

Borrower enters into contracts with trades/vendors/consultants/professionals for completion of works contemplated in the construction of the project.

Contracts made available at lenders request.

Mortgage Broker initials:

Date: 7/14/2021

DS  
DM

Investor/lender initials:

Date: 7/14/2021

DS  
AD

Section 9 – Transaction Parties

Part A - The Borrower

1. The borrower is:

- ☐ An individual
- ☒ A Corporation/Partnership/Other

2. Name and Municipal Address of the borrower:

Name			
Mapleview Developments Ltd.			
Municipal Address			
Unit Number	Street Number	Street Name	
Unit 3 Building A	30	Wertheim Court	
City/Town		Province	Postal Code
Richmond Hill		Ontario	L4B 1B9
Jurisdiction of Incorporation (if applicable)		Date of Incorporation (yyyy-mm-dd):(if applicable)	
Ontario		2016-07-08	

**3. Describe the borrower's ownership/control structure.**

(a) If the borrower is a corporation, list:

1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for Question 3(a)1).

(b) If the borrower is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee
Pace Mapleview Ltd.	Richmond Hill, Ontario	50.00%	Shareholder
2552741 Ontario Inc.	Waterloo, Ontario	50.00%	Shareholder
Dino Sciavilla, President	Vaughan, Ontario		Director
Dino Sciavilla, President	Vaughan, Ontario		Officer
Yvonne Sciavilla, Secretary-Treasurer	Vaughan, Ontario		Director
Yvonne Sciavilla, Secretary-Treasurer	Vaughan, Ontario		Officer
Gregory Zehr, Vice President	Waterloo, Ontario		Director
Gregory Zehr, Vice President	Waterloo, Ontario		Officer
David Marshall	Waterloo, Ontario		Director
David Marshall	Waterloo, Ontario		Officer

**4. Has the mortgage brokerage verified the identity of the borrower(s)?**

- ☒ Yes
- ☐ No

If Yes, evidence of identity is attached or will be provided on Date (yyyy-mm-dd): \_\_\_\_\_

If No, explain what steps the mortgage brokerage will take to verify the identity before closing:

MarshallZehr conducted AML on Obligors on closing of the loan in 2021.

**5. Is the borrower the Developer of the project:**

- ☒ Yes      If Yes, proceed to Question 6.
- ☐ No      If No, proceed to Question 9.

**6. What is the borrower's Tarion Warranty Corporation number?** 46,303

**7. Describe the borrower's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the borrower was/is a party to a project that has had a mortgage default and power of sale proceeding).**

The Borrower is a co-tenancy entity under the Pace umbrella. Pace, the active development partner in the cotenancy, has completed numerous successful projects in joint ventures and over the past 10 years has completed over 500 units under it's own Tarion license.

**8. What due diligence has the mortgage brokerage done to confirm the borrower's background and experience with construction/development projects?**

Review of Borrowers Tarion experience  
Review of previous project/history

**9. Has the borrower or any of the principals of the borrower (directors, officers, owners, partners or majority shareholders) been involved in any of the following:**

**Yes/  
No/  
Unknown**

(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	No
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the borrower, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	No
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	No
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	No

If yes or unknown, to any of the responses in Question 9, explain:

**10. Borrower's Financial Information – Documentary evidence of the borrower's ability to meet the mortgage payments must be attached to this form. If the borrower is not an individual, the borrower's most recent comparative financial statements in respect of the one or, if available, two most recent years before the date of this Disclosure Statement are for the following years:**

Year 1: 2,020 Year 2: 2,019

Note: The borrower's financial statements must be prepared in accordance with subsection 31.1(1)15 of O. Reg 188/08.

**11. Does the mortgage include a personal covenant, guarantee or other financial commitment?**

☒ Yes

☐ No

If Yes, please describe (including a description of who provided the covenant, guarantee or commitment):

The mortgage will include guarantees from: Pace Developments Inc., Pace Group Investments Inc., Pace Maplevue Ltd., 2552741 Ontario Inc., and Pace Group Holdings Inc. Personal guarantees are provided by Dino Sciavilla and Yvonne Sciavilla.

## Part B - The Developer

### 1. Name, address and Tarion Warranty Corporation number of the developer

Name			Tarion Warranty Corporation number	
Address				
Unit Number	Street Number	Street Name		
City/Town		Province	Postal Code	
Jurisdiction of Incorporation (if applicable)			Date of Incorporation (yyyy-mm-dd) (if applicable)	



2. Describe the developer’s ownership/control structure.

- (a) If the developer is a corporation, list:
- 1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
  - 2. the directors and officers of the corporation (if different from persons listed for Question 2(a)1).
- (b) If the developer is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee

3. Describe the role of the developer in the project as distinct from the borrower:

4. What due diligence has the mortgage brokerage done regarding the background and experience of the developer?

**5. Describe the developer's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the developer was/is involved in a project that has had a mortgage default and power of sale proceeding).**

--

**6. What due diligence has the mortgage brokerage done to confirm the developer's background and experience with construction/development projects?**

--

7. Has the developer or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:	Yes/ No/ Unknown
(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the developer, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	

If yes or unknown, to any of the responses in Question 7, explain:

--

## Part C - The Mortgage Brokerage

### 1. Organization of the mortgage brokerage

Jurisdiction of Incorporation/Organization:  Ontario	Date of Incorporation/Organization (yyyy-mm-dd):  2008-09-10
--	--

**2. Describe the brokerage's ownership/control structure.**

(a) If the mortgage brokerage is a corporation, list:

1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for Question 2(a)1).

(b) If the mortgage brokerage is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust, including investment decisions.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee
2060762 Ontario Inc.	Waterloo, ON	50.00%	Shareholder
The Marshall Group Inc.	Waterloo, ON	50.00%	Shareholder
Gregory Lester Zehr, CEO & Co-Founder	Waterloo, ON		Director
David Gilmore Marshall, President & Co-Founder	Waterloo, ON		Director
Gregory Lester Zehr, CEO & Co-Founder	Waterloo, ON		Officer
David Gilmore Marshall, President & Co-Founder	Waterloo, ON		Officer
William Cecil Hayes, COO	Waterloo, ON		Officer
Murray Alexander Snedden, CFO	Waterloo, ON		Officer

Mortgage Broker initials:

Date: 7/14/2021

DS  
DM

Investor/lender initials:

Date: 7/14/2021

DS  
CD

## Section 10 – Attached Documents

Important: The investor/lender should review the following documents carefully and assess the risks of this investment before committing to invest. The investor/lender should check that all documents are consistent with this disclosure summary. The following documents should be attached. If not available or applicable, provide comments below.

- ☐ A copy of the appraisal of the property, that satisfies the criteria as set out in subsection 31.1(1)2 of O. Reg. 188/08.
- ☒ If the investment is in, or the loan is in respect of, an existing mortgage, a copy of the mortgage instrument.
- ☒ If the investment is in, or the loan is in respect of, an existing mortgage, a statement indicating whether the mortgage is in arrears and whether any mortgage payments are delayed or owing.
- ☒ A copy of the certificate of mortgage interest, the assignment of the mortgage or any other document that proves evidence of the investment or loan.
- ☐ If an agreement of purchase and sale in respect of the property relating to the mortgage has been entered into in the preceding 12 months and is available to the mortgage brokerage, a copy of the agreement of purchase and sale.
- ☒ Documentary evidence of the borrower's ability to meet the mortgage payments.
- ☒ A copy of the application for the mortgage and of any documents submitted in support of the application.
- ☐ If the investment is in, or if the loan is in respect of, a new mortgage, documentary evidence of any down payment made by the borrower for the purchase of the property relating to the non-qualified syndicated mortgage.
- ☒ A copy of any administration agreement that is applicable to the investor/lender.
- ☒ A copy of any trust agreement that is applicable to the investor/lender.
- ☒ A copy of the commitment letter or document setting out the terms of the investor/lender's commitment to advance funds to the borrower.
- ☒ A copy of any agreement that the investor/lender may be asked to enter into with the mortgage brokerage.
- ☒ If the borrower is not an individual, the borrower's financial statements as required under subsection 31.1(1)15 of O. Reg. 188/08.
- ☐ All other information, in writing, that an investor/lender of ordinary prudence would consider to be material to a decision about whether to lend money on the security of the property related to the non-qualified syndicated mortgage or to invest in the non-qualified syndicated mortgage.
- ☐ Other documents

\_\_\_\_\_  
 \_\_\_\_\_

Comments:

All documents have been provided electronically to the investor prior to the investors original investment in the loan. Documents are available again upon request.

One copy of this form must be provided to the lender/investor, and one copy must be retained by the mortgage brokerage.

Mortgage Broker initials: DS  
PM  
 Date: 7/14/2021

Investor/lender initials: DS  
AD  
 Date: 7/14/2021

## Section 11 - Declaration by All Other Investor/Lender and the Mortgage Brokerage

### Declaration by Mortgage Brokerage

This **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** has been completed by:

MarshallZehr Group Inc.

Name of Mortgage Brokerage

I hereby confirm and declare that I have fully completed this form in accordance with the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and its regulations and declare it to be accurate in every respect to the best of my knowledge. I have discussed the contents of this form with the investor/lender.

David Marshall

Print name of Mortgage Broker

M09000275

Licence number of Mortgage Broker

DocuSigned by:



7/14/2021

Signature of Mortgage Broker

Date (yyyy-mm-dd)

### Declaration by Investor/Lender

I hereby confirm and declare that receipt of this **Form 3.2 – Disclosure Statement for Investor/Lender Disclosure in a Non-Qualified Syndicated Mortgage**, signed by the mortgage broker.

Drewco Development Corp.

Name of Investor/Lender

320 Dundas Street, London ON N6B 3R8

Address of Investor/Lender

DocuSigned by:



7/14/2021

Signature of Investor/Lender

Date (yyyy-mm-dd)

## Appendix – Subsection 2(1) of O. Reg. 188/08

### Designated classes of lenders and investors

2(1) For the purposes of this Regulation, a person or entity is a member of a designated class of lenders and investors if the person or entity is a member of any of the following classes:

1. The Crown in right of Ontario, Canada or any province or territory of Canada.
2. A brokerage acting on its own behalf.
3. A financial institution.
4. A corporation that is a subsidiary of a person or entity described in paragraph 1, 2 or 3.
5. A corporation that is an approved lender under the National Housing Act (Canada).
6. An administrator or trustee of a registered pension plan within the meaning of subsection 248 (1) of the Income Tax Act (Canada).
7. A person or entity who is registered as an adviser or dealer under the Securities Act when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
8. A person or entity who is registered under securities legislation in another province or territory of Canada with a status comparable to that described in paragraph 7 when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
9. A person or entity, other than an individual, who has net assets of at least \$5 million as reflected in its most recently-prepared financial statements and who provides written confirmation of this to the brokerage.
10. An individual who, alone or together with his or her spouse, has net assets of at least \$5 million and who provides written confirmation of this to the brokerage.
11. An individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the Securities Act, the cash surrender value of a life insurance contract, a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1 million and who provides written confirmation of this to the brokerage.
12. An individual whose net income before taxes in each of the two most recent years exceeded \$200,000 or whose net income before taxes in each of those years combined with that of his or her spouse in each of those years exceeded \$300,000, who has a reasonable expectation of exceeding the same net income or combined net income, as the case may be, in the current year and who provides written confirmation of this to the brokerage.
13. A person or entity in respect of which all of the owners of interests, other than the owners of voting securities required by law to be owned by directors, are persons or entities described in paragraphs 1 to 12. O. Reg. 188/08, s. 2 (1).

# EXHIBIT “8”



# Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage

*Mortgage Brokerages, Lenders and Administrators Act, 2006*

Transaction Number: **MZGI-393**

## Important Information About This Form

Name of Mortgage Brokerage <b>MarshallZehr Group Inc.</b>			Mortgage Brokerage Licence number <b>12453</b>	
<b>Address</b>				
Unit Number <b>206</b>	Street Number <b>465</b>	Street Name <b>Phillip Street</b>		
City/Town <b>Waterloo</b>		Province <b>ON</b>	Postal Code <b>N2L 6C7</b>	
Telephone number <b>519-342-1000</b>		Email Address <b>msnedden@marshallzehr.com</b>		
Name of Principal Broker <b>Murray Snedden</b>			Principal Broker Licence number <b>M13001624</b>	

### Purpose of Form

This form provides important information to assist the investor/lender in making a decision about investing or lending under the syndicated mortgage proposed by the mortgage brokerage. This disclosure statement is required under subsection 31.1(1)1 of Ontario Regulation 188/08: Mortgage Brokerages Standards of Practice (O. Reg. 188/08) under the *Mortgage Brokerages, Lenders and Administrators Act, 2006 (MBLAA)*.

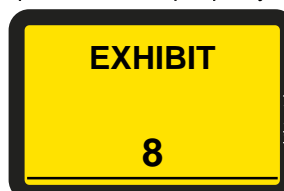
The mortgage brokerage is required by law to provide the investor/lender with a completed **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** at a minimum two business days before the investor/lender commits to invest/lend.

This disclosure statement and the attached documents are not intended to provide a comprehensive list of factors to consider in making a decision concerning this investment/loan in a non-qualified syndicated mortgage.

### Application of Form

**All non-qualified syndicated mortgages** – This form applies to all syndicated mortgage transactions that do not meet the definition of a "qualified syndicated mortgage." As defined in section 1 of O. Reg. 188/08, a qualified syndicated mortgage is a syndicated mortgage that meets all of the following criteria:

1. It is negotiated or arranged through a mortgage brokerage.
2. It secures a debt obligation on property that,
  - a. is used primarily for residential purposes,
  - b. includes no more than a total of four units, and
  - c. if used for both commercial and residential purposes, includes no more than one unit that is used for commercial purposes.
3. At the time the syndicated mortgage is arranged, the amount of the debt it secures, together with all other debt secured by mortgages on the property that have priority over, or the same priority as, the syndicated mortgage, does not exceed 90 per cent of the fair market value of the property relating to the mortgage, excluding any value that may be attributed to proposed or pending development of the property.





4. It is limited to one debt obligation whose term is the same as the term of the syndicated mortgage.
5. The rate of interest payable under it is equal to the rate of interest payable under the debt obligation.

A syndicated mortgage that secures a debt obligation incurred for the construction or development of property is not a qualified syndicated mortgage.

**All Investors/Lenders** – This form must be provided to each investor/lender in a non-qualified syndicated mortgage, whether or not the investor/lender is part of a designated class of investors/lenders. Members of a "designated class" are defined in subsection 2(1) of O. Reg. 188/08 (Refer to Appendix).

### **Waiting Period**

To enable the investor/lender to thoroughly review the proposed non-qualified syndicated mortgage, this disclosure statement, and to obtain independent legal advice, this **Form 3.2 – Disclosure Statement for Investor/ Lender in a Non-Qualified Syndicated Mortgage**, must be presented to the investor/lender no later than two business days before the earliest of the following events:

1. When the mortgage brokerage receives money from the investor/lender.
2. When the mortgage brokerage enters into an agreement to receive money from the investor/lender.
3. When the investor/lender enters into a mortgage agreement or an agreement to trade in a mortgage.
4. The money is advanced to the borrower under the mortgage.
5. The trade completion date.

**The investor/lender CANNOT waive this two-day waiting period.**

### **Investment Limit**

Section 24.2 of O. Reg. 188/08 limits the amount that an investor/lender can invest/lend in a non-qualified syndicated mortgage to sixty thousand dollars (\$60,000) in any twelve (12)-month period for investors/lenders that are not part of a designated class of lenders and investors (i.e., this limit does not apply to investors/lenders that are part of a designated class). The "designated classes" are defined in subsection 2(1) of O. Reg. 188/08.

When determining whether the applicable limit has been reached for a non-qualified syndicated mortgage, the mortgage brokerage shall not count any investments/loans in respect of non-qualified syndicated mortgages entered into prior to July 1, 2018. By law, the mortgage brokerage cannot sell a proposed non-qualified syndicated mortgage to an investor/lender unless the investor/lender is eligible under these rules. The investor/lender should confirm his/her eligibility with the mortgage brokerage.

### **Record-Keeping**

The mortgage brokerage must provide the investor/lender with a copy of this completed form pursuant to subsection 31.1(1)1 of O. Reg. 188/08, and retain a copy for the mortgage brokerage's records in accordance with sections 46(1)4 and 48 of O. Reg. 188/08.

### **Disclaimer**

This disclosure statement was prepared by the mortgage brokerage and has not been filed with the Financial Services Regulatory Authority of Ontario (FSRA) or other government authority and neither FSRA nor another government authority has reviewed or approved the completed disclosure statement.

## Section 1 – About Your Investment

Name of Investment Project:

[Mapleview Refinance - MZGI 393](#)

Address of Property / Security to be Mortgaged:

Unit Number	Street Number <a href="#">700, 750 &amp; 780</a>	Street Name <a href="#">Mapleview Drive East</a>	
City/Town <a href="#">Barrie</a>	Province <a href="#">ON</a>	Postal Code <a href="#">L4N 0M2</a>	

## Section 2 – Investor/Lender Information

Name

[Aggregated Investments Inc.](#)

Mailing address

Unit Number	Street Number <a href="#">680</a>	Street Name <a href="#">Waterloo Street</a>	
City/Town <a href="#">London</a>	Province <a href="#">ON</a>	Postal Code <a href="#">N6A 0B3</a>	
Telephone number <a href="#">519-472-8200</a>	Email Address <a href="#">adrewlo10@rogers.com</a>		

**Investor Representative, if applicable (e.g. for entity investor)**

Name <a href="#">Allan Drewlo</a>	Title <a href="#">President</a>
Telephone number <a href="#">519-671-8073</a>	Email Address <a href="#">adrewlo10@rogers.com</a>

## Section 3 – Investor/Lender Status

☒ Member of a Designated Class who is a/an:

1. Non-Individual, or
2. Individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the *Securities Act*, the cash surrender value of a life insurance contract; a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, **exceeds \$5 million** and who provides written confirmation of this to the brokerage.

**If the investor/lender meets the descriptions in (1) or (2), indicate the following and complete Sections 4 and 5 of this form:**

Type of designated class: [\(p\) on the Certification Form](#)

Type of documentation supporting investor/lender's status: \_\_\_\_\_

- ☐ Member of a Designated Class who is not an individual described in (2). **Complete Sections 6 to 11 of this form.**
- ☐ Not a Member of a Designated Class. **Complete Sections 6 to 11 of this form**

The designated classes of lenders and investors are defined in subsection 2(1) of O. Reg. 188/08 (Refer to Appendix). These include classes for certain entities or individuals who have net income before taxes, net assets and net financial assets above a defined limit.

## Section 4 – Disclosure Summary

### Part A – Role of the Brokerage and Other Parties Involved

#### 1. The mortgage brokerage is acting for:

- ☐ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☒ Both the borrower and the investor/lender.

#### 2. Identify the name of following parties involved investment/loan in a non-qualified syndicated mortgage:

Borrower

Mapleview Developments Ltd.

Developer, if different from the borrower

Pace Developments

Mortgage Administrator

MarshallZehr Group Inc.

Licence No.

11955

Individual or Corporate Guarantor (if applicable)

See the text box below in 2. for the list of guarantors for this mortgage

### Part B – Loan and Property Details

#### 1. Existing or new mortgage: The investor/lender's investment is to:

- ☐ Purchase a portion of an existing registered mortgage
- ☒ Fund a portion of a new mortgage that has not yet been registered

#### 2. Type of Property:

- ☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)
- ☒ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

#### Guarantors:

Corporate - Pace Developments Inc., Pace Mapleview Ltd., 2552741 Ontario Inc., Pace Group Investments Inc., Urban North On-the-Go Ltd. & Pace Group Holdings Inc.. Personal - Gerardo (Dino) Sciavilla & Yvonne Sciavilla

#### Project information:

The Mapleview (Urban North) master development will have 1,057 townhouse units built out over 6 phases. Phase 1 & 2 are under construction, with the first closing in Phase 1 having occurred in January 2022. Phases 1-4 have secured construction financing to complete all 841 units across the 4 phases. The remaining 216 units in Phases 5 & 6 have not been marketed for sale and do not yet have construction financing arranged. A construction/unit schedule, along with detailed budget and coverage analysis has been included in the loan summary provided to the lender on January 18, 2022.

#### 3. Terms of Mortgage

(a) Amount of your investment (\$):

\$12,000,000.00

(b) Source(s) of investment funds: \_\_\_\_\_

(c) Face Value of Mortgage Amount (\$): \$22,900,000.00

(d) Mortgage Term: 24-months

(e) Maturity Date (yyyy-mm-dd): 2024-02-01

(f) No. of other investors/lender that have an interest in this mortgage: 0

(g) Rank of Mortgage (1st, 2nd, 3rd, etc.): 3rd-5th(varies-by-phase)

(h) Provide the name of prior mortgagee(s), if applicable:

**KingSett Capital - \$316,000,000 charge across Phases 1-6 (1st to 4th priority)**  
**Vector \$2,885,000 1st mortgage on Phase 6**  
**Meridian Credit Union \$90,000,000 1st mortgage on Phase 4 for Land, Servicing & Construction.**  
**Charges in favour of the above 3 lenders shall rank ahead of the loan.**  
**MZ \$20,000,000 Subordinate Charge on all phases**

(i) Existence of a subordination clause (Yes/No): Yes

(j) Describe the use of the mortgage funds:

**The \$10,900,000 initial advance of the loan was used to refinance a portion of the MZ-funded debt on-site (MZGI 273) and pay for legal & administrative costs associated with the loan. This current advance of \$12,000,000 is being used to fund hard costs escalations across Phases 1-2 and 4**

## Part C – Appraisal of Property

### 1. Name, professional designation and address of appraiser:

Name	Professional Designation
<u>Paul Stewart</u>	<u>AACI</u>

Firm Name  
Avison Young Valuation & Advisory Services

#### Address

Unit Number <u>50</u>	Street Number <u>55</u>	Street Name <u>Commerce Valley Drive</u>
City/Town <u>Markham</u>	Province <u>Ontario</u>	Postal Code <u>L3T 7V9</u>
Telephone number <u>905-968-8030</u>	Email Address <u>paul.stewart@avisonyoung.com</u>	

2. The date of the appraisal report (yyyy-mm-dd): 2019-05-23

3. The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report: \$57,700,000.00

4. The effective date of the appraisal (yyyy-mm-dd): 2019-05-14

Part D – Loan-to-Value Ratio

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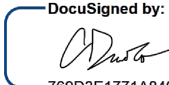
(a) Total of prior encumbrances:	<u>\$355,395,041.00</u>
(b) Amount of this mortgage:	<u>\$33,277,999.00</u>
(c) Total amount of mortgages: (a+b)	<u>\$388,673,040.00</u>
(d) Appraised estimated ("as is") value:	<u></u>
(e) Loan to "as is" value: (c/d X 100)	<u></u>

## Section 5 - Declaration by Investor/Lender of Certain Designated Class and the Mortgage Brokerage

### Declaration by the Investor/Lender

I hereby confirm and declare that:

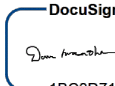
1. I qualify as a member of a designated class of lender and investor as defined in section 2 of O. Reg. 188/08.
2. For an individual who is a member of a designated class: I, alone or together with my spouse, have net financial assets of at least \$5 million. I have provided written confirmation to support my investor/lender status to the mortgage brokerage.
3. I acknowledge the receipt of this **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage**, signed by the mortgage broker, as well as any investment summary and other relevant documents from the mortgage brokerage pertaining to this syndicated mortgage.

Investor/lender Name	Signature of Investor/lender	Date (yyyy-mm-dd)
Aggregated Investments Inc.		
Entity Name (if applicable)		
Allan Drewlo	DocuSigned by:  760D3E4774A8408	1/21/2022
Entity Representative Name	Entity Representative Signature	Date (yyyy-mm-dd)

### Declaration by the Mortgage Brokerage

I hereby confirm and declare that:

1. I have fully completed this **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** in accordance with the *MBLAA* and its regulations and declare it accurate in every respect to the best of my knowledge.
2. I have obtained supporting documentation confirming the investor/lender's status as a member of a designated class of lenders and investors as defined in section 2 of O. Reg. 188/08, and the investor/lender has signed this form, attesting to his/her/its status as a designated class. For an individual who is a member of a designated class, I have obtained documentation confirming the investor/lender, alone or together with his or her spouse, has net financial assets of at least \$5 million.
3. I have discussed the contents of this form and other relevant information pertaining to this syndicated mortgage with the investor/lender. I provided a copy of this form, investment summary and other relevant documents to the investor/lender.

David Marshall	M09000275
Name of Mortgage Broker	Licence number of Mortgage Broker
DocuSigned by:  1BC8D71E02D14DD	1/21/2022
Signature of Mortgage Broker	Date (yyyy-mm-dd)
MarshallZehr Group Inc.	12453
Mortgage Brokerage Name	Licence number of Mortgage Brokerage

Section 6 – Caution

All mortgage investments carry risk. There is a relationship between risk and return. In general, the higher the rate of return, the higher the risk of the investment. The investor/lender should very carefully assess the risk of the mortgage transaction described in this disclosure statement and in the supporting documentation before entering into the transaction.

A syndicated mortgage (defined as a mortgage with more than one investor/lender) may carry additional risks not only relating to the risk of default but also to the risks associated with participating in a syndication and the financing of real estate transactions.

By law, the mortgage brokerage must disclose to the investor/lender, in writing, the material risks of the mortgage investment/loan it presents to an investor/lender.

Investors/lenders are strongly advised to obtain independent legal and financial advice before committing to invest/lend in a non-qualified syndicated mortgage. Inexperienced investors should be cautious when deciding to enter into a non-qualified syndicated mortgage investment/loan.

**The general risks related to an investment/loan in non-qualified syndicated mortgages are outlined in Form 3.1 – Suitability Assessment for Investor/Lender in a Non-Qualified Syndicated Mortgage that you, the investor/lender, received on:**

2022-01-21

(yyyy-mm-dd)

Mortgage Broker initials:  
Date: 1/21/2022

DS

PM

Investor/lender initials:  
Date: 1/21/2022

DS

AD

## Section 7 – Nature of Mortgage Brokerage Relationships

The *Mortgage Brokerages, Lenders and Administrators Act, 2006* requires disclosure of the nature of the relationship between the mortgage brokerage and other persons and entities involved in the mortgage transaction. For the purposes of this form, two persons are "related" if they share any relationship other than an arm's length business relationship. For example, a shareholder, director, officer, partner or employee of a mortgage brokerage is related to the mortgage brokerage and to any mortgage broker or agent authorized to deal or trade in mortgages on behalf of the mortgage brokerage (this group of related parties is referred to as the mortgage brokerage and "its related parties" in this form).

### 1. The mortgage brokerage is acting for:

- ☐ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☒ Both the borrower and the investor/lender.

### 2. Nature of Relationships

Yes/No

(a) Does the mortgage brokerage or any of its related parties have or expect to have a direct or indirect interest in the property identified in Section 8, Part A of this form?	Yes
(b) Does any person who is a close familial relation to any individual who is a mortgage brokerage related party have or expect to have a direct or indirect interest in the property identified in Section 8, Part A of this form?	Yes
(c) Is the mortgage brokerage or any of its related parties related to any of the investors/lenders in the mortgage?	Yes
(d) Is the mortgage brokerage or any of its related parties related to the borrower?	Yes
(e) Is the mortgage brokerage or any of its related parties related to the individual or firm that appraised the property?	No
(f) Is the mortgage brokerage or any of its related parties related to the developer (if the developer is different from the borrower)?	Yes
(g) Is the mortgage brokerage also the mortgage administrator for the non-qualified syndicated investment/loan?	Yes
(h) Is the mortgage brokerage or any of its related parties entitled, directly or indirectly, to a share of the profits earned from the project?	Yes
(i) Has, or will, the mortgage brokerage or any of its related parties provide(d) any goods or services to the borrower or developer whether directly or through an entity owned or controlled by that person or entity?	No
(j) Has, or will, the mortgage brokerage or any of its related parties pay any referral fees in connection with securing investments for this property or non-qualified syndicated mortgage?	Yes
(k) Are there any circumstances or factors, in addition to the above, which may create commercial dependencies as between the mortgage brokerage and its related parties and the borrower, developer or any party related to the borrower or developer (e.g., the mortgage brokerage depends upon transactions with the borrower for a material portion of its revenue)?	Yes



If Yes, to any of the responses in Question 2 explain the relationship and the strategies in place to manage the actual/potential conflict of interest:

MarshallZehr is both the brokerage and administrator of the Mortgage. Being the administrator of the Mortgage allows MarshallZehr to continue to service the Lender's interests after closing of the mortgage transaction.

Greg Zehr and David Marshall are part owners of the project via the co tenant company 2552741 Ontario Inc.( 50% ownership in Mapleview Developments Ltd.) and 2705503 Ontario Inc. (50% ownership in Urban North on the GO Ltd.). The remaining 50% ownership interest in the project is owned by Dino and Yvonne Sciavilla through Pace Mapleview Ltd. and Pace Group Investments Inc..

2552741 Ontario Inc. and 2705503 Ontario Inc. do not hold a secured interest on title to secure it's ownership interest. Mortgage participants will benefit from repayment in advance of receipt of profit by the beneficial owners of the Project; monthly management fees up to the budgeted amount as approved by the lenders prior to funding will be permitted to be paid to Pace and MZ related entities, and any management fees in excess of those forming the initial project budget will require prior consent from the lenders.

The Administrator is related to one of the other Principals that may or may not participate in the Investment either directly or indirectly, namely family members of David Marshall or Greg Zehr and companies owned by Greg Zehr or David Marshall or by Greg Zehr's family trust or David Marshall's family trust.

Of the 17% interest paid on the MZGI 393 loan (or 34% interest, in the case of the Wrap-Up period), all interest will be paid to the lender; there is no "MZ Trailer". There is a "Servicing Fee" on this loan of \$436,000 that will be paid from surplus cash in the project at a later date that is to be determined, as well as a further Financing Fees payable by the Borrower as outlined in the owners Financing Agreement (subject to approval in the budget).

**3. Describe any actual/potential conflicts of interest or relationships in connection with this investment/loan in a non-qualified syndicated mortgage, other than those described in Question 2, and the strategies in place to manage the actual/potential conflict of interest.**

No known existing conflicts of Interest other than those potential conflicts identified above.

Mortgage Broker initials:

Date: 1/21/2022

DS  
DM

Investor/lender initials:

Date: 1/21/2022

DS  
CDP

## Section 8 – Property and Mortgage Investment/Loan Details

### Part A – Property/Security to Be Mortgaged

#### 1. Legal and Municipal address of the property:

Legal address

Legal address listed below.

Municipal Address

Unit Number

Street Number

700, 750 & 780

Street Name

Mapleview Drive East

City/Town

Barrie

Province

Ontario

Postal Code

L4N 0M2

#### 2. Type of Property:

☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)

☒ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

Project information:

The Mapleview master development will have 1,057 units built out over 6 phases. Phase 1 & 2 are under construction and Phases 1-4 have secured construction financing. A construction/unit schedule has been provided in the loan summary sent January 18, 2022. A detailed phase-by-phase breakdown of PINS is attached to the 1st amendment to the loan as Schedule 1.

Legal Address:

PINs:

58091-3880 (LT) to 58091-3891 (LT), inclusive, and 58091-3893 (LT) to 58091-3902 (LT), inclusive  
58091-0287 (LT). (Phase 6)

#### 3. Appraisal of Property:

Note: Under the MBLAA, the estimated market value of the property must reflect its condition and stage of development as of the date of the inspection or within 60 days after that. It cannot depend or rely on assumptions about proposed or future development of, or improvements to, the property or any other conditions not in existence at the date selected for the estimated market value.

(a) Name, professional designation and address of appraiser:

Name

Paul Stewart

Professional Designation

AACI

Firm Name

Avison Young Valuation & Advisory Services

Address

Unit Number

501

Street Number

55

Street Name

Commerce Valley Drive

City/Town

Markham

Province

Ontario

Postal Code

L3T 7V9

Telephone Number

905-968-8030

E-mail Address

paul.stewart@avisonyoung.com

- (b) The date the appraiser conducted the inspection of the property (yyyy-mm-dd): 2019-04-10
- (c) The date of the appraisal report (yyyy-mm-dd): 2019-05-23
- (d) The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report: \$57,700,000.00
- (e) The effective date of the appraisal (yyyy-mm-dd): 2019-05-14

**4. Property Taxes:**

(a) Annual property taxes: \$178,397.37

Are taxes in arrears?

☐ Yes

☒ No

☐ Investor/Lender's Solicitor to verify taxes prior to closing or ensure coverage under title insurance

If yes, amount of arrears: \_\_\_\_\_

**5. Condominium Fees (If applicable):**

(a) Monthly condominium fees: \_\_\_\_\_

Are fees in arrears?

☐ Yes

☐ No

If Yes, amount of arrears: \_\_\_\_\_

**6. Zoning: Is the zoning on the property appropriate for the proposed use?**

☒ Yes

☐ No

If No, provide details:

Zoning is in place for phases 1-4 & 6.

Phase 5 zoning is not approved yet but is in process of re-zoning with strong support from the City; rezoning on Phase 5 anticipated to be received by Q3 2022.

**Part B - Mortgage Particulars****1. Is the mortgage to fund the purchase of property?**☐ Yes☒ No

If Yes, describe the current ownership of the property and purchase arrangements:

If No, set out the purchase price and date of the purchase:

Purchase Price of Property:

Date of Purchase (yyyy-mm-dd):

\$35,461,750.00

**2. Will the mortgage proceeds be used to refinance, pay out, straight renew, renew with material change, redeem or reduce an existing mortgage on this property?**☒ Yes If yes complete (a) and (b)☐ No

(a) Select how the proceeds will be used:

☒ Refinance☒ Pay out☐ Straight renew☐ Renew with material change☐ Redeem☐ Reduce an existing mortgage☐ Other

(b) Explain your answer for (a):

\$35,461,750 purchase price referenced above is the sum of the Phase 1-5 purchase price (\$31,611,750; December 2016) and the Phase 6 purchase price (\$3,850,000; January 2020).

The initial advance of the loan (\$10,900,000) was used to refinance the MZGI 273 loan. The current advance of the loan is being used to fund hard costs in the project.

**3. Nature of investment or loan:**

(a) The investor/lender's investment represents:

- ☒ Participation in a mortgage
- ☐ Trade of a participation in a mortgage
- ☐ Any other interest or participation in a mortgage

Explain: 100% of the MZGI 393 loan will be funded by Aggregated Investments Inc.

(b) Percentage of total investor/lender's portion: 52.40%

(c) Number of other parties that have an interest in this mortgage: 0

(d) In what name(s) will the mortgage be registered?

MarshallZehr Group Inc.

(e) If the mortgage is not registered in the investor/lender's name, the mortgage brokerage must provide an explanation:

The mortgage is registered in the name of the Mortgage Administrator. The Mortgage Administrator holds the mortgage in trust for all investors.

**4. Existing or new mortgage: The investor/lender's investment is to:**

- ☒ Purchase a portion of an existing registered mortgage
- ☐ Fund a portion of a new mortgage that has not yet been registered

**5. If this investment is a purchase of an existing mortgage or a portion of an existing mortgage, is the mortgage now in default?**

- ☐ Yes
- ☒ No

Has it been in default in the last twelve months?

- ☐ Yes
- ☒ No

If Yes to either, explain:

6. Administered Mortgage: Will the mortgage be administered for the investor/lender?

- ☒ Yes  
☐ No

If "Yes, name, address and licence number of mortgage administrator:

Name MarshallZehr Group Inc.		Licence Number 11955
Address		
Unit Number Suite 206	Street Number 465	Street Name Phillip Street
City/Town Waterloo		Province Ontario
		Postal Code N2L 6C7
Telephone number 519-342-1000		Email Address msnedden@marshallzehr.com

Note: A Mortgage Administrator must be licensed under the MBLAA.

7. Terms of the Mortgage

Amount of your investment:	\$12,000,000.00	Term:	24-months
Face value of the mortgage:	\$22,900,000.00	Amortization:	Interest-only
Interest rate		Maturity date (yyyy-mm-dd):	2024-02-01
<input checked="" type="radio"/> Fixed <input type="radio"/> Variable    Percentage per annum:	17.00%	Balance on maturity:	
Explain the interest rate:	17%(Fixed-Rate)	Borrower's first payment due (yyyy-mm-dd):	
Compounding period:	Monthly	Borrower's rate of interest if different from the rate of interest to be paid to the investor:	17.00%
Payment frequency:	Deferred-to-maturity	Investor's rate of interest:	17.00%
Payments to be made by borrower:			
Payments to the investor/lender:			
Source of funds:	No interest reserve on this loan as all of the interest will be accrued until maturity.		

**8. Rank of Mortgage (according to information from borrower):**

(a) The mortgage to be purchased/advanced is/will be a:

- ☐ First
- ☐ Second
- ☐ Third

☒ Other mortgage Varies from a 3rd to 5th mortgage. refer to 1st amendment Schedule 1.

(b) Can the rank of the mortgage change?

- ☒ Yes
- ☐ No

If Yes, explain how it might change and if it is expected to change:

Meridian Credit Union will be providing Servicing & Construction financing for Phase 4 (expected in February 2022). This mortgage has not yet been registered but is already contemplated in the permitted encumbrance structure identified in Schedule 1 of the 1st amendment to the loan.

**9. Prior encumbrances:**

(a) Are there any prior encumbrances (existing or anticipated)?

- ☒ Yes
- ☐ No

**Encumbrance A**

Priority	Face Amount	Amount Owing
1st, 2nd & 3rd Mortgages	\$316,000,000.00	
In default?		
<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown		
If yes, explain:		
<p>The \$316,000,000,000 is across 9 facilities and split as a \$266,000,000 charge and a \$50,000,000 charge. The 9 facilities represent Kingsett's servicing, construction, mezzanine and LC facilities.</p>		
Name of Mortgagee:		
Kingsett Capital		

Encumbrance B		
Priority 1st	Face Amount \$2,885,000.00	Amount Owning
In default? <input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown		
If yes, explain:		
Name of Mortgagee: Vector Financial		

(b) Other encumbrances, including environmental, regulatory and/or liens:

Meridian Credit Union will register a \$90,000,000 charge in 1st priority on Phase 4. Westmount Guarantee also have Deposit Insurance Facilities on Phases 1, 2 and 4.

NOTE TO 10.b BELOW: \$33,277,999 is the sum of the principal of the loan (\$22,900,000) plus estimated accrued interest to maturity of \$10,377,999.

NOTE TO 10.d&e BELOW: LTV on Phase 1-4 Unit value plus Phase 5&6 residual value is 75.9%, and the loan is covered 1.08:1 from cash on contractual pre-sales in Phases 1-4.

## 10. Loan-to-Value Ratio

(a) Total of prior encumbrances: \$355,395,041.00

(b) Amount of this mortgage: \$33,277,999.00

(c) Total amount of mortgages: (a + b) \$388,673,040.00

(d) Appraised estimated ("as is") value:

(e) Loan to "as is" value:  $(c/d \times 100)$



## 11. Amount of Mortgage Advance

If the amount of the mortgage advance is less than the face value of the mortgage, explain:

The initial advance of \$10.9mm was advanced in July 2021. These disclosures for the 2nd advance and increase in the loan of \$12mm to \$22.9mm will be advanced as a single advance into the project.

Project Status/Overview:

- The first 4 phases are made up of 841 low-rise units that are all pre-sold.
- These 841 units are generating a total of \$477,514,944 of net revenue.
- Total debt obligations including the subject loan are \$388,673,040
- Total costs for Phases 1-4 are \$470,352,999
- Estimated profitability from build out of Phases 1-6 is approximately \$60mm.

## 12. Legal Rights of Investor/Lender

Describe the legal rights of the investor/lender and nature of the investment including, but not limited to:

(a) right of the borrower or mortgage administrator to:

1. extend the term of the mortgage loan;
2. require the mortgage be subordinated to subsequent financing;
3. waive defaults under the mortgage loan;
4. increase the amount of the mortgage;
5. amend the terms of the mortgage and/or loan agreement; and
6. pay proceeds from the sale of the property based on a priority scheme other than that set out under Question 8(a).

(b) the rights of the investor/lender on default by the borrower, and the rights of the lender/investor to share the proceeds of any recovery from the borrower, in particular, the investor/lender's voting rights and whether the investor/lender has the right to institute individual legal action against the borrower, and, if not, the person or persons who may institute or co-ordinate the institution of legal action against the borrower.

The response "Refer to Administration Agreement" is not acceptable.

The Borrower holds a Renewal Option under the commitment letter for a 6 month extension provided the Borrower is not in default of any of its obligations under the Commitment or any Lender security. Any extensions beyond the end of the renewal term must be approved by the lenders.

MarshallZehr must notify the lender of written notices of default issued to the Borrower.

An increase to the mortgage requires lender consent.

Material terms of the mortgage require the lenders consent to be amended. Clerical amendments may be completed without consent or notice.

Provided that the Borrower is not in default, the Lender shall provide partial discharges of Project units (or parcels of land, if required) on the closing of a unit sale transaction provided the Borrower pays the Lender Net Sales Proceeds of each sale.

Each investor holds a proportionate share of voting rights based on their proportionate share of principle invested.

Investors in senior tranches/facilities/loans may have priority voting rights subject to any subordination and standstill agreements between the various lender parties.

The lender holds a 100% undivided interest in the mortgage, subject only to subordination and standstill with respect to senior ranking mortgage charges held by Kingsett, Vector, and Meridian (pending).

**Part C - Fees****1. Fees and charges payable by the investor/lender:**

(a) Fees and charges (please indicate fees and charges on the basis of the investor/lender's portion of the loan only).

Estimate	
Mortgage brokerage fee/commission/other costs:	
Approximate legal fees and disbursements:	
Administration fees (where applicable):	
Specify any other charges:	

Total:

(b) Are any of the fees or charges refundable?

☐ Yes☐ No

Explain:

**2. Fees and costs payable by the borrower:**

Type of Fee or Cost (i.e., purpose)	Payable To	Estimate
Lender Fee (Deferred to a later date TBD)	MarshallZehr Group Inc.	\$436,000.00
Legal Costs + Title and Disbursements	Borrower/Lenders Lawyers	\$50,000.00
Administration Fee	MarshallZehr Group Inc.	\$5,000.00

**Part D - Project and Use of Funds****1. Briefly describe the project and plans for the use of funds:**

This loan is to refinance and payout the MZGI 273 loan. The sources and uses in number 2 are total sources and uses for the servicing & construction of Phases 1-4.

**2. Use of loan proceeds:****(a) Construction/Development Loans:**

<b>Intended use of available funds</b>	<b>Amount (\$)</b>	<b>Party Receiving Payment (indicate if the party is a related party)</b>
Soft costs (e.g. applying for zoning charges, advertising, interior design and architect fees)		
Construction costs	\$191,050,507.00	Non-related
Payment of fees to brokerage, lawyers, etc.		
Payment of interest	\$10,377,999.00	Drewco Development Corp.
Specify any other costs:		
Servicing Costs	\$61,203,024.00	Non-related
Land Costs	\$64,751,500.00	Non-related
Development Costs	\$48,318,924.00	Non-related
Consultant Costs	\$9,608,279.00	Non-related
Marketing Costs	\$34,823,020.00	Non-related
Financing Costs	\$51,277,554.00	Various Lenders Incl. MZ (Deferred Fee)
Contingency Costs	\$9,320,191.00	Non-related

**(b) Loans other than Construction/Development**

<b>Intended use of available funds</b>	<b>Amount (\$)</b>	<b>Party Receiving Payment (indicate if the party is a related party)</b>
Specify costs:		

**3. Will funds be raised from investors/lenders in stages?**

- ☒ Yes  
☐ No

If Yes, disclose the period over which the funds will be raised and the criteria to determine when they will be raised:

the increase to the loan per the 1st amendment will be funded in one advance.

**4. Identify any person who will monitor, or assist in monitoring, the disbursement of funds to the borrower. If this person is NOT the Mortgage Administrator detailed in Section 8, Part B, Question 6, provide details. Note: A Mortgage Administrator must be licensed under the MBLAA.**

The Glynn Group is the QS on the entire Maplevue Development.

**5. Are there any arrangements under which any part of the funds raised will only become available to the borrower if certain conditions are fulfilled?**

- ☐ Yes  
☒ No

If Yes, describe those conditions and the procedure for the return of funds to the investor/lender if the conditions are not met and any deduction or penalty imposed on the borrower or any other person for not meeting the conditions:

Once all conditions on the commitment have been met (most particularly, increase of the mortgage charge and perfection of the amended security for the Loan), we will be advancing the entire \$12,000,000 into the project.

**6. Describe any other information material to the use of the funds:**

The funds will be used as follows:

Phase 1 & 2 escalation: \$7,600,000

Phase 4 escalation: \$3,000,000

To Phase 4 escalation, or general contingency: \$1,400,000

**Part E - Material Risks**

Investments in non-qualified syndicated mortgages are speculative and involve a high degree of risk. Investors should be aware that this investment has not only the usual risks associated with the financial ability of the borrower to make repayments but also risks associated with financing real estate and other risks associated with syndication. Identified risks should include risks associated with non-qualified syndicated mortgages generally, the terms of this specific non-qualified syndicated mortgage and the specific characteristics and circumstances of this project.

The general risks of a non-qualified syndicated mortgage investment/loan are detailed in **Form 3.1 – Suitability Assessment for Investor/Lender in a Non-Qualified Syndicated Mortgage** that you (the investor/lender) have already acknowledged receiving earlier. These material risks should be consistent with those outlined to you earlier and also include those risks that are specific to this non-qualified syndicated mortgage investment/loan.

**Disclose the material risks of the investment (attach additional pages as required):**

These are the generic risks inherent in this mortgage:

Market Risk, Construction Risk, Economic Risk, Legislative and Regulatory Risk, Re-financing Risk, Environmental Risk, Budget Risk, Political Risk, Investment Risk, Currency Risk, Geographic Risk, Weather Risk, Liquidity Risk and Concentration/Exposure Risk.

See Rider attached for further disclosure regarding this transaction.

**Part F - Material Contracts**

1. Give particulars of every material contract relating to the offering of the investment entered into or to be entered into by the borrower or the mortgage brokerage or, if applicable, any of the affiliates of the borrower or mortgage brokerage, within the last two years of the date of this form and, where the material contracts are not attached to this form, state a time and place at which those contracts or copies of those contracts may be inspected.

MarshallZehr Group Inc. Commitment Letter including all documents referenced therein.

Mortgage Administration and/or co-lending agreements with Lenders.

Borrower enters into contracts with trades/vendors/consultants/professionals for completion of works contemplated in the construction of the project.

Contracts made available at lenders request.

Mortgage Broker initials:

Date: 1/21/2022

DS  
PM

Investor/lender initials:

Date: 1/21/2022

DS  
AD

Section 9 – Transaction Parties

Part A - The Borrower

1. The borrower is:

- ☐ An individual
- ☒ A Corporation/Partnership/Other

2. Name and Municipal Address of the borrower:

Name			
Mapleview Developments Ltd.			
Municipal Address			
Unit Number	Street Number	Street Name	
Unit 3 Building A	30	Wertheim Court	
City/Town		Province	Postal Code
Richmond Hill		Ontario	L4B 1B9
Jurisdiction of Incorporation (if applicable)		Date of Incorporation (yyyy-mm-dd):(if applicable)	
Ontario		2016-07-08	

**3. Describe the borrower's ownership/control structure.**

(a) If the borrower is a corporation, list:

1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for Question 3(a)1).

(b) If the borrower is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee
Pace Mapleview Ltd.	Richmond Hill, Ontario	50.00%	Shareholder
2552741 Ontario Inc.	Waterloo, Ontario	50.00%	Shareholder
Dino Sciavilla, President	Vaughan, Ontario		Director
Dino Sciavilla, President	Vaughan, Ontario		Officer
Yvonne Sciavilla, Secretary-Treasurer	Vaughan, Ontario		Director
Yvonne Sciavilla, Secretary-Treasurer	Vaughan, Ontario		Officer
Gregory Zehr, Vice President	Waterloo, Ontario		Director
Gregory Zehr, Vice President	Waterloo, Ontario		Officer
David Marshall	Waterloo, Ontario		Director
David Marshall	Waterloo, Ontario		Officer

**4. Has the mortgage brokerage verified the identity of the borrower(s)?**

- ☒ Yes
- ☐ No

If Yes, evidence of identity is attached or will be provided on Date (yyyy-mm-dd): \_\_\_\_\_

If No, explain what steps the mortgage brokerage will take to verify the identity before closing:

MarshallZehr conducted AML on Obligors on closing of the loan in 2021.

**5. Is the borrower the Developer of the project:**

- ☒ Yes      If Yes, proceed to Question 6.
- ☐ No      If No, proceed to Question 9.

**6. What is the borrower's Tarion Warranty Corporation number?** 46,303

**7. Describe the borrower's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the borrower was/is a party to a project that has had a mortgage default and power of sale proceeding).**

The Borrower is a co-tenancy entity under the Pace umbrella. Pace, the active development partner in the cotenancy, has completed numerous successful projects in joint ventures and over the past 10 years has completed over 500 units under it's own Tarion license.

**8. What due diligence has the mortgage brokerage done to confirm the borrower's background and experience with construction/development projects?**

Review of Borrowers Tarion experience  
Review of previous project/history

**9. Has the borrower or any of the principals of the borrower (directors, officers, owners, partners or majority shareholders) been involved in any of the following:**

**Yes/  
No/  
Unknown**

(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	Unknown
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the borrower, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	Unknown
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	Unknown
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	Unknown

If yes or unknown, to any of the responses in Question 9, explain:

Legal counsel is not undertaking an updated litigation search in connection with this amendment and increase to the loan.



**10. Borrower's Financial Information – Documentary evidence of the borrower's ability to meet the mortgage payments must be attached to this form. If the borrower is not an individual, the borrower's most recent comparative financial statements in respect of the one or, if available, two most recent years before the date of this Disclosure Statement are for the following years:**

Year 1: 2,020 Year 2: 2,019

Note: The borrower's financial statements must be prepared in accordance with subsection 31.1(1)15 of O. Reg 188/08.

**11. Does the mortgage include a personal covenant, guarantee or other financial commitment?**

☒ Yes

☐ No

If Yes, please describe (including a description of who provided the covenant, guarantee or commitment):

The mortgage will include guarantees from: Pace Developments Inc., Pace Group Investments Inc., Pace Maplevue Ltd., 2552741 Ontario Inc., and Pace Group Holdings Inc. Personal guarantees are provided by Dino Sciavilla and Yvonne Sciavilla.

## Part B - The Developer

### 1. Name, address and Tarion Warranty Corporation number of the developer

Name			Tarion Warranty Corporation number	
Address				
Unit Number	Street Number	Street Name		
City/Town		Province	Postal Code	
Jurisdiction of Incorporation (if applicable)			Date of Incorporation (yyyy-mm-dd) (if applicable)	

2. Describe the developer’s ownership/control structure.

- (a) If the developer is a corporation, list:
- 1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
  - 2. the directors and officers of the corporation (if different from persons listed for Question 2(a)1).
- (b) If the developer is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee

3. Describe the role of the developer in the project as distinct from the borrower:

4. What due diligence has the mortgage brokerage done regarding the background and experience of the developer?

**5. Describe the developer's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the developer was/is involved in a project that has had a mortgage default and power of sale proceeding).**

**6. What due diligence has the mortgage brokerage done to confirm the developer's background and experience with construction/development projects?**

<b>7. Has the developer or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:</b>	<b>Yes/ No/ Unknown</b>
(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the developer, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	

If yes or unknown, to any of the responses in Question 7, explain:

## **Part C - The Mortgage Brokerage**

### **1. Organization of the mortgage brokerage**

Jurisdiction of Incorporation/Organization:  Ontario	Date of Incorporation/Organization (yyyy-mm-dd):  2008-09-10
--	--

**2. Describe the brokerage's ownership/control structure.**

(a) If the mortgage brokerage is a corporation, list:

1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for Question 2(a)1).

(b) If the mortgage brokerage is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust, including investment decisions.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee
2060762 Ontario Inc.	Waterloo, ON	50.00%	Shareholder
The Marshall Group Inc.	Waterloo, ON	50.00%	Shareholder
Gregory Lester Zehr, CEO & Co-Founder	Waterloo, ON		Director
David Gilmore Marshall, President & Co-Founder	Waterloo, ON		Director
Gregory Lester Zehr, CEO & Co-Founder	Waterloo, ON		Officer
David Gilmore Marshall, President & Co-Founder	Waterloo, ON		Officer
William Cecil Hayes, COO	Waterloo, ON		Officer
Murray Alexander Snedden, CFO	Waterloo, ON		Officer

Mortgage Broker initials:

Date: 1/21/2022

DS  
PM

Investor/lender initials:

Date: 1/21/2022

DS  
CR

## Section 10 – Attached Documents

Important: The investor/lender should review the following documents carefully and assess the risks of this investment before committing to invest. The investor/lender should check that all documents are consistent with this disclosure summary. The following documents should be attached. If not available or applicable, provide comments below.

- ☐ A copy of the appraisal of the property, that satisfies the criteria as set out in subsection 31.1(1)2 of O. Reg. 188/08.
- ☒ If the investment is in, or the loan is in respect of, an existing mortgage, a copy of the mortgage instrument.
- ☒ If the investment is in, or the loan is in respect of, an existing mortgage, a statement indicating whether the mortgage is in arrears and whether any mortgage payments are delayed or owing.
- ☒ A copy of the certificate of mortgage interest, the assignment of the mortgage or any other document that proves evidence of the investment or loan.
- ☐ If an agreement of purchase and sale in respect of the property relating to the mortgage has been entered into in the preceding 12 months and is available to the mortgage brokerage, a copy of the agreement of purchase and sale.
- ☒ Documentary evidence of the borrower's ability to meet the mortgage payments.
- ☒ A copy of the application for the mortgage and of any documents submitted in support of the application.
- ☐ If the investment is in, or if the loan is in respect of, a new mortgage, documentary evidence of any down payment made by the borrower for the purchase of the property relating to the non-qualified syndicated mortgage.
- ☒ A copy of any administration agreement that is applicable to the investor/lender.
- ☒ A copy of any trust agreement that is applicable to the investor/lender.
- ☒ A copy of the commitment letter or document setting out the terms of the investor/lender's commitment to advance funds to the borrower.
- ☒ A copy of any agreement that the investor/lender may be asked to enter into with the mortgage brokerage.
- ☒ If the borrower is not an individual, the borrower's financial statements as required under subsection 31.1(1)15 of O. Reg. 188/08.
- ☐ All other information, in writing, that an investor/lender of ordinary prudence would consider to be material to a decision about whether to lend money on the security of the property related to the non-qualified syndicated mortgage or to invest in the non-qualified syndicated mortgage.
- ☐ Other documents

\_\_\_\_\_  
 \_\_\_\_\_

Comments:

All documents have been provided electronically to the investor prior to the investors original investment in the loan. Documents are available again upon request.

One copy of this form must be provided to the lender/investor, and one copy must be retained by the mortgage brokerage.

Mortgage Broker initials:

Date: 1/21/2022

DS  
PM

Investor/lender initials:

Date: 1/21/2022

DS  
OR

## Section 11 - Declaration by All Other Investor/Lender and the Mortgage Brokerage

### Declaration by Mortgage Brokerage

This **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** has been completed by:

MarshallZehr Group Inc.

Name of Mortgage Brokerage

I hereby confirm and declare that I have fully completed this form in accordance with the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and its regulations and declare it to be accurate in every respect to the best of my knowledge. I have discussed the contents of this form with the investor/lender.

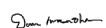
David Marshall

Print name of Mortgage Broker

M09000275

Licence number of Mortgage Broker

DocuSigned by:



1/21/2022

Signature of Mortgage Broker

Date (yyyy-mm-dd)

### Declaration by Investor/Lender

I hereby confirm and declare that receipt of this **Form 3.2 – Disclosure Statement for Investor/Lender Disclosure in a Non-Qualified Syndicated Mortgage**, signed by the mortgage broker.

Aggregated Investments Inc.

Name of Investor/Lender

320 Dundas Street, London ON N6B 3R8

Address of Investor/Lender

DocuSigned by:



1/21/2022

Signature of Investor/Lender

Date (yyyy-mm-dd)

## Appendix – Subsection 2(1) of O. Reg. 188/08

### Designated classes of lenders and investors

2(1) For the purposes of this Regulation, a person or entity is a member of a designated class of lenders and investors if the person or entity is a member of any of the following classes:

1. The Crown in right of Ontario, Canada or any province or territory of Canada.
2. A brokerage acting on its own behalf.
3. A financial institution.
4. A corporation that is a subsidiary of a person or entity described in paragraph 1, 2 or 3.
5. A corporation that is an approved lender under the National Housing Act (Canada).
6. An administrator or trustee of a registered pension plan within the meaning of subsection 248 (1) of the Income Tax Act (Canada).
7. A person or entity who is registered as an adviser or dealer under the Securities Act when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
8. A person or entity who is registered under securities legislation in another province or territory of Canada with a status comparable to that described in paragraph 7 when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
9. A person or entity, other than an individual, who has net assets of at least \$5 million as reflected in its most recently-prepared financial statements and who provides written confirmation of this to the brokerage.
10. An individual who, alone or together with his or her spouse, has net assets of at least \$5 million and who provides written confirmation of this to the brokerage.
11. An individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the Securities Act, the cash surrender value of a life insurance contract, a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1 million and who provides written confirmation of this to the brokerage.
12. An individual whose net income before taxes in each of the two most recent years exceeded \$200,000 or whose net income before taxes in each of those years combined with that of his or her spouse in each of those years exceeded \$300,000, who has a reasonable expectation of exceeding the same net income or combined net income, as the case may be, in the current year and who provides written confirmation of this to the brokerage.
13. A person or entity in respect of which all of the owners of interests, other than the owners of voting securities required by law to be owned by directors, are persons or entities described in paragraphs 1 to 12. O. Reg. 188/08, s. 2 (1).

# EXHIBIT “9”





## Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage

*Mortgage Brokerages, Lenders and Administrators Act, 2006*

Transaction Number: **MZGI-393**

### Important Information About This Form

Name of Mortgage Brokerage <b>MarshallZehr Group Inc.</b>		Mortgage Brokerage Licence number <b>12453</b>	
<b>Address</b>			
Unit Number <b>100</b>	Street Number <b>412</b>	Street Name <b>Albert Street</b>	
City/Town <b>Waterloo</b>		Province <b>ON</b>	Postal Code <b>N2L 3V3</b>
Telephone number <b>519-342-1000</b>		Email Address <b>msnedden@marshallzehr.com</b>	
Name of Principal Broker <b>Murray Snedden</b>		Principal Broker Licence number <b>M13001624</b>	

#### Purpose of Form

This form provides important information to assist the investor/lender in making a decision about investing or lending under the syndicated mortgage proposed by the mortgage brokerage. This disclosure statement is required under subsection 31.1(1)1 of Ontario Regulation 188/08: Mortgage Brokerages Standards of Practice (O. Reg. 188/08) under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* (MBLAA).

The mortgage brokerage is required by law to provide the investor/lender with a completed **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** at a minimum two business days before the investor/lender commits to invest/lend.

This disclosure statement and the attached documents are not intended to provide a comprehensive list of factors to consider in making a decision concerning this investment/loan in a non-qualified syndicated mortgage.

#### Application of Form

**All non-qualified syndicated mortgages** – This form applies to all syndicated mortgage transactions that do not meet the definition of a "qualified syndicated mortgage." As defined in section 1 of O. Reg. 188/08, a qualified syndicated mortgage is a syndicated mortgage that meets all of the following criteria:

1. It is negotiated or arranged through a mortgage brokerage.
2. It secures a debt obligation on property that,
  - a. is used primarily for residential purposes,
  - b. includes no more than a total of four units, and
  - c. if used for both commercial and residential purposes, includes no more than one unit that is used for commercial purposes.
3. At the time the syndicated mortgage is arranged, the amount of the debt it secures, together with all other debt secured by mortgages on the property that have priority over, or the same priority as, the syndicated mortgage, does not exceed 90 per cent of the fair market value of the property relating to the mortgage, excluding any value that may be attributed to proposed or pending development of the property.

4. It is limited to one debt obligation whose term is the same as the term of the syndicated mortgage.
5. The rate of interest payable under it is equal to the rate of interest payable under the debt obligation.

A syndicated mortgage that secures a debt obligation incurred for the construction or development of property is not a qualified syndicated mortgage.

**All Investors/Lenders** – This form must be provided to each investor/lender in a non-qualified syndicated mortgage, whether or not the investor/lender is part of a designated class of investors/lenders. Members of a "designated class" are defined in subsection 2(1) of O. Reg. 188/08 (Refer to Appendix).

### **Waiting Period**

To enable the investor/lender to thoroughly review the proposed non-qualified syndicated mortgage, this disclosure statement, and to obtain independent legal advice, this **Form 3.2 – Disclosure Statement for Investor/ Lender in a Non-Qualified Syndicated Mortgage**, must be presented to the investor/lender no later than two business days before the earliest of the following events:

1. When the mortgage brokerage receives money from the investor/lender.
2. When the mortgage brokerage enters into an agreement to receive money from the investor/lender.
3. When the investor/lender enters into a mortgage agreement or an agreement to trade in a mortgage.
4. The money is advanced to the borrower under the mortgage.
5. The trade completion date.

**The investor/lender CANNOT waive this two-day waiting period.**

### **Investment Limit**

Section 24.2 of O. Reg. 188/08 limits the amount that an investor/lender can invest/lend in a non-qualified syndicated mortgage to sixty thousand dollars (\$60,000) in any twelve (12)-month period for investors/lenders that are not part of a designated class of lenders and investors (i.e., this limit does not apply to investors/lenders that are part of a designated class). The "designated classes" are defined in subsection 2(1) of O. Reg. 188/08.

When determining whether the applicable limit has been reached for a non-qualified syndicated mortgage, the mortgage brokerage shall not count any investments/loans in respect of non-qualified syndicated mortgages entered into prior to July 1, 2018. By law, the mortgage brokerage cannot sell a proposed non-qualified syndicated mortgage to an investor/lender unless the investor/lender is eligible under these rules. The investor/lender should confirm his/her eligibility with the mortgage brokerage.

### **Record-Keeping**

The mortgage brokerage must provide the investor/lender with a copy of this completed form pursuant to subsection 31.1(1)1 of O. Reg. 188/08, and retain a copy for the mortgage brokerage's records in accordance with sections 46(1)4 and 48 of O. Reg. 188/08.

### **Disclaimer**

This disclosure statement was prepared by the mortgage brokerage and has not been filed with the Financial Services Regulatory Authority of Ontario (FSRA) or other government authority and neither FSRA nor another government authority has reviewed or approved the completed disclosure statement.

## Section 1 – About Your Investment

Name of Investment Project:

[Mapleview Refinance - MZGI 393](#)

Address of Property / Security to be Mortgaged:

Unit Number	Street Number <a href="#">700, 750 &amp; 780</a>	Street Name <a href="#">Mapleview Drive East</a>	
City/Town <a href="#">Barrie</a>	Province <a href="#">ON</a>	Postal Code <a href="#">L4N 0M2</a>	

## Section 2 – Investor/Lender Information

Name

[Aggregated Investments Inc.](#)

Mailing address

Unit Number	Street Number <a href="#">680</a>	Street Name <a href="#">Waterloo Street</a>	
City/Town <a href="#">London</a>	Province <a href="#">ON</a>	Postal Code <a href="#">N6A 0B3</a>	
Telephone number <a href="#">519-472-8200</a>	Email Address <a href="#">adrewlo10@rogers.com</a>		

**Investor Representative, if applicable (e.g. for entity investor)**

Name <a href="#">Allan Drewlo</a>	Title <a href="#">President</a>
Telephone number <a href="#">519-671-8073</a>	Email Address <a href="#">adrewlo10@rogers.com</a>

## Section 3 – Investor/Lender Status

☒ Member of a Designated Class who is a/an:

1. Non-Individual, or
2. Individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the *Securities Act*, the cash surrender value of a life insurance contract; a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, **exceeds \$5 million** and who provides written confirmation of this to the brokerage.

**If the investor/lender meets the descriptions in (1) or (2), indicate the following and complete Sections 4 and 5 of this form:**

Type of designated class: [\(p\) on the Certification Form](#)

Type of documentation supporting investor/lender's status: \_\_\_\_\_

- ☐ Member of a Designated Class who is not an individual described in (2). **Complete Sections 6 to 11 of this form.**
- ☐ Not a Member of a Designated Class. **Complete Sections 6 to 11 of this form**

The designated classes of lenders and investors are defined in subsection 2(1) of O. Reg. 188/08 (Refer to Appendix). These include classes for certain entities or individuals who have net income before taxes, net assets and net financial assets above a defined limit.

## Section 4 – Disclosure Summary

### Part A – Role of the Brokerage and Other Parties Involved

#### 1. The mortgage brokerage is acting for:

- ☐ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☒ Both the borrower and the investor/lender.

#### 2. Identify the name of following parties involved investment/loan in a non-qualified syndicated mortgage:

Borrower

[Mapleview Developments Ltd.](#)

Developer, if different from the borrower

[Pace Developments](#)

Mortgage Administrator

[MarshallZehr Group Inc.](#)

Licence No.

[11955](#)

Individual or Corporate Guarantor (if applicable)

[See the text box below in 2. for the list of guarantors for this mortgage](#)

### Part B – Loan and Property Details

#### 1. Existing or new mortgage: The investor/lender's investment is to:

- ☐ Purchase a portion of an existing registered mortgage
- ☒ Fund a portion of a new mortgage that has not yet been registered

#### 2. Type of Property:

- ☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)
- ☒ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

#### Guarantors:

[Corporate - Pace Developments Inc., Pace Mapleview Ltd., 2552741 Ontario Inc., Pace Group Investments Inc., Urban North On-the-Go Ltd. & Pace Group Holdings Inc.. Personal - Gerardo \(Dino\) Sciavilla & Yvonne Sciavilla](#)

#### Project information:

[The Mapleview \(Urban North\) master development will have 1,057 townhouse units built out over 6 phases. Phase 1 & 2 are under construction, with the first closing in Phase 1 having occurred in January 2022. Phases 1-4 will be 841 units and Phase 5 and 6 will be 216 units.](#)

#### 3. Terms of Mortgage

- (a) Amount of your investment (\$): [\\$11,400,000.00](#)
- (b) Source(s) of investment funds: \_\_\_\_\_
- (c) Face Value of Mortgage Amount (\$): [\\$34,300,000.00](#)

- (d) Mortgage Term: 18-months
- (e) Maturity Date (yyyy-mm-dd): 2024-02-01
- (f) No. of other investors/lender that have an interest in this mortgage: 0
- (g) Rank of Mortgage (1st, 2nd, 3rd, etc.): (varies-by-phase)
- (h) Provide the name of prior mortgagee(s), if applicable:

**KingSett Capital - Charge across Phases 1-6 (1st to 4th priority)**  
**Vector - 1st mortgage on Phase 6**  
**Westmount - Charge on 1, 2 & 4**  
**Charges in favour of the above 3 lenders shall rank ahead of the loan.**  
**MZ \$49,500,000 Subordinate Charge on all phases**

- (i) Existence of a subordination clause (Yes/No): Yes
- (j) Describe the use of the mortgage funds:

**The \$10,900,000 initial advance of the loan was used to refinance a portion of the MZ-funded debt on-site (MZGI 273) and pay for legal & administrative costs associated with the loan. This advance of \$12,000,000 was used to fund hard costs escalations across Phases 1-2 and 4. The \$11,400,000 will be used to fund trade payables and interest on Phases 1-3.**

## Part C – Appraisal of Property

### 1. Name, professional designation and address of appraiser:

Name <b>Paul Stewart</b>		Professional Designation <b>AACI</b>	
Firm Name <b>Avison Young Valuation &amp; Advisory Services</b>			
<b>Address</b>			
Unit Number <b>50</b>	Street Number <b>55</b>	Street Name <b>Commerce Valley Drive</b>	
City/Town <b>Markham</b>		Province <b>Ontario</b>	Postal Code <b>L3T 7V9</b>
Telephone number <b>905-968-8030</b>		Email Address <b>paul.stewart@avisonyoung.com</b>	

2. The date of the appraisal report (yyyy-mm-dd): 2019-05-23
3. The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report: \$57,700,000.00
4. The effective date of the appraisal (yyyy-mm-dd): 2019-05-14

**Part D – Loan-to-Value Ratio**

---

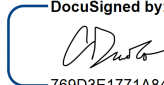
(a) Total of prior encumbrances:	<u>\$341,725,000.00</u>
(b) Amount of this mortgage:	<u>\$33,400,000.00</u>
(c) Total amount of mortgages: (a+b)	<u>\$375,125,000.00</u>
(d) Appraised estimated ("as is") value:	<u>\$57,700,000.00</u>
(e) Loan to "as is" value: (c/d X 100)	<u>650.13%</u>

## Section 5 - Declaration by Investor/Lender of Certain Designated Class and the Mortgage Brokerage

### Declaration by the Investor/Lender

I hereby confirm and declare that:

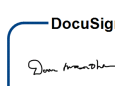
1. I qualify as a member of a designated class of lender and investor as defined in section 2 of O. Reg. 188/08.
2. For an individual who is a member of a designated class: I, alone or together with my spouse, have net financial assets of at least \$5 million. I have provided written confirmation to support my investor/lender status to the mortgage brokerage.
3. I acknowledge the receipt of this **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage**, signed by the mortgage broker, as well as any investment summary and other relevant documents from the mortgage brokerage pertaining to this syndicated mortgage.

Investor/lender Name	Signature of Investor/lender	Date (yyyy-mm-dd)
Aggregated Investments Inc.		
Entity Name (if applicable)		
Allan Drewlo	DocuSigned by:  769D3E1771A8498	8/12/2022
Entity Representative Name	Entity Representative Signature	Date (yyyy-mm-dd)

### Declaration by the Mortgage Brokerage

I hereby confirm and declare that:

1. I have fully completed this **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** in accordance with the *MBLAA* and its regulations and declare it accurate in every respect to the best of my knowledge.
2. I have obtained supporting documentation confirming the investor/lender's status as a member of a designated class of lenders and investors as defined in section 2 of O. Reg. 188/08, and the investor/lender has signed this form, attesting to his/her/its status as a designated class. For an individual who is a member of a designated class, I have obtained documentation confirming the investor/lender, alone or together with his or her spouse, has net financial assets of at least \$5 million.
3. I have discussed the contents of this form and other relevant information pertaining to this syndicated mortgage with the investor/lender. I provided a copy of this form, investment summary and other relevant documents to the investor/lender.

David Marshall	M09000275
Name of Mortgage Broker	Licence number of Mortgage Broker
DocuSigned by:  1BC8D71E02D14DD...	8/15/2022
Signature of Mortgage Broker	Date (yyyy-mm-dd)
MarshallZehr Group Inc.	12453
Mortgage Brokerage Name	Licence number of Mortgage Brokerage

## Section 6 – Caution

All mortgage investments carry risk. There is a relationship between risk and return. In general, the higher the rate of return, the higher the risk of the investment. The investor/lender should very carefully assess the risk of the mortgage transaction described in this disclosure statement and in the supporting documentation before entering into the transaction.

A syndicated mortgage (defined as a mortgage with more than one investor/lender) may carry additional risks not only relating to the risk of default but also to the risks associated with participating in a syndication and the financing of real estate transactions.

By law, the mortgage brokerage must disclose to the investor/lender, in writing, the material risks of the mortgage investment/loan it presents to an investor/lender.

Investors/lenders are strongly advised to obtain independent legal and financial advice before committing to invest/lend in a non-qualified syndicated mortgage. Inexperienced investors should be cautious when deciding to enter into a non-qualified syndicated mortgage investment/loan.

**The general risks related to an investment/loan in non-qualified syndicated mortgages are outlined in Form 3.1 – Suitability Assessment for Investor/Lender in a Non-Qualified Syndicated Mortgage that you, the investor/lender, received on:**

2022-08-12

(yyyy-mm-dd)

Mortgage Broker initials:

Date: 8/15/2022

DS  
PM

Investor/lender initials:

Date: 8/12/2022

DS  
AP



## Section 7 – Nature of Mortgage Brokerage Relationships

The *Mortgage Brokerages, Lenders and Administrators Act, 2006* requires disclosure of the nature of the relationship between the mortgage brokerage and other persons and entities involved in the mortgage transaction. For the purposes of this form, two persons are "related" if they share any relationship other than an arm's length business relationship. For example, a shareholder, director, officer, partner or employee of a mortgage brokerage is related to the mortgage brokerage and to any mortgage broker or agent authorized to deal or trade in mortgages on behalf of the mortgage brokerage (this group of related parties is referred to as the mortgage brokerage and "its related parties" in this form).

### 1. The mortgage brokerage is acting for:

- ☐ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☒ Both the borrower and the investor/lender.

### 2. Nature of Relationships

Yes/No

(a) Does the mortgage brokerage or any of its related parties have or expect to have a direct or indirect interest in the property identified in Section 8, Part A of this form?	Yes
(b) Does any person who is a close familial relation to any individual who is a mortgage brokerage related party have or expect to have a direct or indirect interest in the property identified in Section 8, Part A of this form?	Yes
(c) Is the mortgage brokerage or any of its related parties related to any of the investors/lenders in the mortgage?	Yes
(d) Is the mortgage brokerage or any of its related parties related to the borrower?	Yes
(e) Is the mortgage brokerage or any of its related parties related to the individual or firm that appraised the property?	No
(f) Is the mortgage brokerage or any of its related parties related to the developer (if the developer is different from the borrower)?	Yes
(g) Is the mortgage brokerage also the mortgage administrator for the non-qualified syndicated investment/loan?	Yes
(h) Is the mortgage brokerage or any of its related parties entitled, directly or indirectly, to a share of the profits earned from the project?	Yes
(i) Has, or will, the mortgage brokerage or any of its related parties provide(d) any goods or services to the borrower or developer whether directly or through an entity owned or controlled by that person or entity?	No
(j) Has, or will, the mortgage brokerage or any of its related parties pay any referral fees in connection with securing investments for this property or non-qualified syndicated mortgage?	Yes
(k) Are there any circumstances or factors, in addition to the above, which may create commercial dependencies as between the mortgage brokerage and its related parties and the borrower, developer or any party related to the borrower or developer (e.g., the mortgage brokerage depends upon transactions with the borrower for a material portion of its revenue)?	Yes

If Yes, to any of the responses in Question 2 explain the relationship and the strategies in place to manage the actual/potential conflict of interest:

MarshallZehr is both the brokerage and administrator of the Mortgage. Being the administrator of the Mortgage allows MarshallZehr to continue to service the Lender's interests after closing of the mortgage transaction.

Greg Zehr and David Marshall are part owners of the project via the co tenant company 2552741 Ontario Inc.( 50% ownership in Mapleview Developments Ltd.) and 2705503 Ontario Inc. (50% ownership in Urban North on the GO Ltd.). The remaining 50% ownership interest in the project is owned by Dino and Yvonne Sciavilla through Pace Mapleview Ltd. and Pace Group Investments Inc..

2552741 Ontario Inc. and 2705503 Ontario Inc. do not hold a secured interest on title to secure it's ownership interest. Mortgage participants will benefit from repayment in advance of receipt of profit by the beneficial owners of the Project; monthly management fees up to the budgeted amount as approved by the lenders prior to funding will be permitted to be paid to Pace and MZ related entities, and any management fees in excess of those forming the initial project budget will require prior consent from the lenders.

The Administrator is related to one of the other Principals that may or may not participate in the Investment either directly or indirectly, namely family members of David Marshall or Greg Zehr and companies owned by Greg Zehr or David Marshall or by Greg Zehr's family trust or David Marshall's family trust.

For Tranche A (\$11,400,000 - subject funding): Tranche A shall be repaid to the Lender within 60 days of the initial advance date. If Tranche A is not repaid within 60 days, as of the 61st day after the initial advance date, the interest rate on Tranche A will increase from 0% to 25%, compounded monthly and accrued to maturity. If Tranche A is not repaid by the 90th day, as of the 91st day after the initial advance date, the interest rate on Tranche A will increase from 25% to 30%, compounded monthly and accrued to maturity. Interest will continue to be earned at the escalated rate going forward and will be due and payable as part of any discharge of Tranche A.

**3. Describe any actual/potential conflicts of interest or relationships in connection with this investment/loan in a non-qualified syndicated mortgage, other than those described in Question 2, and the strategies in place to manage the actual/potential conflict of interest.**

No known existing conflicts of Interest other than those potential conflicts identified above.

Mortgage Broker initials:

Date: 8/15/2022

DS  
Dm

Investor/lender initials:

Date: 8/12/2022

DS  
CD

## Section 8 – Property and Mortgage Investment/Loan Details

### Part A – Property/Security to Be Mortgaged

#### 1. Legal and Municipal address of the property:

Legal address

Legal address listed below.

Municipal Address

Unit Number

Street Number

700, 750 & 780

Street Name

Mapleview Drive East

City/Town

Barrie

Province

Ontario

Postal Code

L4N 0M2

#### 2. Type of Property:

☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)

☒ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

Project information:

The Mapleview master development will have 1,057 units built out over 6 phases. A detailed phase-by-phase breakdown of PINS is attached to the 1st amendment to the loan as Schedule 1.

Legal Address:

PINs:

58091-3880 (LT) to 58091-3891 (LT), inclusive, and 58091-3893 (LT) to 58091-3902 (LT), inclusive  
58091-0287 (LT). (Phase 6)

#### 3. Appraisal of Property:

Note: Under the *MBLAA*, the estimated market value of the property must reflect its condition and stage of development as of the date of the inspection or within 60 days after that. It cannot depend or rely on assumptions about proposed or future development of, or improvements to, the property or any other conditions not in existence at the date selected for the estimated market value.

(a) Name, professional designation and address of appraiser:

Name

Paul Stewart

Professional Designation

AACI

Firm Name

Avison Young Valuation & Advisory Services

Address

Unit Number

501

Street Number

55

Street Name

Commerce Valley Drive

City/Town

Markham

Province

Ontario

Postal Code

L3T 7V9

Telephone Number

905-968-8030

E-mail Address

paul.stewart@avisonyoung.com

- (b) The date the appraiser conducted the inspection of the property (yyyy-mm-dd): 2019-04-10
- (c) The date of the appraisal report (yyyy-mm-dd): 2019-05-23
- (d) The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report: \$57,700,000.00
- (e) The effective date of the appraisal (yyyy-mm-dd): 2019-05-14

**4. Property Taxes:**

(a) Annual property taxes: \_\_\_\_\_

Are taxes in arrears?

☐ Yes

☐ No

☒ Investor/Lender's Solicitor to verify taxes prior to closing or ensure coverage under title insurance

If yes, amount of arrears: \_\_\_\_\_

**5. Condominium Fees (If applicable):**

(a) Monthly condominium fees: \_\_\_\_\_

Are fees in arrears?

☐ Yes

☐ No

If Yes, amount of arrears: \_\_\_\_\_

**6. Zoning: Is the zoning on the property appropriate for the proposed use?**

☒ Yes

☐ No

If No, provide details:

Zoning is in place for phases 1-4 & 6.

Phase 5 zoning is not approved yet but is in process of re-zoning with strong support from the City; rezoning on Phase 5 anticipated to be received by Q4 2022 or Q1 2023.

**Part B - Mortgage Particulars****1. Is the mortgage to fund the purchase of property?**

- ☐ Yes
- ☒ No

If Yes, describe the current ownership of the property and purchase arrangements:

If No, set out the purchase price and date of the purchase:

Purchase Price of Property:

Date of Purchase (yyyy-mm-dd):

\$35,461,750.00

**2. Will the mortgage proceeds be used to refinance, pay out, straight renew, renew with material change, redeem or reduce an existing mortgage on this property?**

- ☒ Yes If yes complete (a) and (b)
- ☐ No

(a) Select how the proceeds will be used:

- ☒ Refinance
- ☒ Pay out
- ☐ Straight renew
- ☐ Renew with material change
- ☐ Redeem
- ☐ Reduce an existing mortgage
- ☐ Other

(b) Explain your answer for (a):

\$35,461,750 purchase price referenced above is the sum of the Phase 1-5 purchase price (\$31,611,750; December 2016) and the Phase 6 purchase price (\$3,850,000; January 2020).

The initial advance of the loan (\$10,900,000) was used to refinance the MZGI 273 loan. The 2nd advance of the loan was used to fund hard costs in the project. The 3rd advance is going to be used to pay trade payables on site.

**3. Nature of investment or loan:**

(a) The investor/lender's investment represents:

- ☒ Participation in a mortgage
- ☐ Trade of a participation in a mortgage
- ☐ Any other interest or participation in a mortgage

Explain: 100% of the MZGI 393 loan will be funded by Aggregated Investments Inc.

(b) Percentage of total investor/lender's portion: 33.24%

(c) Number of other parties that have an interest in this mortgage: 0

(d) In what name(s) will the mortgage be registered?

MarshallZehr Group Inc.

(e) If the mortgage is not registered in the investor/lender's name, the mortgage brokerage must provide an explanation:

The mortgage is registered in the name of the Mortgage Administrator. The Mortgage Administrator holds the mortgage in trust for all investors.

**4. Existing or new mortgage: The investor/lender's investment is to:**

- ☒ Purchase a portion of an existing registered mortgage
- ☐ Fund a portion of a new mortgage that has not yet been registered

**5. If this investment is a purchase of an existing mortgage or a portion of an existing mortgage, is the mortgage now in default?**

- ☐ Yes
- ☒ No

Has it been in default in the last twelve months?

- ☐ Yes
- ☒ No

If Yes to either, explain:

**6. Administered Mortgage: Will the mortgage be administered for the investor/lender?**☒ Yes☐ No

If "Yes, name, address and licence number of mortgage administrator:

Name <u>MarshallZehr Group Inc.</u>		Licence Number <u>11955</u>	
<b>Address</b>			
Unit Number <u>Suite 100</u>	Street Number <u>412</u>	Street Name <u>Albert Street</u>	
City/Town <u>Waterloo</u>		Province <u>Ontario</u>	Postal Code <u>N2L 3V3</u>
Telephone number <u>519-342-1000</u>		Email Address <u>msnedden@marshallzehr.com</u>	

**Note: A Mortgage Administrator must be licensed under the MBLAA.****7. Terms of the Mortgage**

Amount of your investment:	<u>\$11,400,000.00</u>	Term:	<u>18-months</u>
Face value of the mortgage:	<u>\$34,300,000.00</u>	Amortization:	<u>Interest-only</u>
Interest rate		Maturity date (yyyy-mm-dd):	<u>2024-02-01</u>
<input type="radio"/> Fixed <input checked="" type="radio"/> Variable    Percentage per annum:	<u>0.00%</u>	Balance on maturity:	<u></u>
Explain the interest rate:	<u>60-90day=25%,90+days=30%</u>	Borrower's first payment due (yyyy-mm-dd):	<u></u>
Compounding period:	<u>Monthly</u>	Borrower's rate of interest if different from the rate of interest to be paid to the investor:	<u>0.00%</u>
Payment frequency:	<u>Deferred-to-maturity</u>	Investor's rate of interest:	<u>0.00%</u>
Payments to be made by borrower:	<u></u>		
Payments to the investor/lender:	<u></u>		
Source of funds: <u>No interest reserve on this loan as all of the interest will be accrued until maturity.</u>			

**8. Rank of Mortgage (according to information from borrower):**

(a) The mortgage to be purchased/advanced is/will be a:

- ☐ First  
☐ Second  
☐ Third  
☒ Other mortgage Varies from a 3rd to 5th mortgage.

(b) Can the rank of the mortgage change?

- ☒ Yes  
☐ No

If Yes, explain how it might change and if it is expected to change:

This can change if a senior lender funds into one of the phases.

**9. Prior encumbrances:**

(a) Are there any prior encumbrances (existing or anticipated)?

- ☒ Yes  
☐ No

**Encumbrance A**

Priority	Face Amount	Amount Owing
1st, 2nd & 3rd Mortgages	\$316,000,000.00	\$98,812,759.00
In default? <input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown		
If yes, explain: The \$316,000,000,000 is across 9 facilities and split as a \$266,000,000 charge and a \$50,000,000 charge. The 9 facilities represent Kingsett's servicing, construction, mezzanine and LC facilities.  The amount owing is a best guess estimate of debt outstanding. It should fall between \$98-100MM across all facilities.		
Name of Mortgagee: KingSett Capital		



Encumbrance B		
Priority <b>1st</b>	Face Amount <b>\$2,885,000.00</b>	Amount Owning <b>\$2,885,000.00</b>
In default? <input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown		
If yes, explain:          		
Name of Mortgagee: <b>Vector Financial</b>		

(b) Other encumbrances, including environmental, regulatory and/or liens:

**Westmount Guarantee has Deposit Insurance Facilities on Phases 1, 2 and 4.**

**No environmental concerns.**

## 10. Loan-to-Value Ratio

(a) Total of prior encumbrances:	<u><b>\$341,725,000.00</b></u>
(b) Amount of this mortgage:	<u><b>\$34,300,000.00</b></u>
(c) Total amount of mortgages: (a + b)	<u><b>\$376,025,000.00</b></u>
(d) Appraised estimated ("as is") value:	<u><b>\$57,700,000.00</b></u>
(e) Loan to "as is" value: (c/d X 100)	<u><b>650.13%</b></u>

## 11. Amount of Mortgage Advance

If the amount of the mortgage advance is less than the face value of the mortgage, explain:

**The initial advance of \$10.9mm was advanced in July 2021. The second advance of \$12mm went into the project in January of 2022. This subject advance of Tranche A (\$11,400,000) will be injected into the project to pay trade payables.**

**Project Status/Overview:**

- The first 4 phases are made up of 841 low-rise units that are all pre-sold.
- These 841 units are generating a total of \$477,514,944 of net revenue.

## 12. Legal Rights of Investor/Lender

Describe the legal rights of the investor/lender and nature of the investment including, but not limited to:

(a) right of the borrower or mortgage administrator to:

1. extend the term of the mortgage loan;
2. require the mortgage be subordinated to subsequent financing;
3. waive defaults under the mortgage loan;
4. increase the amount of the mortgage;
5. amend the terms of the mortgage and/or loan agreement; and
6. pay proceeds from the sale of the property based on a priority scheme other than that set out under Question 8(a).

(b) the rights of the investor/lender on default by the borrower, and the rights of the lender/investor to share the proceeds of any recovery from the borrower, in particular, the investor/lender's voting rights and whether the investor/lender has the right to institute individual legal action against the borrower, and, if not, the person or persons who may institute or co-ordinate the institution of legal action against the borrower.

The response "Refer to Administration Agreement" is not acceptable.

The Borrower holds a Renewal Option under the commitment letter for a 6 month extension provided the Borrower is not in default of any of its obligations under the Commitment or any Lender security. Any extensions beyond the end of the renewal term must be approved by the lenders.

MarshallZehr must notify the lender of written notices of default issued to the Borrower.

An increase to the mortgage requires lender consent.

Material terms of the mortgage require the lenders consent to be amended. Clerical amendments may be completed without consent or notice.

Provided that the Borrower is not in default, the Lender shall provide partial discharges of Project units (or parcels of land, if required) on the closing of a unit sale transaction provided the Borrower pays the Lender Net Sales Proceeds of each sale.

Each investor holds a proportionate share of voting rights based on their proportionate share of principal invested.

Investors in senior tranches/facilities/loans may have priority voting rights subject to any subordination and standstill agreements between the various lender parties.

The lender holds a 100% undivided interest in the mortgage, subject only to subordination and standstill with respect to senior ranking mortgage charges held by Kingsett, Vector and Westmount.

Part C - Fees

1. Fees and charges payable by the investor/lender:

(a) Fees and charges (please indicate fees and charges on the basis of the investor/lender’s portion of the loan only).

Estimate	
Mortgage brokerage fee/commission/other costs:	
Approximate legal fees and disbursements:	
Administration fees (where applicable):	
Specify any other charges:	
Total:	

(b) Are any of the fees or charges refundable?

- ☐ Yes
- ☐ No

Explain:

2. Fees and costs payable by the borrower:

Type of Fee or Cost (i.e., purpose)	Payable To	Estimate
Lender Fee (crystallized to loan amount)	Lender	\$400,000.00
Legal Costs + Title and Disbursements (Estimate)	Borrower/Lenders Lawyers	\$50,000.00
Administration Fee (Estimate)	MarshallZehr Group Inc.	\$5,000.00

Part D - Project and Use of Funds

1. Briefly describe the project and plans for the use of funds:

This loan is to pay trade payables. The sources and uses in number 2 are total sources and uses for the servicing & construction of Phases 1-3.

**2. Use of loan proceeds:**

(a) Construction/Development Loans:

Intended use of available funds	Amount (\$)	Party Receiving Payment (indicate if the party is a related party)
Soft costs (e.g. applying for zoning charges, advertising, interior design and architect fees)		
Construction costs	\$131,584,655.00	Non-related
Payment of fees to brokerage, lawyers, etc.		
Payment of interest	\$23,001,718.00	Drewco Development Corp. & KingSett Capital
Specify any other costs:		
Land and Servicing Costs	\$131,550,000.00	Non-related
Development Costs	\$33,417,342.00	Non-related
Soft Costs	\$7,410,304.00	Non-related

(b) Loans other than Construction/Development

Intended use of available funds	Amount (\$)	Party Receiving Payment (indicate if the party is a related party)
Specify costs:		

**3. Will funds be raised from investors/lenders in stages?**☒ Yes☐ No

If Yes, disclose the period over which the funds will be raised and the criteria to determine when they will be raised:

The increase to the loan per the 2nd amendment will be funded in one advance.

**4. Identify any person who will monitor, or assist in monitoring, the disbursement of funds to the borrower. If this person is NOT the Mortgage Administrator detailed in Section 8, Part B, Question 6, provide details. Note: A Mortgage Administrator must be licensed under the MBLAA.**

The Glynn Group is the QS on the entire Maplevue Development.

**5. Are there any arrangements under which any part of the funds raised will only become available to the borrower if certain conditions are fulfilled?**

☐ Yes

☒ No

If Yes, describe those conditions and the procedure for the return of funds to the investor/lender if the conditions are not met and any deduction or penalty imposed on the borrower or any other person for not meeting the conditions:

Once all conditions on the commitment have been met (most particularly, increase of the mortgage charge and perfection of the amended security for the Loan), we will be advancing ~\$9MM into the project. The remaining funds will be used to pay KingSett interest and other misc. fees (legal, admin, etc.)

**6. Describe any other information material to the use of the funds:**

The funds will be used as follows:

Payables - ~\$9MM

Lender Fee - Crystallized to the loan - \$400k

KingSett Interest & Legals, admin, etc. - ~\$2MM

**Part E - Material Risks**

Investments in non-qualified syndicated mortgages are speculative and involve a high degree of risk. Investors should be aware that this investment has not only the usual risks associated with the financial ability of the borrower to make repayments but also risks associated with financing real estate and other risks associated with syndication. Identified risks should include risks associated with non-qualified syndicated mortgages generally, the terms of this specific non-qualified syndicated mortgage and the specific characteristics and circumstances of this project.

The general risks of a non-qualified syndicated mortgage investment/loan are detailed in **Form 3.1 – Suitability Assessment for Investor/Lender in a Non-Qualified Syndicated Mortgage** that you (the investor/lender) have already acknowledged receiving earlier. These material risks should be consistent with those outlined to you earlier and also include those risks that are specific to this non-qualified syndicated mortgage investment/loan.

**Disclose the material risks of the investment (attach additional pages as required):**

These are the generic risks inherent in this mortgage:


Market Risk, Construction Risk, Economic Risk, Legislative and Regulatory Risk, Re-financing Risk, Environmental Risk, Budget Risk, Political Risk, Investment Risk, Currency Risk, Geographic Risk, Weather Risk, Liquidity Risk and Concentration/Exposure Risk.


See Rider attached for further disclosure regarding this transaction.

Part F - Material Contracts

1. Give particulars of every material contract relating to the offering of the investment entered into or to be entered into by the borrower or the mortgage brokerage or, if applicable, any of the affiliates of the borrower or mortgage brokerage, within the last two years of the date of this form and, where the material contracts are not attached to this form, state a time and place at which those contracts or copies of those contracts may be inspected.

MarshallZehr Group Inc. Commitment Letter including all documents referenced therein.  
Mortgage Administration and/or co-lending agreements with Lenders.  
Borrower enters into contracts with trades/vendors/consultants/professionals for completion of works contemplated in the construction of the project.  
  
Contracts made available at lenders request.

Mortgage Broker initials:   
Date: 8/15/2022

Investor/lender initials:   
Date: 8/12/2022

Section 9 – Transaction Parties

Part A - The Borrower

1. The borrower is:

- ☐ An individual
- ☒ A Corporation/Partnership/Other

2. Name and Municipal Address of the borrower:

Name			
Mapleview Developments Ltd.			
Municipal Address			
Unit Number	Street Number	Street Name	
Unit 3 Building A	30	Wertheim Court	
City/Town		Province	Postal Code
Richmond Hill		Ontario	L4B 1B9
Jurisdiction of Incorporation (if applicable)		Date of Incorporation (yyyy-mm-dd):(if applicable)	
Ontario		2016-07-08	

**3. Describe the borrower's ownership/control structure.**

(a) If the borrower is a corporation, list:

1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for Question 3(a)1).

(b) If the borrower is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee
Pace Mapleview Ltd.	Richmond Hill, Ontario	50.00%	Shareholder
2552741 Ontario Inc.	Waterloo, Ontario	50.00%	Shareholder
Dino Sciavilla, President	Vaughan, Ontario		Director
Dino Sciavilla, President	Vaughan, Ontario		Officer
Yvonne Sciavilla, Secretary-Treasurer	Vaughan, Ontario		Director
Yvonne Sciavilla, Secretary-Treasurer	Vaughan, Ontario		Officer
Gregory Zehr, Vice President	Waterloo, Ontario		Director
Gregory Zehr, Vice President	Waterloo, Ontario		Officer
David Marshall	Waterloo, Ontario		Director
David Marshall	Waterloo, Ontario		Officer

**4. Has the mortgage brokerage verified the identity of the borrower(s)?**

- ☒ Yes
- ☐ No

If Yes, evidence of identity is attached or will be provided on Date (yyyy-mm-dd): \_\_\_\_\_

If No, explain what steps the mortgage brokerage will take to verify the identity before closing:

MarshallZehr conducted AML on Obligors on closing of the loan in 2022.



**5. Is the borrower the Developer of the project:**

- ☒ Yes      If Yes, proceed to Question 6.
- ☐ No        If No, proceed to Question 9.

**6. What is the borrower's Tarion Warranty Corporation number?** 46,303

**7. Describe the borrower's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the borrower was/is a party to a project that has had a mortgage default and power of sale proceeding).**

The Borrower is a co-tenancy entity under the Pace umbrella. Pace, the active development partner in the cotenancy, has completed numerous successful projects in joint ventures and over the past 10 years has completed over 500 units under it's own Tarion license.

**8. What due diligence has the mortgage brokerage done to confirm the borrower's background and experience with construction/development projects?**

Review of Borrowers Tarion experience  
Review of previous project/history

**9. Has the borrower or any of the principals of the borrower (directors, officers, owners, partners or majority shareholders) been involved in any of the following:**

**Yes/  
No/  
Unknown**

(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	Unknown
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the borrower, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	Unknown
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	Unknown
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	Unknown

If yes or unknown, to any of the responses in Question 9, explain:

Legal counsel is not undertaking an updated litigation search in connection with this amendment and increase to the loan.

**10. Borrower's Financial Information – Documentary evidence of the borrower's ability to meet the mortgage payments must be attached to this form. If the borrower is not an individual, the borrower's most recent comparative financial statements in respect of the one or, if available, two most recent years before the date of this Disclosure Statement are for the following years:**

Year 1: 2,020 Year 2: 2,019

Note: The borrower's financial statements must be prepared in accordance with subsection 31.1(1)15 of O. Reg 188/08.

**11. Does the mortgage include a personal covenant, guarantee or other financial commitment?**

☒ Yes

☐ No

If Yes, please describe (including a description of who provided the covenant, guarantee or commitment):

The mortgage will include guarantees from: Pace Developments Inc., Pace Group Investments Inc., Pace Mapleview Ltd., 2552741 Ontario Inc., Urban North on-the-go Ltd. and Pace Group Holdings Inc. Personal guarantees are provided by Dino Sciavilla and Yvonne Sciavilla.

## Part B - The Developer

### 1. Name, address and Tarion Warranty Corporation number of the developer

Name			Tarion Warranty Corporation number	
Address				
Unit Number	Street Number	Street Name		
City/Town		Province	Postal Code	
Jurisdiction of Incorporation (if applicable)			Date of Incorporation (yyyy-mm-dd) (if applicable)	

2. Describe the developer’s ownership/control structure.

- (a) If the developer is a corporation, list:
- 1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
  - 2. the directors and officers of the corporation (if different from persons listed for Question 2(a)1).
- (b) If the developer is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee

3. Describe the role of the developer in the project as distinct from the borrower:

4. What due diligence has the mortgage brokerage done regarding the background and experience of the developer?

**5. Describe the developer's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the developer was/is involved in a project that has had a mortgage default and power of sale proceeding).**

**6. What due diligence has the mortgage brokerage done to confirm the developer's background and experience with construction/development projects?**

<b>7. Has the developer or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:</b>	<b>Yes/ No/ Unknown</b>
(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the developer, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	

If yes or unknown, to any of the responses in Question 7, explain:

### **Part C - The Mortgage Brokerage**

#### **1. Organization of the mortgage brokerage**

Jurisdiction of Incorporation/Organization: <a href="#">Ontario</a>	Date of Incorporation/Organization (yyyy-mm-dd): <a href="#">2008-09-10</a>
--	--

**2. Describe the brokerage's ownership/control structure.**

(a) If the mortgage brokerage is a corporation, list:

1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for Question 2(a)1).

(b) If the mortgage brokerage is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust, including investment decisions.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee
2060762 Ontario Inc.	Waterloo, ON	50.00%	Shareholder
The Marshall Group Inc.	Waterloo, ON	50.00%	Shareholder
Gregory Lester Zehr, CEO & Co-Founder	Waterloo, ON		Director
David Gilmore Marshall, President & Co-Founder	Waterloo, ON		Director
Gregory Lester Zehr, CEO & Co-Founder	Waterloo, ON		Officer
David Gilmore Marshall, President & Co-Founder	Waterloo, ON		Officer
William Cecil Hayes, COO	Waterloo, ON		Officer
Murray Alexander Snedden, CFO	Waterloo, ON		Officer

Mortgage Broker initials:

Date: 8/15/2022

DS  
D/M

Investor/lender initials:

Date: 8/12/2022

DS  
CD

## Section 10 – Attached Documents

Important: The investor/lender should review the following documents carefully and assess the risks of this investment before committing to invest. The investor/lender should check that all documents are consistent with this disclosure summary. The following documents should be attached. If not available or applicable, provide comments below.

- ☒ A copy of the appraisal of the property, that satisfies the criteria as set out in subsection 31.1(1)2 of O. Reg. 188/08.
- ☒ If the investment is in, or the loan is in respect of, an existing mortgage, a copy of the mortgage instrument.
- ☒ If the investment is in, or the loan is in respect of, an existing mortgage, a statement indicating whether the mortgage is in arrears and whether any mortgage payments are delayed or owing.
- ☒ A copy of the certificate of mortgage interest, the assignment of the mortgage or any other document that proves evidence of the investment or loan.
- ☐ If an agreement of purchase and sale in respect of the property relating to the mortgage has been entered into in the preceding 12 months and is available to the mortgage brokerage, a copy of the agreement of purchase and sale.
- ☒ Documentary evidence of the borrower's ability to meet the mortgage payments.
- ☒ A copy of the application for the mortgage and of any documents submitted in support of the application.
- ☐ If the investment is in, or if the loan is in respect of, a new mortgage, documentary evidence of any down payment made by the borrower for the purchase of the property relating to the non-qualified syndicated mortgage.
- ☒ A copy of any administration agreement that is applicable to the investor/lender.
- ☒ A copy of any trust agreement that is applicable to the investor/lender.
- ☒ A copy of the commitment letter or document setting out the terms of the investor/lender's commitment to advance funds to the borrower.
- ☒ A copy of any agreement that the investor/lender may be asked to enter into with the mortgage brokerage.
- ☒ If the borrower is not an individual, the borrower's financial statements as required under subsection 31.1(1)15 of O. Reg. 188/08.
- ☐ All other information, in writing, that an investor/lender of ordinary prudence would consider to be material to a decision about whether to lend money on the security of the property related to the non-qualified syndicated mortgage or to invest in the non-qualified syndicated mortgage.
- ☐ Other documents

\_\_\_\_\_  
 \_\_\_\_\_

Comments:

All documents have been provided electronically to the investor prior to the investors original investment in the loan. Documents are available again upon request.

One copy of this form must be provided to the lender/investor, and one copy must be retained by the mortgage brokerage.

Mortgage Broker initials:

Date: 8/15/2022

DS  
 P/A

Investor/lender initials:

Date: 8/12/2022

DS  
 OP

## Section 11 - Declaration by All Other Investor/Lender and the Mortgage Brokerage

### Declaration by Mortgage Brokerage

This **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** has been completed by:

MarshallZehr Group Inc.

Name of Mortgage Brokerage

I hereby confirm and declare that I have fully completed this form in accordance with the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and its regulations and declare it to be accurate in every respect to the best of my knowledge. I have discussed the contents of this form with the investor/lender.

David Marshall

Print name of Mortgage Broker

M09000275

Licence number of Mortgage Broker

DocuSigned by:



8/15/2022

Signature of Mortgage Broker

Date (yyyy-mm-dd)

### Declaration by Investor/Lender

I hereby confirm and declare that receipt of this **Form 3.2 – Disclosure Statement for Investor/Lender Disclosure in a Non-Qualified Syndicated Mortgage**, signed by the mortgage broker.

Aggregated Investments Inc.

Name of Investor/Lender

680 Waterloo Street, London, ON N6A 0B3

Address of Investor/Lender

DocuSigned by:



8/12/2022

Signature of Investor/Lender

Date (yyyy-mm-dd)

## Appendix – Subsection 2(1) of O. Reg. 188/08

### Designated classes of lenders and investors

2(1) For the purposes of this Regulation, a person or entity is a member of a designated class of lenders and investors if the person or entity is a member of any of the following classes:

1. The Crown in right of Ontario, Canada or any province or territory of Canada.
2. A brokerage acting on its own behalf.
3. A financial institution.
4. A corporation that is a subsidiary of a person or entity described in paragraph 1, 2 or 3.
5. A corporation that is an approved lender under the National Housing Act (Canada).
6. An administrator or trustee of a registered pension plan within the meaning of subsection 248 (1) of the Income Tax Act (Canada).
7. A person or entity who is registered as an adviser or dealer under the Securities Act when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
8. A person or entity who is registered under securities legislation in another province or territory of Canada with a status comparable to that described in paragraph 7 when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
9. A person or entity, other than an individual, who has net assets of at least \$5 million as reflected in its most recently-prepared financial statements and who provides written confirmation of this to the brokerage.
10. An individual who, alone or together with his or her spouse, has net assets of at least \$5 million and who provides written confirmation of this to the brokerage.
11. An individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the Securities Act, the cash surrender value of a life insurance contract, a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1 million and who provides written confirmation of this to the brokerage.
12. An individual whose net income before taxes in each of the two most recent years exceeded \$200,000 or whose net income before taxes in each of those years combined with that of his or her spouse in each of those years exceeded \$300,000, who has a reasonable expectation of exceeding the same net income or combined net income, as the case may be, in the current year and who provides written confirmation of this to the brokerage.
13. A person or entity in respect of which all of the owners of interests, other than the owners of voting securities required by law to be owned by directors, are persons or entities described in paragraphs 1 to 12. O. Reg. 188/08, s. 2 (1).



# **EXHIBIT “10”**



## Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage

*Mortgage Brokerages, Lenders and Administrators Act, 2006*

Transaction Number: MZGI-393

### Important Information About This Form

Name of Mortgage Brokerage MarshallZehr Group Inc.		Mortgage Brokerage Licence number 12453	
<b>Address</b>			
Unit Number 100	Street Number 412	Street Name Albert Street	
City/Town Waterloo		Province ON	Postal Code N2L 3V3
Telephone number 519-342-1000		Email Address msnedden@marshallzehr.com	
Name of Principal Broker Murray Snedden		Principal Broker Licence number M13001624	

#### Purpose of Form

This form provides important information to assist the investor/lender in making a decision about investing or lending under the syndicated mortgage proposed by the mortgage brokerage. This disclosure statement is required under subsection 31.1(1)1 of Ontario Regulation 188/08: Mortgage Brokerages Standards of Practice (O. Reg. 188/08) under the *Mortgage Brokerages, Lenders and Administrators Act, 2006 (MBLAA)*.

The mortgage brokerage is required by law to provide the investor/lender with a completed **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** at a minimum two business days before the investor/lender commits to invest/lend.

This disclosure statement and the attached documents are not intended to provide a comprehensive list of factors to consider in making a decision concerning this investment/loan in a non-qualified syndicated mortgage.

#### Application of Form

**All non-qualified syndicated mortgages** – This form applies to all syndicated mortgage transactions that do not meet the definition of a "qualified syndicated mortgage." As defined in section 1 of O. Reg. 188/08, a qualified syndicated mortgage is a syndicated mortgage that meets all of the following criteria:

1. It is negotiated or arranged through a mortgage brokerage.
2. It secures a debt obligation on property that,
  - a. is used primarily for residential purposes,
  - b. includes no more than a total of four units, and
  - c. if used for both commercial and residential purposes, includes no more than one unit that is used for commercial purposes.
3. At the time the syndicated mortgage is arranged, the amount of the debt it secures, together with all other debt secured by mortgages on the property that have priority over, or the same priority as, the syndicated mortgage, does not exceed 90 per cent of the fair market value of the property relating to the mortgage, excluding any value that may be attributed to proposed or pending development of the property.

4. It is limited to one debt obligation whose term is the same as the term of the syndicated mortgage.
5. The rate of interest payable under it is equal to the rate of interest payable under the debt obligation.

A syndicated mortgage that secures a debt obligation incurred for the construction or development of property is not a qualified syndicated mortgage.

**All Investors/Lenders** – This form must be provided to each investor/lender in a non-qualified syndicated mortgage, whether or not the investor/lender is part of a designated class of investors/lenders. Members of a "designated class" are defined in subsection 2(1) of O. Reg. 188/08 (Refer to Appendix).

### **Waiting Period**

To enable the investor/lender to thoroughly review the proposed non-qualified syndicated mortgage, this disclosure statement, and to obtain independent legal advice, this **Form 3.2 – Disclosure Statement for Investor/ Lender in a Non-Qualified Syndicated Mortgage**, must be presented to the investor/lender no later than two business days before the earliest of the following events:

1. When the mortgage brokerage receives money from the investor/lender.
2. When the mortgage brokerage enters into an agreement to receive money from the investor/lender.
3. When the investor/lender enters into a mortgage agreement or an agreement to trade in a mortgage.
4. The money is advanced to the borrower under the mortgage.
5. The trade completion date.

**The investor/lender CANNOT waive this two-day waiting period.**

### **Investment Limit**

Section 24.2 of O. Reg. 188/08 limits the amount that an investor/lender can invest/lend in a non-qualified syndicated mortgage to sixty thousand dollars (\$60,000) in any twelve (12)-month period for investors/lenders that are not part of a designated class of lenders and investors (i.e., this limit does not apply to investors/lenders that are part of a designated class). The "designated classes" are defined in subsection 2(1) of O. Reg. 188/08.

When determining whether the applicable limit has been reached for a non-qualified syndicated mortgage, the mortgage brokerage shall not count any investments/loans in respect of non-qualified syndicated mortgages entered into prior to July 1, 2018. By law, the mortgage brokerage cannot sell a proposed non-qualified syndicated mortgage to an investor/lender unless the investor/lender is eligible under these rules. The investor/lender should confirm his/her eligibility with the mortgage brokerage.

### **Record-Keeping**

The mortgage brokerage must provide the investor/lender with a copy of this completed form pursuant to subsection 31.1(1)1 of O. Reg. 188/08, and retain a copy for the mortgage brokerage's records in accordance with sections 46(1)4 and 48 of O. Reg. 188/08.

### **Disclaimer**

This disclosure statement was prepared by the mortgage brokerage and has not been filed with the Financial Services Regulatory Authority of Ontario (FSRA) or other government authority and neither FSRA nor another government authority has reviewed or approved the completed disclosure statement.

## Section 1 – About Your Investment

Name of Investment Project:

Mapleview Refinance - MZGI 393

Address of Property / Security to be Mortgaged:

Unit Number	Street Number 700, 750 & 780	Street Name Mapleview Drive East	
City/Town Barrie	Province ON	Postal Code L4N 0M2	

## Section 2 – Investor/Lender Information

Name

Aggregated Investments Inc.

Mailing address

Unit Number	Street Number 680	Street Name Waterloo Street	
City/Town London	Province ON	Postal Code N6A 0B3	
Telephone number 519-472-8200	Email Address adrewlo10@rogers.com		

**Investor Representative, if applicable (e.g. for entity investor)**

Name Allan Drewlo	Title President
Telephone number 519-671-8073	Email Address adrewlo10@rogers.com

## Section 3 – Investor/Lender Status

☒ Member of a Designated Class who is a/an:

1. Non-Individual, or
2. Individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the *Securities Act*, the cash surrender value of a life insurance contract; a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, **exceeds \$5 million** and who provides written confirmation of this to the brokerage.

**If the investor/lender meets the descriptions in (1) or (2), indicate the following and complete Sections 4 and 5 of this form:**

Type of designated class: (p) on the Certification Form

Type of documentation supporting investor/lender's status:

- ☐ Member of a Designated Class who is not an individual described in (2). **Complete Sections 6 to 11 of this form.**
- ☐ Not a Member of a Designated Class. **Complete Sections 6 to 11 of this form**

The designated classes of lenders and investors are defined in subsection 2(1) of O. Reg. 188/08 (Refer to Appendix). These include classes for certain entities or individuals who have net income before taxes, net assets and net financial assets above a defined limit.

## Section 4 – Disclosure Summary

### Part A – Role of the Brokerage and Other Parties Involved

#### 1. The mortgage brokerage is acting for:

- ☐ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☒ Both the borrower and the investor/lender.

#### 2. Identify the name of following parties involved investment/loan in a non-qualified syndicated mortgage:

Borrower  
Mapleview Developments Ltd.

Developer, if different from the borrower  
Pace Developments

Mortgage Administrator  
MarshallZehr Group Inc.

Licence No.  
11955

Individual or Corporate Guarantor (if applicable)  
See the text box below in 2. for the list of guarantors for this mortgage

### Part B – Loan and Property Details

#### 1. Existing or new mortgage: The investor/lender's investment is to:

- ☐ Purchase a portion of an existing registered mortgage
- ☒ Fund a portion of a new mortgage that has not yet been registered

#### 2. Type of Property:

- ☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)
- ☒ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

#### Guarantors:

Corporate - Pace Developments Inc., Pace Mapleview Ltd., 2552741 Ontario Inc., Pace Group Investments Inc., Urban North On-the-Go Ltd. & Pace Group Holdings Inc.. Personal - Gerardo (Dino) Sciavilla & Yvonne Sciavilla

Phase I and II: Upon completion, Phase I and Phase II will be 311 low-rise townhomes (stacked & freehold). ~50 townhomes have been delivered as of October 21st.

Phase III: Upon completion, Phase III will be 209 low-rise townhomes. All 209 units have been pre-sold to purchasers.

Phase IV: Upon completion, Phase IV will be 321 stacked townhomes. All 321 units have been pre-sold to purchasers.

Phase V: Raw land held by the Borrower that upon zoning approvals, is expected to be developed into ~135 stacked townhomes.

**Phase VI: Raw land held by the Borrower that is zoned for 81 stacked townhomes.**

### 3. Terms of Mortgage

(a) Amount of your investment (\$): \$2,860,000.00

(b) Source(s) of investment funds: \_\_\_\_\_

(c) Face Value of Mortgage Amount (\$): \$47,560,000.00

(d) Mortgage Term: 16-months

(e) Maturity Date (yyyy-mm-dd): 2024-02-01

(f) No. of other investors/lender that have an interest in this mortgage: 0

(g) Rank of Mortgage (1st, 2nd, 3rd, etc.): (varies-by-phase)

(h) Provide the name of prior mortgagee(s), if applicable:

**Appendix B on the 3rd amendment (dated October 20th, 2022) has a summary of all mortgage charges for the various phases of the project. This amendment will be provided to the Lender with the FSRA documents for this funding.**

(i) Existence of a subordination clause (Yes/No): Yes

(j) Describe the use of the mortgage funds:

**The \$2,860,000 and subsequent draws will be used as a construction revolver to fund hard costs in order to build out Phase 1 & 2.**

### Part C – Appraisal of Property

#### 1. Name, professional designation and address of appraiser:

Name	Professional Designation
Paul Stewart	AACI

Firm Name  
Avison Young Valuation & Advisory Services

#### Address

Unit Number	Street Number	Street Name
50	55	Commerce Valley Drive

City/Town Markham	Province Ontario	Postal Code L3T 7V9
Telephone number 905-968-8030	Email Address paul.stewart@avisonyoung.com	

**2. The date of the appraisal report (yyyy-mm-dd):** 2019-05-23

**3. The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report:** \$57,700,000.00

**4. The effective date of the appraisal (yyyy-mm-dd):** 2019-05-14

**Part D – Loan-to-Value Ratio**

---

(a) Total of prior encumbrances: \$101,697,800.00

(b) Amount of this mortgage: \$47,560,000.00

(c) Total amount of mortgages: (a+b) \$149,257,800.00

(d) Appraised estimated ("as is") value: \$57,700,000.00

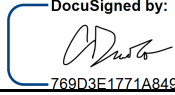
(e) Loan to "as is" value: (c/d X 100) 258.67%

## Section 5 - Declaration by Investor/Lender of Certain Designated Class and the Mortgage Brokerage

### Declaration by the Investor/Lender

I hereby confirm and declare that:

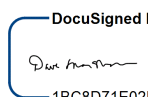
1. I qualify as a member of a designated class of lender and investor as defined in section 2 of O. Reg. 188/08.
2. For an individual who is a member of a designated class: I, alone or together with my spouse, have net financial assets of at least \$5 million. I have provided written confirmation to support my investor/lender status to the mortgage brokerage.
3. I acknowledge the receipt of this **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage**, signed by the mortgage broker, as well as any investment summary and other relevant documents from the mortgage brokerage pertaining to this syndicated mortgage.

Investor/lender Name	Signature of Investor/lender	Date (yyyy-mm-dd)
Aggregated Investments Inc.		
Entity Name (if applicable)		
Allan Drewlo	DocuSigned by:  769D3E1771A8498	10/21/2022
Entity Representative Name	Entity Representative Signature	Date (yyyy-mm-dd)

### Declaration by the Mortgage Brokerage

I hereby confirm and declare that:

1. I have fully completed this **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** in accordance with the *MBLAA* and its regulations and declare it accurate in every respect to the best of my knowledge.
2. I have obtained supporting documentation confirming the investor/lender's status as a member of a designated class of lenders and investors as defined in section 2 of O. Reg. 188/08, and the investor/lender has signed this form, attesting to his/her/its status as a designated class. For an individual who is a member of a designated class, I have obtained documentation confirming the investor/lender, alone or together with his or her spouse, has net financial assets of at least \$5 million.
3. I have discussed the contents of this form and other relevant information pertaining to this syndicated mortgage with the investor/lender. I provided a copy of this form, investment summary and other relevant documents to the investor/lender.

David Marshall	M09000275
Name of Mortgage Broker	Licence number of Mortgage Broker
DocuSigned by:  19C8D71E03D14DD...	10/25/2022
Signature of Mortgage Broker	Date (yyyy-mm-dd)
MarshallZehr Group Inc.	12453
Mortgage Brokerage Name	Licence number of Mortgage Brokerage



## Section 6 – Caution

All mortgage investments carry risk. There is a relationship between risk and return. In general, the higher the rate of return, the higher the risk of the investment. The investor/lender should very carefully assess the risk of the mortgage transaction described in this disclosure statement and in the supporting documentation before entering into the transaction.

A syndicated mortgage (defined as a mortgage with more than one investor/lender) may carry additional risks not only relating to the risk of default but also to the risks associated with participating in a syndication and the financing of real estate transactions.

By law, the mortgage brokerage must disclose to the investor/lender, in writing, the material risks of the mortgage investment/loan it presents to an investor/lender.

Investors/lenders are strongly advised to obtain independent legal and financial advice before committing to invest/lend in a non-qualified syndicated mortgage. Inexperienced investors should be cautious when deciding to enter into a non-qualified syndicated mortgage investment/loan.

**The general risks related to an investment/loan in non-qualified syndicated mortgages are outlined in Form 3.1 – Suitability Assessment for Investor/Lender in a Non-Qualified Syndicated Mortgage that you, the investor/lender, received on:**

2022-10-21

(yyyy-mm-dd)

Mortgage Broker initials:

Date: 10/25/2022

DS  
DM

Investor/lender initials:

Date: 10/21/2022

DS  
CR

## Section 7 – Nature of Mortgage Brokerage Relationships

The *Mortgage Brokerages, Lenders and Administrators Act, 2006* requires disclosure of the nature of the relationship between the mortgage brokerage and other persons and entities involved in the mortgage transaction. For the purposes of this form, two persons are "related" if they share any relationship other than an arm's length business relationship. For example, a shareholder, director, officer, partner or employee of a mortgage brokerage is related to the mortgage brokerage and to any mortgage broker or agent authorized to deal or trade in mortgages on behalf of the mortgage brokerage (this group of related parties is referred to as the mortgage brokerage and "its related parties" in this form).

### 1. The mortgage brokerage is acting for:

- ☐ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☒ Both the borrower and the investor/lender.

### 2. Nature of Relationships

Yes/No

(a) Does the mortgage brokerage or any of its related parties have or expect to have a direct or indirect interest in the property identified in Section 8, Part A of this form?	Yes
(b) Does any person who is a close familial relation to any individual who is a mortgage brokerage related party have or expect to have a direct or indirect interest in the property identified in Section 8, Part A of this form?	Yes
(c) Is the mortgage brokerage or any of its related parties related to any of the investors/lenders in the mortgage?	Yes
(d) Is the mortgage brokerage or any of its related parties related to the borrower?	Yes
(e) Is the mortgage brokerage or any of its related parties related to the individual or firm that appraised the property?	No
(f) Is the mortgage brokerage or any of its related parties related to the developer (if the developer is different from the borrower)?	Yes
(g) Is the mortgage brokerage also the mortgage administrator for the non-qualified syndicated investment/loan?	Yes
(h) Is the mortgage brokerage or any of its related parties entitled, directly or indirectly, to a share of the profits earned from the project?	Yes
(i) Has, or will, the mortgage brokerage or any of its related parties provide(d) any goods or services to the borrower or developer whether directly or through an entity owned or controlled by that person or entity?	No
(j) Has, or will, the mortgage brokerage or any of its related parties pay any referral fees in connection with securing investments for this property or non-qualified syndicated mortgage?	Yes
(k) Are there any circumstances or factors, in addition to the above, which may create commercial dependencies as between the mortgage brokerage and its related parties and the borrower, developer or any party related to the borrower or developer (e.g., the mortgage brokerage depends upon transactions with the borrower for a material portion of its revenue)?	Yes

If Yes, to any of the responses in Question 2 explain the relationship and the strategies in place to manage the actual/potential conflict of interest:

MarshallZehr is both the brokerage and administrator of the Mortgage. Being the administrator of the Mortgage allows MarshallZehr to continue to service the Lender's interests after closing of the mortgage transaction.

Greg Zehr and David Marshall are part owners of the project via the co tenant company 2552741 Ontario Inc.( 50% ownership in Mapleview Developments Ltd.) and 2705503 Ontario Inc. (50% ownership in Urban North on the GO Ltd.). The remaining 50% ownership interest in the project is owned by Dino and Yvonne Sciavilla through Pace Mapleview Ltd. and Pace Group Investments Inc..

2552741 Ontario Inc. and 2705503 Ontario Inc. do not hold a secured interest on title to secure it's ownership interest. Mortgage participants will benefit from repayment in advance of receipt of profit by the beneficial owners of the Project; monthly management fees up to the budgeted amount as approved by the lenders prior to funding will be permitted to be paid to Pace and MZ related entities, and any management fees in excess of those forming the initial project budget will require prior consent from the lenders.

The Administrator is related to one of the other Principals that may or may not participate in the Investment either directly or indirectly, namely family members of David Marshall or Greg Zehr and companies owned by Greg Zehr or David Marshall or by Greg Zehr's family trust or David Marshall's family trust.

Facility 1 (Construction): Prime + 8% (Floor of 13.45%)

Interest shall accrue commencing on the date of each advance, calculated daily (365 days/year), compounded monthly and payment deferred until maturity of the loan.

Facility 2 (Mezzanine): Prime + 15% (Floor of 16%)

Interest shall accrue commencing on the date of each advance, calculated daily (365 days/year), compounded monthly and payment deferred until maturity of the loan.

**3. Describe any actual/potential conflicts of interest or relationships in connection with this investment/loan in a non-qualified syndicated mortgage, other than those described in Question 2, and the strategies in place to manage the actual/potential conflict of interest.**

No known existing conflicts of Interest other than those potential conflicts identified above.

Mortgage Broker initials:

Date: 10/25/2022

DS  
DM

Investor/lender initials:

Date: 10/21/2022

DS  
CR



## Section 8 – Property and Mortgage Investment/Loan Details

### Part A – Property/Security to Be Mortgaged

#### 1. Legal and Municipal address of the property:

Legal address

Legal address listed below.

Municipal Address

Unit Number	Street Number 700, 750 & 780	Street Name Mapleview Drive East	
City/Town Barrie	Province Ontario	Postal Code L4N 0M2	

#### 2. Type of Property:

☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)

☒ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

Phase I and II: Upon completion, Phase I and Phase II will be 311 low-rise townhomes (stacked & freehold). ~43 townhomes have been delivered as of the date of this amendment.  
 Phase III: Upon completion, Phase III will be 209 low-rise townhomes. All 209 units have been pre-sold to purchasers.  
 Phase IV: Upon completion, Phase IV will be 321 stacked townhomes. All 321 units have been pre-sold to purchasers.  
 Phase V: Raw land held by the Borrower that upon zoning approvals, is expected to be developed into ~135 stacked townhomes.  
 Phase VI: Raw land held by the Borrower that is zoned for 81 stacked townhomes.

Legal Address:

The applicable Phases 1-5 PINs are as follows: 58091-3884 (LT) to 58091-3891 (LT), inclusive and 58091-3893 (LT) to 58091-3902 (LT), inclusive, 58091-4253 (LT), 58091-4598 (LT), 58091-4639 (LT), 58091-4738 (LT), 58091-4739 (LT), 58091-4740 (LT), 58091-4741 (LT) and 58091-4742 (LT). Phase 6 is PIN 58091-0287 (LT)

#### 3. Appraisal of Property:

Note: Under the *MBLAA*, the estimated market value of the property must reflect its condition and stage of development as of the date of the inspection or within 60 days after that. It cannot depend or rely on assumptions about proposed or future development of, or improvements to, the property or any other conditions not in existence at the date selected for the estimated market value.

(a) Name, professional designation and address of appraiser:

Name	Professional Designation		
Paul Stewart	AACI		
Firm Name			
Avison Young Valuation & Advisory Services			
Address			
Unit Number	Street Number	Street Name	
501	55	Commerce Valley Drive	
City/Town	Province	Postal Code	
Markham	Ontario	L3T 7V9	
Telephone Number	E-mail Address		
905-968-8030	paul.stewart@avisonyoung.com		

- (b) The date the appraiser conducted the inspection of the property (yyyy-mm-dd): 2019-04-10
- (c) The date of the appraisal report (yyyy-mm-dd): 2019-05-23
- (d) The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report: \$57,700,000.00
- (e) The effective date of the appraisal (yyyy-mm-dd): 2019-05-14

**4. Property Taxes:**

(a) Annual property taxes: \_\_\_\_\_

Are taxes in arrears?

☐ Yes

☐ No

☒ Investor/Lender's Solicitor to verify taxes prior to closing or ensure coverage under title insurance

If yes, amount of arrears: \_\_\_\_\_

**5. Condominium Fees (If applicable):**

(a) Monthly condominium fees: \_\_\_\_\_

Are fees in arrears?

☐ Yes

☐ No

If Yes, amount of arrears: \_\_\_\_\_

**6. Zoning: Is the zoning on the property appropriate for the proposed use?**

☒ Yes

☐ No

If No, provide details:

Zoning is in place for phases 1-4 & 6.

Phase 5 zoning is not approved yet but is in process of re-zoning with strong support from the City; rezoning on Phase 5 anticipated to be received by Q4 2022 or Q1 2023.

**Part B - Mortgage Particulars****1. Is the mortgage to fund the purchase of property?**☐ Yes☒ No

If Yes, describe the current ownership of the property and purchase arrangements:

If No, set out the purchase price and date of the purchase:

Purchase Price of Property:

Date of Purchase (yyyy-mm-dd):

\$35,461,750.00

**2. Will the mortgage proceeds be used to refinance, pay out, straight renew, renew with material change, redeem or reduce an existing mortgage on this property?**☒ Yes If yes complete (a) and (b)☐ No

(a) Select how the proceeds will be used:

☒ Refinance☒ Pay out☐ Straight renew☐ Renew with material change☐ Redeem☐ Reduce an existing mortgage☐ Other

(b) Explain your answer for (a):

\$35,461,750 purchase price referenced above is the sum of the Phase 1-5 purchase price (\$31,611,750; December 2016) and the Phase 6 purchase price (\$3,850,000; January 2020).

The initial advance of the loan (\$10,900,000) was used to refinance the MZGI 273 loan. The 2nd advance of the loan was used to fund hard costs in the project. The 3rd advance is going to be used to pay trade payables on site. The 4th advance (\$2.86MM) will be used to fund hard costs in Phase 1-2.

**3. Nature of investment or loan:**

(a) The investor/lender's investment represents:

- ☒ Participation in a mortgage
- ☐ Trade of a participation in a mortgage
- ☐ Any other interest or participation in a mortgage

Explain: 100% of the MZGI 393 loan will be funded by  
Aggregated Investments Inc.

(b) Percentage of total investor/lender's portion: 8.34%

(c) Number of other parties that have an interest in this mortgage: 0

(d) In what name(s) will the mortgage be registered?

MarshallZehr Group Inc.

(e) If the mortgage is not registered in the investor/lender's name, the mortgage brokerage must provide an explanation:

The mortgage is registered in the name of the Mortgage Administrator. The Mortgage Administrator holds the mortgage in trust for all investors.

**4. Existing or new mortgage: The investor/lender's investment is to:**

- ☒ Purchase a portion of an existing registered mortgage
- ☐ Fund a portion of a new mortgage that has not yet been registered

**5. If this investment is a purchase of an existing mortgage or a portion of an existing mortgage, is the mortgage now in default?**

- ☐ Yes
- ☒ No

Has it been in default in the last twelve months?

- ☐ Yes
- ☒ No

If Yes to either, explain:



6. Administered Mortgage: Will the mortgage be administered for the investor/lender?

- ☒ Yes
- ☐ No

If "Yes, name, address and licence number of mortgage administrator:

Name		Licence Number	
MarshallZehr Group Inc.		11955	
Address			
Unit Number	Street Number	Street Name	
Suite 100	412	Albert Street	
City/Town		Province	Postal Code
Waterloo		Ontario	N2L 3V3
Telephone number		Email Address	
519-342-1000		msnedden@marshallzehr.com	

Note: A Mortgage Administrator must be licensed under the MBLAA.

7. Terms of the Mortgage

Amount of your investment:	\$2,860,000.00	Term:	16-months
Face value of the mortgage:	\$47,560,000.00	Amortization:	Interest-only
Interest rate		Maturity date (yyyy-mm-dd):	2024-02-01
<input type="radio"/> Fixed <input checked="" type="radio"/> Variable    Percentage per annum:	13.45%	Balance on maturity:	
Explain the interest rate:	Prime+8%	Borrower's first payment due (yyyy-mm-dd):	
Compounding period:	Monthly	Borrower's rate of interest if different from the rate of interest to be paid to the investor:	13.45%
Payment frequency:	Deferred-to-maturity	Investor's rate of interest:	13.45%
Payments to be made by borrower:			
Payments to the investor/lender:			
Source of funds:			
No interest reserve on this loan as all of the interest will be accrued until maturity.			

**8. Rank of Mortgage (according to information from borrower):**

(a) The mortgage to be purchased/advanced is/will be a:

☐ First☐ Second☐ Third☒ Other mortgage Varies from a 2nd to 4th mortgage.

(b) Can the rank of the mortgage change?

☒ Yes☐ No

If Yes, explain how it might change and if it is expected to change:

This can change if a senior lender funds into one of the phases.

**9. Prior encumbrances:**

(a) Are there any prior encumbrances (existing or anticipated)?

☒ Yes☐ No

Encumbrance A		
Priority	Face Amount	Amount Owing
1st Mortgage	\$132,500,000.00	\$98,812,800.00
In default?		
<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown		
If yes, explain: \$132,500,000 represents the mortgage charge from KingSett.  The \$98,812,800 will be receiving paydowns from unit closings by the end of October.		
Name of Mortgagee:		
KingSett Capital		

Encumbrance B		
Priority 1st	Face Amount \$2,885,000.00	Amount Owing \$2,885,000.00
In default? <input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown		
If yes, explain:          		
Name of Mortgagee: Vector Financial Services Ltd.		

(b) Other encumbrances, including environmental, regulatory and/or liens:

Westmount Guarantee has Deposit Insurance Facilities on Phases 1-4.

No environmental concerns.

## 10. Loan-to-Value Ratio

(a) Total of prior encumbrances:	<u>\$101,697,800.00</u>
(b) Amount of this mortgage:	<u>\$47,560,000.00</u>
(c) Total amount of mortgages: (a + b)	<u>\$149,257,800.00</u>
(d) Appraised estimated ("as is") value:	<u>\$57,700,000.00</u>
(e) Loan to "as is" value: (c/d X 100)	<u>258.67%</u>

## 11. Amount of Mortgage Advance

If the amount of the mortgage advance is less than the face value of the mortgage, explain:

The initial advance of \$10.9mm was advanced in July 2021. The second advance of \$12mm went into the project in January of 2022. The 3rd advance (\$11,400,000) will be injected into the project to pay trade payables. The 4th advance (subject advance) will be used to pay for hard costs in Phases 1 and 2.

Project Status/Overview:

- The first 4 phases are made up of 841 low-rise units that are all pre-sold.
- These 841 units are generating a total of \$477,514,944 of net revenue.

## 12. Legal Rights of Investor/Lender

Describe the legal rights of the investor/lender and nature of the investment including, but not limited to:

(a) right of the borrower or mortgage administrator to:

1. extend the term of the mortgage loan;
2. require the mortgage be subordinated to subsequent financing;
3. waive defaults under the mortgage loan;
4. increase the amount of the mortgage;
5. amend the terms of the mortgage and/or loan agreement; and
6. pay proceeds from the sale of the property based on a priority scheme other than that set out under Question 8(a).

(b) the rights of the investor/lender on default by the borrower, and the rights of the lender/investor to share the proceeds of any recovery from the borrower, in particular, the investor/lender's voting rights and whether the investor/lender has the right to institute individual legal action against the borrower, and, if not, the person or persons who may institute or co-ordinate the institution of legal action against the borrower.

The response "Refer to Administration Agreement" is not acceptable.

The Borrower holds a Renewal Option under the commitment letter for a 6 month extension provided the Borrower is not in default of any of its obligations under the Commitment or any Lender security. Any extensions beyond the end of the renewal term must be approved by the lenders.

MarshallZehr must notify the lender of written notices of default issued to the Borrower.

An increase to the mortgage requires lender consent.

Material terms of the mortgage require the lenders consent to be amended. Clerical amendments may be completed without consent or notice.

Provided that the Borrower is not in default, the Lender shall provide partial discharges of Project units (or parcels of land, if required) on the closing of a unit sale transaction provided the Borrower pays the Lender Net Sales Proceeds of each sale.

Each investor holds a proportionate share of voting rights based on their proportionate share of principal invested.

Investors in senior tranches/facilities/loans may have priority voting rights subject to any subordination and standstill agreements between the various lender parties.

The lender holds a 100% undivided interest in the mortgage, subject only to subordination and standstill with respect to senior ranking mortgage charges held by Kingsett, Vector and Westmount.

**Part C - Fees****1. Fees and charges payable by the investor/lender:**

(a) Fees and charges (please indicate fees and charges on the basis of the investor/lender's portion of the loan only).

Estimate	
Mortgage brokerage fee/commission/other costs:	
Approximate legal fees and disbursements:	
Administration fees (where applicable):	
Specify any other charges:	

Total:

(b) Are any of the fees or charges refundable?

☐ Yes☐ No

Explain:

**2. Fees and costs payable by the borrower:**

Type of Fee or Cost (i.e., purpose)	Payable To	Estimate
Lender Fee (crystallized to loan amount)	Lender	\$260,000.00
Legal Costs + Title and Disbursements (Estimate)	Borrower/Lenders Lawyers	\$0.00
Administration Fee (Estimate)	MarshallZehr Group Inc.	\$0.00

**Part D - Project and Use of Funds****1. Briefly describe the project and plans for the use of funds:**

This loan is to pay trade payables. The sources and uses in number 2 are total sources and uses for the servicing & construction of Phases 1-3.

**2. Use of loan proceeds:****(a) Construction/Development Loans:**

<b>Intended use of available funds</b>	<b>Amount (\$)</b>	<b>Party Receiving Payment (indicate if the party is a related party)</b>
Soft costs (e.g. applying for zoning charges, advertising, interior design and architect fees)		
Construction costs	\$131,584,600.00	Non-related
Payment of fees to brokerage, lawyers, etc.		
Payment of interest	\$25,253,300.00	Drewco Development Corp. & KingSett Capital
Specify any other costs:		
Land and Servicing Costs	\$131,550,000.00	Non-related
Development Costs	\$33,417,300.00	Non-related
Soft Costs	\$7,410,300.00	Non-related

**(b) Loans other than Construction/Development**

<b>Intended use of available funds</b>	<b>Amount (\$)</b>	<b>Party Receiving Payment (indicate if the party is a related party)</b>
Specify costs:		

**3. Will funds be raised from investors/lenders in stages?**☒ Yes☐ No

If Yes, disclose the period over which the funds will be raised and the criteria to determine when they will be raised:

Estimated Timeline:

October 25th - \$2,860,000  
November 4th - \$4,000,000  
November 30th - 6,400,000

Dates subject to shift slightly but these are the best estimates.

**4. Identify any person who will monitor, or assist in monitoring, the disbursement of funds to the borrower. If this person is NOT the Mortgage Administrator detailed in Section 8, Part B, Question 6, provide details. Note: A Mortgage Administrator must be licensed under the MBLAA.**

The Glynn Group is the QS on the entire Maplevue Development.

**5. Are there any arrangements under which any part of the funds raised will only become available to the borrower if certain conditions are fulfilled?**

☐ Yes

☒ No

If Yes, describe those conditions and the procedure for the return of funds to the investor/lender if the conditions are not met and any deduction or penalty imposed on the borrower or any other person for not meeting the conditions:

All terms and conditions must be met from the commitment & 3rd amendment (October 20th, 2022) in order to advance any funds.

**6. Describe any other information material to the use of the funds:**

Funds to be used as a revolver to fund trades & financing costs.

## **Part E - Material Risks**

Investments in non-qualified syndicated mortgages are speculative and involve a high degree of risk. Investors should be aware that this investment has not only the usual risks associated with the financial ability of the borrower to make repayments but also risks associated with financing real estate and other risks associated with syndication. Identified risks should include risks associated with non-qualified syndicated mortgages generally, the terms of this specific non-qualified syndicated mortgage and the specific characteristics and circumstances of this project.

The general risks of a non-qualified syndicated mortgage investment/loan are detailed in **Form 3.1 – Suitability Assessment for Investor/Lender in a Non-Qualified Syndicated Mortgage** that you (the investor/lender) have already acknowledged receiving earlier. These material risks should be consistent with those outlined to you earlier and also include those risks that are specific to this non-qualified syndicated mortgage investment/loan.

**Disclose the material risks of the investment (attach additional pages as required):**

These are the generic risks inherent in this mortgage:

Market Risk, Construction Risk, Economic Risk, Legislative and Regulatory Risk, Re-financing Risk, Environmental Risk, Budget Risk, Political Risk, Investment Risk, Currency Risk, Geographic Risk, Weather Risk, Liquidity Risk and Concentration/Exposure Risk.

See Rider attached for further disclosure regarding this transaction.

**Part F - Material Contracts**

- 1. Give particulars of every material contract relating to the offering of the investment entered into or to be entered into by the borrower or the mortgage brokerage or, if applicable, any of the affiliates of the borrower or mortgage brokerage, within the last two years of the date of this form and, where the material contracts are not attached to this form, state a time and place at which those contracts or copies of those contracts may be inspected.**

MarshallZehr Group Inc. Commitment Letter including all documents referenced therein.

Mortgage Administration and/or co-lending agreements with Lenders.

Borrower enters into contracts with trades/vendors/consultants/professionals for completion of works contemplated in the construction of the project.

Contracts made available at lenders request.

Mortgage Broker initials:

DS  
DM

Date: 10/25/2022

Investor/lender initials:

DS  
CD

Date: 10/21/2022



Section 9 – Transaction Parties

Part A - The Borrower

1. The borrower is:

- ☐ An individual
- ☒ A Corporation/Partnership/Other

2. Name and Municipal Address of the borrower:

Name			
Mapleview Developments Ltd.			
Municipal Address			
Unit Number	Street Number	Street Name	
Unit 3 Building A	30	Wertheim Court	
City/Town	Province		Postal Code
Richmond Hill	Ontario		L4B 1B9
Jurisdiction of Incorporation (if applicable)		Date of Incorporation (yyyy-mm-dd):(if applicable)	
Ontario		2016-07-08	

**3. Describe the borrower's ownership/control structure.**

(a) If the borrower is a corporation, list:

1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for Question 3(a)1).

(b) If the borrower is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee
Pace Mapleview Ltd.	Richmond Hill, Ontario	50.00%	Shareholder
2552741 Ontario Inc.	Waterloo, Ontario	50.00%	Shareholder
Dino Sciavilla, President	Vaughan, Ontario		Director
Dino Sciavilla, President	Vaughan, Ontario		Officer
Yvonne Sciavilla, Secretary-Treasurer	Vaughan, Ontario		Director
Yvonne Sciavilla, Secretary-Treasurer	Vaughan, Ontario		Officer
Gregory Zehr, Vice President	Waterloo, Ontario		Director
Gregory Zehr, Vice President	Waterloo, Ontario		Officer
David Marshall	Waterloo, Ontario		Director
David Marshall	Waterloo, Ontario		Officer

**4. Has the mortgage brokerage verified the identity of the borrower(s)?**☒ Yes☐ No

If Yes, evidence of identity is attached or will be provided on Date (yyyy-mm-dd): \_\_\_\_\_

If No, explain what steps the mortgage brokerage will take to verify the identity before closing:

MarshallZehr conducted AML on Obligors on closing of the loan in 2022.

**5. Is the borrower the Developer of the project:**

- ☒ Yes      If Yes, proceed to Question 6.
- ☐ No        If No, proceed to Question 9.

**6. What is the borrower's Tarion Warranty Corporation number?** 46,303

**7. Describe the borrower's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the borrower was/is a party to a project that has had a mortgage default and power of sale proceeding).**

The Borrower is a co-tenancy entity under the Pace umbrella. Pace, the active development partner in the cotenancy, has completed numerous successful projects in joint ventures and over the past 10 years has completed over 500 units under it's own Tarion license.

**8. What due diligence has the mortgage brokerage done to confirm the borrower's background and experience with construction/development projects?**

Review of Borrowers Tarion experience  
Review of previous project/history

**9. Has the borrower or any of the principals of the borrower (directors, officers, owners, partners or majority shareholders) been involved in any of the following:**

**Yes/  
No/  
Unknown**

(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	Unknown
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the borrower, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	Unknown
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	Unknown
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	Unknown

If yes or unknown, to any of the responses in Question 9, explain:

Legal counsel is not undertaking an updated litigation search in connection with this amendment and increase to the loan.

**10. Borrower's Financial Information – Documentary evidence of the borrower's ability to meet the mortgage payments must be attached to this form. If the borrower is not an individual, the borrower's most recent comparative financial statements in respect of the one or, if available, two most recent years before the date of this Disclosure Statement are for the following years:**

Year 1: 2,020 Year 2: 2,019

Note: The borrower's financial statements must be prepared in accordance with subsection 31.1(1)15 of O. Reg 188/08.

**11. Does the mortgage include a personal covenant, guarantee or other financial commitment?**

☒ Yes

☐ No

If Yes, please describe (including a description of who provided the covenant, guarantee or commitment):

The mortgage will include guarantees from: Pace Developments Inc., Pace Group Investments Inc., Pace Mapleview Ltd., 2552741 Ontario Inc., Urban North on-the-go Ltd. and Pace Group Holdings Inc. Personal guarantees are provided by Dino Sciavilla and Yvonne Sciavilla.

## Part B - The Developer

### 1. Name, address and Tarion Warranty Corporation number of the developer

Name			Tarion Warranty Corporation number	
Address				
Unit Number	Street Number	Street Name		
City/Town		Province	Postal Code	
Jurisdiction of Incorporation (if applicable)			Date of Incorporation (yyyy-mm-dd) (if applicable)	

2. Describe the developer’s ownership/control structure.

- (a) If the developer is a corporation, list:
- 1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
  - 2. the directors and officers of the corporation (if different from persons listed for Question 2(a)1).
- (b) If the developer is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee

3. Describe the role of the developer in the project as distinct from the borrower:

4. What due diligence has the mortgage brokerage done regarding the background and experience of the developer?

**5. Describe the developer's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the developer was/is involved in a project that has had a mortgage default and power of sale proceeding).**

**6. What due diligence has the mortgage brokerage done to confirm the developer's background and experience with construction/development projects?**

<b>7. Has the developer or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:</b>	<b>Yes/ No/ Unknown</b>
(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the developer, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	

If yes or unknown, to any of the responses in Question 7, explain:

### **Part C - The Mortgage Brokerage**

#### **1. Organization of the mortgage brokerage**

Jurisdiction of Incorporation/Organization: Ontario	Date of Incorporation/Organization (yyyy-mm-dd): 2008-09-10
--	--

**2. Describe the brokerage's ownership/control structure.**

(a) If the mortgage brokerage is a corporation, list:


1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for Question 2(a)1).

(b) If the mortgage brokerage is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust, including investment decisions.

<b>Name and Occupation</b>	<b>Address (City, Province)</b>	<b>% share of entity</b>	<b>Director/ Officer/ Partner/ Shareholder/ Trustee</b>
2060762 Ontario Inc.	Waterloo, ON	50.00%	Shareholder
The Marshall Group Inc.	Waterloo, ON	50.00%	Shareholder
Gregory Lester Zehr, CEO & Co-Founder	Waterloo, ON		Director
David Gilmore Marshall, President & Co-Founder	Waterloo, ON		Director
Gregory Lester Zehr, CEO & Co-Founder	Waterloo, ON		Officer
David Gilmore Marshall, President & Co-Founder	Waterloo, ON		Officer
William Cecil Hayes, COO	Waterloo, ON		Officer
Murray Alexander Snedden, CFO	Waterloo, ON		Officer

Mortgage Broker initials:

Date: 10/25/2022



Investor/lender initials:

Date: 10/21/2022



## Section 10 – Attached Documents

Important: The investor/lender should review the following documents carefully and assess the risks of this investment before committing to invest. The investor/lender should check that all documents are consistent with this disclosure summary. The following documents should be attached. If not available or applicable, provide comments below.

- ☒ A copy of the appraisal of the property, that satisfies the criteria as set out in subsection 31.1(1)2 of O. Reg. 188/08.
- ☒ If the investment is in, or the loan is in respect of, an existing mortgage, a copy of the mortgage instrument.
- ☒ If the investment is in, or the loan is in respect of, an existing mortgage, a statement indicating whether the mortgage is in arrears and whether any mortgage payments are delayed or owing.
- ☒ A copy of the certificate of mortgage interest, the assignment of the mortgage or any other document that proves evidence of the investment or loan.
- ☐ If an agreement of purchase and sale in respect of the property relating to the mortgage has been entered into in the preceding 12 months and is available to the mortgage brokerage, a copy of the agreement of purchase and sale.
- ☒ Documentary evidence of the borrower's ability to meet the mortgage payments.
- ☒ A copy of the application for the mortgage and of any documents submitted in support of the application.
- ☐ If the investment is in, or if the loan is in respect of, a new mortgage, documentary evidence of any down payment made by the borrower for the purchase of the property relating to the non-qualified syndicated mortgage.
- ☒ A copy of any administration agreement that is applicable to the investor/lender.
- ☒ A copy of any trust agreement that is applicable to the investor/lender.
- ☒ A copy of the commitment letter or document setting out the terms of the investor/lender's commitment to advance funds to the borrower.
- ☒ A copy of any agreement that the investor/lender may be asked to enter into with the mortgage brokerage.
- ☒ If the borrower is not an individual, the borrower's financial statements as required under subsection 31.1(1)15 of O. Reg. 188/08.
- ☐ All other information, in writing, that an investor/lender of ordinary prudence would consider to be material to a decision about whether to lend money on the security of the property related to the non-qualified syndicated mortgage or to invest in the non-qualified syndicated mortgage.
- ☐ Other documents

\_\_\_\_\_  
\_\_\_\_\_

### Comments:

All documents have been provided electronically to the investor prior to the investors original investment in the loan. Documents are available again upon request.

One copy of this form must be provided to the lender/investor, and one copy must be retained by the mortgage brokerage.

Mortgage Broker initials:

Date: 10/25/2022

DS  
DM

Investor/lender initials:

Date: 10/21/2022

DS  
AD



## Section 11 - Declaration by All Other Investor/Lender and the Mortgage Brokerage

### Declaration by Mortgage Brokerage

This **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** has been completed by:

MarshallZehr Group Inc.

Name of Mortgage Brokerage

I hereby confirm and declare that I have fully completed this form in accordance with the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and its regulations and declare it to be accurate in every respect to the best of my knowledge. I have discussed the contents of this form with the investor/lender.

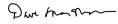
David Marshall

Print name of Mortgage Broker

M09000275

Licence number of Mortgage Broker

DocuSigned by:



10/25/2022

Signature of Mortgage Broker

Date (yyyy-mm-dd)

### Declaration by Investor/Lender

I hereby confirm and declare that receipt of this **Form 3.2 – Disclosure Statement for Investor/Lender Disclosure in a Non-Qualified Syndicated Mortgage**, signed by the mortgage broker.

Aggregated Investments Inc.

Name of Investor/Lender

680 Waterloo Street, London, ON N6A 0B3

Address of Investor/Lender

DocuSigned by:



10/21/2022

Signature of Investor/Lender

Date (yyyy-mm-dd)

## Appendix – Subsection 2(1) of O. Reg. 188/08

### Designated classes of lenders and investors

2(1) For the purposes of this Regulation, a person or entity is a member of a designated class of lenders and investors if the person or entity is a member of any of the following classes:

1. The Crown in right of Ontario, Canada or any province or territory of Canada.
2. A brokerage acting on its own behalf.
3. A financial institution.
4. A corporation that is a subsidiary of a person or entity described in paragraph 1, 2 or 3.
5. A corporation that is an approved lender under the National Housing Act (Canada).
6. An administrator or trustee of a registered pension plan within the meaning of subsection 248 (1) of the Income Tax Act (Canada).
7. A person or entity who is registered as an adviser or dealer under the Securities Act when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
8. A person or entity who is registered under securities legislation in another province or territory of Canada with a status comparable to that described in paragraph 7 when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
9. A person or entity, other than an individual, who has net assets of at least \$5 million as reflected in its most recently-prepared financial statements and who provides written confirmation of this to the brokerage.
10. An individual who, alone or together with his or her spouse, has net assets of at least \$5 million and who provides written confirmation of this to the brokerage.
11. An individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the Securities Act, the cash surrender value of a life insurance contract, a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1 million and who provides written confirmation of this to the brokerage.
12. An individual whose net income before taxes in each of the two most recent years exceeded \$200,000 or whose net income before taxes in each of those years combined with that of his or her spouse in each of those years exceeded \$300,000, who has a reasonable expectation of exceeding the same net income or combined net income, as the case may be, in the current year and who provides written confirmation of this to the brokerage.
13. A person or entity in respect of which all of the owners of interests, other than the owners of voting securities required by law to be owned by directors, are persons or entities described in paragraphs 1 to 12. O. Reg. 188/08, s. 2 (1).

# EXHIBIT “11”



## Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage

*Mortgage Brokerages, Lenders and Administrators Act, 2006*

Transaction Number: MZGI-393

### Important Information About This Form

Name of Mortgage Brokerage MarshallZehr Group Inc.		Mortgage Brokerage Licence number 12453	
<b>Address</b>			
Unit Number 100	Street Number 412	Street Name Albert Street	
City/Town Waterloo		Province ON	Postal Code N2L 3V3
Telephone number 519-342-1000		Email Address msnedden@marshallzehr.com	
Name of Principal Broker Murray Snedden		Principal Broker Licence number M13001624	

#### Purpose of Form

This form provides important information to assist the investor/lender in making a decision about investing or lending under the syndicated mortgage proposed by the mortgage brokerage. This disclosure statement is required under subsection 31.1(1)1 of Ontario Regulation 188/08: Mortgage Brokerages Standards of Practice (O. Reg. 188/08) under the *Mortgage Brokerages, Lenders and Administrators Act, 2006 (MBLAA)*.

The mortgage brokerage is required by law to provide the investor/lender with a completed **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** at a minimum two business days before the investor/lender commits to invest/lend.

This disclosure statement and the attached documents are not intended to provide a comprehensive list of factors to consider in making a decision concerning this investment/loan in a non-qualified syndicated mortgage.

#### Application of Form

**All non-qualified syndicated mortgages** – This form applies to all syndicated mortgage transactions that do not meet the definition of a "qualified syndicated mortgage." As defined in section 1 of O. Reg. 188/08, a qualified syndicated mortgage is a syndicated mortgage that meets all of the following criteria:

1. It is negotiated or arranged through a mortgage brokerage.
2. It secures a debt obligation on property that,
  - a. is used primarily for residential purposes,
  - b. includes no more than a total of four units, and
  - c. if used for both commercial and residential purposes, includes no more than one unit that is used for commercial purposes.
3. At the time the syndicated mortgage is arranged, the amount of the debt it secures, together with all other debt secured by mortgages on the property that have priority over, or the same priority as, the syndicated mortgage, does not exceed 90 per cent of the fair market value of the property relating to the mortgage, excluding any value that may be attributed to proposed or pending development of the property.

4. It is limited to one debt obligation whose term is the same as the term of the syndicated mortgage.
5. The rate of interest payable under it is equal to the rate of interest payable under the debt obligation.

A syndicated mortgage that secures a debt obligation incurred for the construction or development of property is not a qualified syndicated mortgage.

**All Investors/Lenders** – This form must be provided to each investor/lender in a non-qualified syndicated mortgage, whether or not the investor/lender is part of a designated class of investors/lenders. Members of a "designated class" are defined in subsection 2(1) of O. Reg. 188/08 (Refer to Appendix).

### **Waiting Period**

To enable the investor/lender to thoroughly review the proposed non-qualified syndicated mortgage, this disclosure statement, and to obtain independent legal advice, this **Form 3.2 – Disclosure Statement for Investor/ Lender in a Non-Qualified Syndicated Mortgage**, must be presented to the investor/lender no later than two business days before the earliest of the following events:

1. When the mortgage brokerage receives money from the investor/lender.
2. When the mortgage brokerage enters into an agreement to receive money from the investor/lender.
3. When the investor/lender enters into a mortgage agreement or an agreement to trade in a mortgage.
4. The money is advanced to the borrower under the mortgage.
5. The trade completion date.

**The investor/lender CANNOT waive this two-day waiting period.**

### **Investment Limit**

Section 24.2 of O. Reg. 188/08 limits the amount that an investor/lender can invest/lend in a non-qualified syndicated mortgage to sixty thousand dollars (\$60,000) in any twelve (12)-month period for investors/lenders that are not part of a designated class of lenders and investors (i.e., this limit does not apply to investors/lenders that are part of a designated class). The "designated classes" are defined in subsection 2(1) of O. Reg. 188/08.

When determining whether the applicable limit has been reached for a non-qualified syndicated mortgage, the mortgage brokerage shall not count any investments/loans in respect of non-qualified syndicated mortgages entered into prior to July 1, 2018. By law, the mortgage brokerage cannot sell a proposed non-qualified syndicated mortgage to an investor/lender unless the investor/lender is eligible under these rules. The investor/lender should confirm his/her eligibility with the mortgage brokerage.

### **Record-Keeping**

The mortgage brokerage must provide the investor/lender with a copy of this completed form pursuant to subsection 31.1(1)1 of O. Reg. 188/08, and retain a copy for the mortgage brokerage's records in accordance with sections 46(1)4 and 48 of O. Reg. 188/08.

### **Disclaimer**

This disclosure statement was prepared by the mortgage brokerage and has not been filed with the Financial Services Regulatory Authority of Ontario (FSRA) or other government authority and neither FSRA nor another government authority has reviewed or approved the completed disclosure statement.

## Section 1 – About Your Investment

Name of Investment Project:

Mapleview Refinance - MZGI 393

Address of Property / Security to be Mortgaged:

Unit Number	Street Number 700, 750 & 780	Street Name Mapleview Drive East	
City/Town Barrie	Province ON	Postal Code L4N 0M2	

## Section 2 – Investor/Lender Information

Name

Aggregated Investments Inc.

Mailing address

Unit Number	Street Number 680	Street Name Waterloo Street	
City/Town London	Province ON	Postal Code N6A 0B3	
Telephone number 519-472-8200	Email Address adrewlo10@rogers.com		

**Investor Representative, if applicable (e.g. for entity investor)**

Name Allan Drewlo	Title President
Telephone number 519-671-8073	Email Address adrewlo10@rogers.com

## Section 3 – Investor/Lender Status

☒ Member of a Designated Class who is a/an:

1. Non-Individual, or
2. Individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the *Securities Act*, the cash surrender value of a life insurance contract; a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, **exceeds \$5 million** and who provides written confirmation of this to the brokerage.

**If the investor/lender meets the descriptions in (1) or (2), indicate the following and complete Sections 4 and 5 of this form:**

Type of designated class: (p) on the Certification Form

Type of documentation supporting investor/lender's status:

☐ Member of a Designated Class who is not an individual described in (2). **Complete Sections 6 to 11 of this form.**

☐ Not a Member of a Designated Class. **Complete Sections 6 to 11 of this form**

The designated classes of lenders and investors are defined in subsection 2(1) of O. Reg. 188/08 (Refer to Appendix). These include classes for certain entities or individuals who have net income before taxes, net assets and net financial assets above a defined limit.

## Section 4 – Disclosure Summary

### Part A – Role of the Brokerage and Other Parties Involved

#### 1. The mortgage brokerage is acting for:

- ☐ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☒ Both the borrower and the investor/lender.

#### 2. Identify the name of following parties involved investment/loan in a non-qualified syndicated mortgage:

Borrower  
Mapleview Developments Ltd.

Developer, if different from the borrower  
Pace Developments

Mortgage Administrator  
MarshallZehr Group Inc.

Licence No.  
11955

Individual or Corporate Guarantor (if applicable)  
See the text box below in 2. for the list of guarantors for this mortgage

### Part B – Loan and Property Details

#### 1. Existing or new mortgage: The investor/lender's investment is to:

- ☐ Purchase a portion of an existing registered mortgage
- ☒ Fund a portion of a new mortgage that has not yet been registered

#### 2. Type of Property:

- ☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)
- ☒ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

#### Guarantors:

Corporate - Pace Developments Inc., Pace Mapleview Ltd., 2552741 Ontario Inc., Pace Group Investments Inc., Urban North On-the-Go Ltd. & Pace Group Holdings Inc.. Personal - Gerardo (Dino) Sciavilla & Yvonne Sciavilla

Phase I and II: Upon completion, Phase I and Phase II will be 311 low-rise townhomes (stacked & freehold). ~50 townhomes have been delivered as of October 21st.

Phase III: Upon completion, Phase III will be 209 low-rise townhomes. All 209 units have been pre-sold to purchasers.

Phase IV: Upon completion, Phase IV will be 321 stacked townhomes. All 321 units have been pre-sold to purchasers.

Phase V: Raw land held by the Borrower that upon zoning approvals, is expected to be developed into ~135 stacked townhomes.

**Phase VI: Raw land held by the Borrower that is zoned for 81 stacked townhomes.**

### 3. Terms of Mortgage

(a) Amount of your investment (\$): \$4,100,000.00

(b) Source(s) of investment funds: \_\_\_\_\_

(c) Face Value of Mortgage Amount (\$): \$47,560,000.00

(d) Mortgage Term: 16-months

(e) Maturity Date (yyyy-mm-dd): 2024-02-01

(f) No. of other investors/lender that have an interest in this mortgage: 0

(g) Rank of Mortgage (1st, 2nd, 3rd, etc.): (varies-by-phase)

(h) Provide the name of prior mortgagee(s), if applicable:

**Appendix B on the 3rd amendment (dated October 20th, 2022) has a summary of all mortgage charges for the various phases of the project. This amendment will be provided to the Lender with the FSRA documents for this funding.**

(i) Existence of a subordination clause (Yes/No): Yes

(j) Describe the use of the mortgage funds:

**The \$2,860,000 and subsequent draws will be used as a construction revolver to fund hard costs in order to build out Phase 1 & 2.**

### Part C – Appraisal of Property

#### 1. Name, professional designation and address of appraiser:

Name	Professional Designation
Paul Stewart	AACI

Firm Name  
Avison Young Valuation & Advisory Services

#### Address

Unit Number	Street Number	Street Name
50	55	Commerce Valley Drive



City/Town Markham	Province Ontario	Postal Code L3T 7V9
Telephone number 905-968-8030	Email Address paul.stewart@avisonyoung.com	

**2. The date of the appraisal report (yyyy-mm-dd):** 2019-05-23

**3. The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report:** \$57,700,000.00

**4. The effective date of the appraisal (yyyy-mm-dd):** 2019-05-14

**Part D – Loan-to-Value Ratio**

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(a) Total of prior encumbrances: \$101,697,800.00

(b) Amount of this mortgage: \$47,560,000.00

(c) Total amount of mortgages: (a+b) \$149,257,800.00

(d) Appraised estimated ("as is") value: \$57,700,000.00


(e) Loan to "as is" value: (c/d X 100) 258.67%

## Section 5 - Declaration by Investor/Lender of Certain Designated Class and the Mortgage Brokerage

### Declaration by the Investor/Lender

I hereby confirm and declare that:

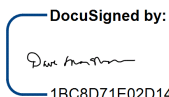
1. I qualify as a member of a designated class of lender and investor as defined in section 2 of O. Reg. 188/08.
2. For an individual who is a member of a designated class: I, alone or together with my spouse, have net financial assets of at least \$5 million. I have provided written confirmation to support my investor/lender status to the mortgage brokerage.
3. I acknowledge the receipt of this **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage**, signed by the mortgage broker, as well as any investment summary and other relevant documents from the mortgage brokerage pertaining to this syndicated mortgage.

Investor/lender Name	Signature of Investor/lender	Date (yyyy-mm-dd)
Aggregated Investments Inc.		
Entity Name (if applicable)		
Allan Drewlo		10/31/2022
Entity Representative Name	Entity Representative Signature	Date (yyyy-mm-dd)

### Declaration by the Mortgage Brokerage

I hereby confirm and declare that:

1. I have fully completed this **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** in accordance with the *MBLAA* and its regulations and declare it accurate in every respect to the best of my knowledge.
2. I have obtained supporting documentation confirming the investor/lender's status as a member of a designated class of lenders and investors as defined in section 2 of O. Reg. 188/08, and the investor/lender has signed this form, attesting to his/her/its status as a designated class. For an individual who is a member of a designated class, I have obtained documentation confirming the investor/lender, alone or together with his or her spouse, has net financial assets of at least \$5 million.
3. I have discussed the contents of this form and other relevant information pertaining to this syndicated mortgage with the investor/lender. I provided a copy of this form, investment summary and other relevant documents to the investor/lender.

David Marshall	M09000275
Name of Mortgage Broker	Licence number of Mortgage Broker
	10/31/2022
Signature of Mortgage Broker	Date (yyyy-mm-dd)
MarshallZehr Group Inc.	12453
Mortgage Brokerage Name	Licence number of Mortgage Brokerage

## Section 6 – Caution

All mortgage investments carry risk. There is a relationship between risk and return. In general, the higher the rate of return, the higher the risk of the investment. The investor/lender should very carefully assess the risk of the mortgage transaction described in this disclosure statement and in the supporting documentation before entering into the transaction.

A syndicated mortgage (defined as a mortgage with more than one investor/lender) may carry additional risks not only relating to the risk of default but also to the risks associated with participating in a syndication and the financing of real estate transactions.

By law, the mortgage brokerage must disclose to the investor/lender, in writing, the material risks of the mortgage investment/loan it presents to an investor/lender.

Investors/lenders are strongly advised to obtain independent legal and financial advice before committing to invest/lend in a non-qualified syndicated mortgage. Inexperienced investors should be cautious when deciding to enter into a non-qualified syndicated mortgage investment/loan.

**The general risks related to an investment/loan in non-qualified syndicated mortgages are outlined in Form 3.1 – Suitability Assessment for Investor/Lender in a Non-Qualified Syndicated Mortgage that you, the investor/lender, received on:**

2022-10-31

(yyyy-mm-dd)

Mortgage Broker initials:

Date: 10/31/2022

DS  
DM

Investor/lender initials:

Date: 10/31/2022

DS  
CD

## Section 7 – Nature of Mortgage Brokerage Relationships

The *Mortgage Brokerages, Lenders and Administrators Act, 2006* requires disclosure of the nature of the relationship between the mortgage brokerage and other persons and entities involved in the mortgage transaction. For the purposes of this form, two persons are "related" if they share any relationship other than an arm's length business relationship. For example, a shareholder, director, officer, partner or employee of a mortgage brokerage is related to the mortgage brokerage and to any mortgage broker or agent authorized to deal or trade in mortgages on behalf of the mortgage brokerage (this group of related parties is referred to as the mortgage brokerage and "its related parties" in this form).

### 1. The mortgage brokerage is acting for:

- ☐ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☒ Both the borrower and the investor/lender.

### 2. Nature of Relationships

Yes/No

(a) Does the mortgage brokerage or any of its related parties have or expect to have a direct or indirect interest in the property identified in Section 8, Part A of this form?	Yes
(b) Does any person who is a close familial relation to any individual who is a mortgage brokerage related party have or expect to have a direct or indirect interest in the property identified in Section 8, Part A of this form?	Yes
(c) Is the mortgage brokerage or any of its related parties related to any of the investors/lenders in the mortgage?	Yes
(d) Is the mortgage brokerage or any of its related parties related to the borrower?	Yes
(e) Is the mortgage brokerage or any of its related parties related to the individual or firm that appraised the property?	No
(f) Is the mortgage brokerage or any of its related parties related to the developer (if the developer is different from the borrower)?	Yes
(g) Is the mortgage brokerage also the mortgage administrator for the non-qualified syndicated investment/loan?	Yes
(h) Is the mortgage brokerage or any of its related parties entitled, directly or indirectly, to a share of the profits earned from the project?	Yes
(i) Has, or will, the mortgage brokerage or any of its related parties provide(d) any goods or services to the borrower or developer whether directly or through an entity owned or controlled by that person or entity?	No
(j) Has, or will, the mortgage brokerage or any of its related parties pay any referral fees in connection with securing investments for this property or non-qualified syndicated mortgage?	Yes
(k) Are there any circumstances or factors, in addition to the above, which may create commercial dependencies as between the mortgage brokerage and its related parties and the borrower, developer or any party related to the borrower or developer (e.g., the mortgage brokerage depends upon transactions with the borrower for a material portion of its revenue)?	Yes

If Yes, to any of the responses in Question 2 explain the relationship and the strategies in place to manage the actual/potential conflict of interest:

MarshallZehr is both the brokerage and administrator of the Mortgage. Being the administrator of the Mortgage allows MarshallZehr to continue to service the Lender's interests after closing of the mortgage transaction.

Greg Zehr and David Marshall are part owners of the project via the co tenant company 2552741 Ontario Inc.( 50% ownership in Mapleview Developments Ltd.) and 2705503 Ontario Inc. (50% ownership in Urban North on the GO Ltd.). The remaining 50% ownership interest in the project is owned by Dino and Yvonne Sciavilla through Pace Mapleview Ltd. and Pace Group Investments Inc..

2552741 Ontario Inc. and 2705503 Ontario Inc. do not hold a secured interest on title to secure it's ownership interest. Mortgage participants will benefit from repayment in advance of receipt of profit by the beneficial owners of the Project; monthly management fees up to the budgeted amount as approved by the lenders prior to funding will be permitted to be paid to Pace and MZ related entities, and any management fees in excess of those forming the initial project budget will require prior consent from the lenders.

The Administrator is related to one of the other Principals that may or may not participate in the Investment either directly or indirectly, namely family members of David Marshall or Greg Zehr and companies owned by Greg Zehr or David Marshall or by Greg Zehr's family trust or David Marshall's family trust.

Facility 1 (Construction): Prime + 8% (Floor of 13.45%)

Interest shall accrue commencing on the date of each advance, calculated daily (365 days/year), compounded monthly and payment deferred until maturity of the loan.

Facility 2 (Mezzanine): Prime + 15% (Floor of 16%)

Interest shall accrue commencing on the date of each advance, calculated daily (365 days/year), compounded monthly and payment deferred until maturity of the loan.

**3. Describe any actual/potential conflicts of interest or relationships in connection with this investment/loan in a non-qualified syndicated mortgage, other than those described in Question 2, and the strategies in place to manage the actual/potential conflict of interest.**

No known existing conflicts of Interest other than those potential conflicts identified above.

Mortgage Broker initials:

Date: 10/31/2022

DS  
DM

Investor/lender initials:

Date: 10/31/2022

DS  
AR



## Section 8 – Property and Mortgage Investment/Loan Details

### Part A – Property/Security to Be Mortgaged

#### 1. Legal and Municipal address of the property:

Legal address

Legal address listed below.

Municipal Address

Unit Number	Street Number 700, 750 & 780	Street Name Mapleview Drive East	
City/Town Barrie	Province Ontario	Postal Code L4N 0M2	

#### 2. Type of Property:

☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)

☒ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

Phase I and II: Upon completion, Phase I and Phase II will be 311 low-rise townhomes (stacked & freehold). ~43 townhomes have been delivered as of the date of this amendment.  
 Phase III: Upon completion, Phase III will be 209 low-rise townhomes. All 209 units have been pre-sold to purchasers.  
 Phase IV: Upon completion, Phase IV will be 321 stacked townhomes. All 321 units have been pre-sold to purchasers.  
 Phase V: Raw land held by the Borrower that upon zoning approvals, is expected to be developed into ~135 stacked townhomes.  
 Phase VI: Raw land held by the Borrower that is zoned for 81 stacked townhomes.

Legal Address:

The applicable Phases 1-5 PINs are as follows: 58091-3884 (LT) to 58091-3891 (LT), inclusive and 58091-3893 (LT) to 58091-3902 (LT), inclusive, 58091-4253 (LT), 58091-4598 (LT), 58091-4639 (LT), 58091-4738 (LT), 58091-4739 (LT), 58091-4740 (LT), 58091-4741 (LT) and 58091-4742 (LT). Phase 6 is PIN 58091-0287 (LT)

#### 3. Appraisal of Property:

Note: Under the *MBLAA*, the estimated market value of the property must reflect its condition and stage of development as of the date of the inspection or within 60 days after that. It cannot depend or rely on assumptions about proposed or future development of, or improvements to, the property or any other conditions not in existence at the date selected for the estimated market value.

(a) Name, professional designation and address of appraiser:

Name	Professional Designation		
Paul Stewart	AACI		
Firm Name			
Avison Young Valuation & Advisory Services			
Address			
Unit Number	Street Number	Street Name	
501	55	Commerce Valley Drive	
City/Town	Province	Postal Code	
Markham	Ontario	L3T 7V9	
Telephone Number	E-mail Address		
905-968-8030	paul.stewart@avisonyoung.com		

- (b) The date the appraiser conducted the inspection of the property (yyyy-mm-dd): 2019-04-10
- (c) The date of the appraisal report (yyyy-mm-dd): 2019-05-23
- (d) The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report: \$57,700,000.00
- (e) The effective date of the appraisal (yyyy-mm-dd): 2019-05-14

**4. Property Taxes:**

(a) Annual property taxes: \_\_\_\_\_

Are taxes in arrears?

☐ Yes

☐ No

☒ Investor/Lender's Solicitor to verify taxes prior to closing or ensure coverage under title insurance

If yes, amount of arrears: \_\_\_\_\_

**5. Condominium Fees (If applicable):**

(a) Monthly condominium fees: \_\_\_\_\_

Are fees in arrears?

☐ Yes

☐ No

If Yes, amount of arrears: \_\_\_\_\_

**6. Zoning: Is the zoning on the property appropriate for the proposed use?**

☒ Yes

☐ No

If No, provide details:

Zoning is in place for phases 1-4 & 6.

Phase 5 zoning is not approved yet but is in process of re-zoning with strong support from the City; rezoning on Phase 5 anticipated to be received by Q4 2022 or Q1 2023.



**Part B - Mortgage Particulars****1. Is the mortgage to fund the purchase of property?**

- ☐ Yes
- ☒ No

If Yes, describe the current ownership of the property and purchase arrangements:

If No, set out the purchase price and date of the purchase:

Purchase Price of Property:

\$35,461,750.00

Date of Purchase (yyyy-mm-dd):

**2. Will the mortgage proceeds be used to refinance, pay out, straight renew, renew with material change, redeem or reduce an existing mortgage on this property?**

- ☒ Yes If yes complete (a) and (b)
- ☐ No

(a) Select how the proceeds will be used:

- ☒ Refinance
- ☒ Pay out
- ☐ Straight renew
- ☐ Renew with material change
- ☐ Redeem
- ☐ Reduce an existing mortgage
- ☐ Other

(b) Explain your answer for (a):

\$35,461,750 purchase price referenced above is the sum of the Phase 1-5 purchase price (\$31,611,750; December 2016) and the Phase 6 purchase price (\$3,850,000; January 2020).

The initial advance of the loan (\$10,900,000) was used to refinance the MZGI 273 loan. The 2nd advance of the loan was used to fund hard costs in the project. The 3rd advance is going to be used to pay trade payables on site. The 4th advance (\$2.86MM) will be used to fund hard costs in Phase 1-2.

**3. Nature of investment or loan:**

(a) The investor/lender's investment represents:

- ☒ Participation in a mortgage
- ☐ Trade of a participation in a mortgage
- ☐ Any other interest or participation in a mortgage

Explain: 100% of the MZGI 393 loan will be funded by  
Aggregated Investments Inc.

(b) Percentage of total investor/lender's portion: 11.95%

(c) Number of other parties that have an interest in this mortgage: 0

(d) In what name(s) will the mortgage be registered?

MarshallZehr Group Inc.

(e) If the mortgage is not registered in the investor/lender's name, the mortgage brokerage must provide an explanation:

The mortgage is registered in the name of the Mortgage Administrator. The Mortgage Administrator holds the mortgage in trust for all investors.

**4. Existing or new mortgage: The investor/lender's investment is to:**

- ☒ Purchase a portion of an existing registered mortgage
- ☐ Fund a portion of a new mortgage that has not yet been registered

**5. If this investment is a purchase of an existing mortgage or a portion of an existing mortgage, is the mortgage now in default?**

- ☐ Yes
- ☒ No

Has it been in default in the last twelve months?

- ☐ Yes
- ☒ No

If Yes to either, explain:

6. Administered Mortgage: Will the mortgage be administered for the investor/lender?

- ☒ Yes
- ☐ No

If "Yes, name, address and licence number of mortgage administrator:

Name		Licence Number	
MarshallZehr Group Inc.		11955	
Address			
Unit Number	Street Number	Street Name	
Suite 100	412	Albert Street	
City/Town		Province	Postal Code
Waterloo		Ontario	N2L 3V3
Telephone number		Email Address	
519-342-1000		msnedden@marshallzehr.com	

Note: A Mortgage Administrator must be licensed under the MBLAA.

7. Terms of the Mortgage

Amount of your investment:	\$4,100,000.00	Term:	16-months
Face value of the mortgage:	\$47,560,000.00	Amortization:	Interest-only
Interest rate		Maturity date (yyyy-mm-dd):	2024-02-01
<input type="radio"/> Fixed <input checked="" type="radio"/> Variable    Percentage per annum:	13.45%	Balance on maturity:	
Explain the interest rate:	Prime+8%	Borrower's first payment due (yyyy-mm-dd):	
Compounding period:	Monthly	Borrower's rate of interest if different from the rate of interest to be paid to the investor:	13.45%
Payment frequency:	Deferred-to-maturity	Investor's rate of interest:	13.45%
Payments to be made by borrower:			
Payments to the investor/lender:			
Source of funds:			
No interest reserve on this loan as all of the interest will be accrued until maturity.			

**8. Rank of Mortgage (according to information from borrower):**

(a) The mortgage to be purchased/advanced is/will be a:

- ☐ First  
☐ Second  
☐ Third  
☒ Other mortgage    Varies from a 2nd to 4th mortgage.

(b) Can the rank of the mortgage change?

- ☒ Yes  
☐ No

If Yes, explain how it might change and if it is expected to change:

This can change if a senior lender funds into one of the phases.

**9. Prior encumbrances:**

(a) Are there any prior encumbrances (existing or anticipated)?

- ☒ Yes  
☐ No

**Encumbrance A**

Priority	Face Amount	Amount Owing
1st Mortgage	\$132,500,000.00	\$98,812,800.00
In default? <input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown		
If yes, explain: \$132,500,000 represents the mortgage charge from KingSett.  The \$98,812,800 will be receiving paydowns from unit closings by the end of October.		
Name of Mortgagee: KingSett Capital		

Encumbrance B		
Priority 1st	Face Amount \$2,885,000.00	Amount Owing \$2,885,000.00
In default? <input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown		
If yes, explain:          		
Name of Mortgagee: Vector Financial Services Ltd.		

(b) Other encumbrances, including environmental, regulatory and/or liens:

Westmount Guarantee has Deposit Insurance Facilities on Phases 1-4.

No environmental concerns.

## 10. Loan-to-Value Ratio

(a) Total of prior encumbrances:	<u>\$101,697,800.00</u>
(b) Amount of this mortgage:	<u>\$47,560,000.00</u>
(c) Total amount of mortgages: (a + b)	<u>\$149,257,800.00</u>
(d) Appraised estimated ("as is") value:	<u>\$57,700,000.00</u>
(e) Loan to "as is" value: (c/d X 100)	<u>258.67%</u>

**11. Amount of Mortgage Advance**

If the amount of the mortgage advance is less than the face value of the mortgage, explain:

The initial advance of \$10.9mm was advanced in July 2021. The second advance of \$12mm went into the project in January of 2022. The 3rd advance (\$11,400,000) will be injected into the project to pay trade payables. The 4th advance (subject advance) will be used to pay for hard costs in Phases 1 and 2.

Project Status/Overview:

- The first 4 phases are made up of 841 low-rise units that are all pre-sold.
- These 841 units are generating a total of \$477,514,944 of net revenue.

**12. Legal Rights of Investor/Lender**

Describe the legal rights of the investor/lender and nature of the investment including, but not limited to:

(a) right of the borrower or mortgage administrator to:

1. extend the term of the mortgage loan;
2. require the mortgage be subordinated to subsequent financing;
3. waive defaults under the mortgage loan;
4. increase the amount of the mortgage;
5. amend the terms of the mortgage and/or loan agreement; and
6. pay proceeds from the sale of the property based on a priority scheme other than that set out under Question 8(a).

(b) the rights of the investor/lender on default by the borrower, and the rights of the lender/investor to share the proceeds of any recovery from the borrower, in particular, the investor/lender's voting rights and whether the investor/lender has the right to institute individual legal action against the borrower, and, if not, the person or persons who may institute or co-ordinate the institution of legal action against the borrower.

The response "Refer to Administration Agreement" is not acceptable.

The Borrower holds a Renewal Option under the commitment letter for a 6 month extension provided the Borrower is not in default of any of its obligations under the Commitment or any Lender security. Any extensions beyond the end of the renewal term must be approved by the lenders.

MarshallZehr must notify the lender of written notices of default issued to the Borrower.

An increase to the mortgage requires lender consent.

Material terms of the mortgage require the lenders consent to be amended. Clerical amendments may be completed without consent or notice.

Provided that the Borrower is not in default, the Lender shall provide partial discharges of Project units (or parcels of land, if required) on the closing of a unit sale transaction provided the Borrower pays the Lender Net Sales Proceeds of each sale.

Each investor holds a proportionate share of voting rights based on their proportionate share of principal invested.

Investors in senior tranches/facilities/loans may have priority voting rights subject to any subordination and standstill agreements between the various lender parties.

The lender holds a 100% undivided interest in the mortgage, subject only to subordination and standstill with respect to senior ranking mortgage charges held by Kingsett, Vector and Westmount.

**Part C - Fees****1. Fees and charges payable by the investor/lender:**

(a) Fees and charges (please indicate fees and charges on the basis of the investor/lender's portion of the loan only).

Estimate	
Mortgage brokerage fee/commission/other costs:	
Approximate legal fees and disbursements:	
Administration fees (where applicable):	
Specify any other charges:	

Total:

(b) Are any of the fees or charges refundable?

☐ Yes☐ No

Explain:

**2. Fees and costs payable by the borrower:**

Type of Fee or Cost (i.e., purpose)	Payable To	Estimate
Lender Fee (crystallized to loan amount)	Lender	\$260,000.00
Legal Costs + Title and Disbursements (Estimate)	Borrower/Lenders Lawyers	\$0.00
Administration Fee (Estimate)	MarshallZehr Group Inc.	\$0.00

**Part D - Project and Use of Funds****1. Briefly describe the project and plans for the use of funds:**

This loan is to pay trade payables. The sources and uses in number 2 are total sources and uses for the servicing & construction of Phases 1-3.

**2. Use of loan proceeds:**

## (a) Construction/Development Loans:

Intended use of available funds	Amount (\$)	Party Receiving Payment (indicate if the party is a related party)
Soft costs (e.g. applying for zoning charges, advertising, interior design and architect fees)		
Construction costs	\$131,584,600.00	Non-related
Payment of fees to brokerage, lawyers, etc.		
Payment of interest	\$25,253,300.00	Drewco Development Corp. & KingSett Capital
Specify any other costs:		
Land and Servicing Costs	\$131,550,000.00	Non-related
Development Costs	\$33,417,300.00	Non-related
Soft Costs	\$7,410,300.00	Non-related

## (b) Loans other than Construction/Development

Intended use of available funds	Amount (\$)	Party Receiving Payment (indicate if the party is a related party)
Specify costs:		

**3. Will funds be raised from investors/lenders in stages?**☒ Yes☐ No

If Yes, disclose the period over which the funds will be raised and the criteria to determine when they will be raised:

Estimated Timeline:

October 25th - \$2,860,000  
November 4th - \$4,000,000  
November 30th - 6,400,000

Dates subject to shift slightly but these are the best estimates.



**4. Identify any person who will monitor, or assist in monitoring, the disbursement of funds to the borrower. If this person is NOT the Mortgage Administrator detailed in Section 8, Part B, Question 6, provide details. Note: A Mortgage Administrator must be licensed under the MBLAA.**

The Glynn Group is the QS on the entire Maplevue Development.

**5. Are there any arrangements under which any part of the funds raised will only become available to the borrower if certain conditions are fulfilled?**

☐ Yes

☒ No

If Yes, describe those conditions and the procedure for the return of funds to the investor/lender if the conditions are not met and any deduction or penalty imposed on the borrower or any other person for not meeting the conditions:

All terms and conditions must be met from the commitment & 3rd amendment (October 20th, 2022) in order to advance any funds.

**6. Describe any other information material to the use of the funds:**

Funds to be used as a revolver to fund trades & financing costs.

## Part E - Material Risks

Investments in non-qualified syndicated mortgages are speculative and involve a high degree of risk. Investors should be aware that this investment has not only the usual risks associated with the financial ability of the borrower to make repayments but also risks associated with financing real estate and other risks associated with syndication. Identified risks should include risks associated with non-qualified syndicated mortgages generally, the terms of this specific non-qualified syndicated mortgage and the specific characteristics and circumstances of this project.

The general risks of a non-qualified syndicated mortgage investment/loan are detailed in **Form 3.1 – Suitability Assessment for Investor/Lender in a Non-Qualified Syndicated Mortgage** that you (the investor/lender) have already acknowledged receiving earlier. These material risks should be consistent with those outlined to you earlier and also include those risks that are specific to this non-qualified syndicated mortgage investment/loan.

**Disclose the material risks of the investment (attach additional pages as required):**

These are the generic risks inherent in this mortgage:

Market Risk, Construction Risk, Economic Risk, Legislative and Regulatory Risk, Re-financing Risk, Environmental Risk, Budget Risk, Political Risk, Investment Risk, Currency Risk, Geographic Risk, Weather Risk, Liquidity Risk and Concentration/Exposure Risk.

See Rider attached for further disclosure regarding this transaction.

**Part F - Material Contracts**

- 1. Give particulars of every material contract relating to the offering of the investment entered into or to be entered into by the borrower or the mortgage brokerage or, if applicable, any of the affiliates of the borrower or mortgage brokerage, within the last two years of the date of this form and, where the material contracts are not attached to this form, state a time and place at which those contracts or copies of those contracts may be inspected.**

MarshallZehr Group Inc. Commitment Letter including all documents referenced therein.

Mortgage Administration and/or co-lending agreements with Lenders.

Borrower enters into contracts with trades/vendors/consultants/professionals for completion of works contemplated in the construction of the project.

Contracts made available at lenders request.

Mortgage Broker initials:

Date: 10/31/2022

DS  
DM

Investor/lender initials:

Date: 10/31/2022

DS  
CR

Section 9 – Transaction Parties

Part A - The Borrower

1. The borrower is:

- ☐ An individual
- ☒ A Corporation/Partnership/Other

2. Name and Municipal Address of the borrower:

Name			
Mapleview Developments Ltd.			
Municipal Address			
Unit Number	Street Number	Street Name	
Unit 3 Building A	30	Wertheim Court	
City/Town	Province		Postal Code
Richmond Hill	Ontario		L4B 1B9
Jurisdiction of Incorporation (if applicable)		Date of Incorporation (yyyy-mm-dd):(if applicable)	
Ontario		2016-07-08	

**3. Describe the borrower's ownership/control structure.**

(a) If the borrower is a corporation, list:

1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for Question 3(a)1).

(b) If the borrower is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

<b>Name and Occupation</b>	<b>Address (City, Province)</b>	<b>% share of entity</b>	<b>Director/ Officer/ Partner/ Shareholder/ Trustee</b>
Pace Mapleview Ltd.	Richmond Hill, Ontario	50.00%	Shareholder
2552741 Ontario Inc.	Waterloo, Ontario	50.00%	Shareholder
Dino Sciavilla, President	Vaughan, Ontario		Director
Dino Sciavilla, President	Vaughan, Ontario		Officer
Yvonne Sciavilla, Secretary-Treasurer	Vaughan, Ontario		Director
Yvonne Sciavilla, Secretary-Treasurer	Vaughan, Ontario		Officer
Gregory Zehr, Vice President	Waterloo, Ontario		Director
Gregory Zehr, Vice President	Waterloo, Ontario		Officer
David Marshall	Waterloo, Ontario		Director
David Marshall	Waterloo, Ontario		Officer

**4. Has the mortgage brokerage verified the identity of the borrower(s)?**☒ Yes☐ No

If Yes, evidence of identity is attached or will be provided on Date (yyyy-mm-dd): \_\_\_\_\_

If No, explain what steps the mortgage brokerage will take to verify the identity before closing:

MarshallZehr conducted AML on Obligors on closing of the loan in 2022.

**5. Is the borrower the Developer of the project:**

- ☒ Yes      If Yes, proceed to Question 6.
- ☐ No      If No, proceed to Question 9.

**6. What is the borrower's Tarion Warranty Corporation number?** 46,303

**7. Describe the borrower's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the borrower was/is a party to a project that has had a mortgage default and power of sale proceeding).**

The Borrower is a co-tenancy entity under the Pace umbrella. Pace, the active development partner in the cotenancy, has completed numerous successful projects in joint ventures and over the past 10 years has completed over 500 units under it's own Tarion license.

**8. What due diligence has the mortgage brokerage done to confirm the borrower's background and experience with construction/development projects?**

Review of Borrowers Tarion experience  
Review of previous project/history

**9. Has the borrower or any of the principals of the borrower (directors, officers, owners, partners or majority shareholders) been involved in any of the following:**

**Yes/  
No/  
Unknown**

(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	Unknown
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the borrower, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	Unknown
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	Unknown
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	Unknown

If yes or unknown, to any of the responses in Question 9, explain:

Legal counsel is not undertaking an updated litigation search in connection with this amendment and increase to the loan.

**10. Borrower's Financial Information – Documentary evidence of the borrower's ability to meet the mortgage payments must be attached to this form. If the borrower is not an individual, the borrower's most recent comparative financial statements in respect of the one or, if available, two most recent years before the date of this Disclosure Statement are for the following years:**

Year 1: 2,020 Year 2: 2,019

Note: The borrower's financial statements must be prepared in accordance with subsection 31.1(1)15 of O. Reg 188/08.

**11. Does the mortgage include a personal covenant, guarantee or other financial commitment?**

☒ Yes

☐ No

If Yes, please describe (including a description of who provided the covenant, guarantee or commitment):

The mortgage will include guarantees from: Pace Developments Inc., Pace Group Investments Inc., Pace Mapleview Ltd., 2552741 Ontario Inc., Urban North on-the-go Ltd. and Pace Group Holdings Inc. Personal guarantees are provided by Dino Sciavilla and Yvonne Sciavilla.

## Part B - The Developer

### 1. Name, address and Tarion Warranty Corporation number of the developer

Name			Tarion Warranty Corporation number	
Address				
Unit Number	Street Number	Street Name		
City/Town		Province	Postal Code	
Jurisdiction of Incorporation (if applicable)			Date of Incorporation (yyyy-mm-dd) (if applicable)	

2. Describe the developer’s ownership/control structure.

- (a) If the developer is a corporation, list:
- 1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
  - 2. the directors and officers of the corporation (if different from persons listed for Question 2(a)1).
- (b) If the developer is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee

3. Describe the role of the developer in the project as distinct from the borrower:

4. What due diligence has the mortgage brokerage done regarding the background and experience of the developer?

**5. Describe the developer's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the developer was/is involved in a project that has had a mortgage default and power of sale proceeding).**

**6. What due diligence has the mortgage brokerage done to confirm the developer's background and experience with construction/development projects?**

<b>7. Has the developer or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:</b>	<b>Yes/ No/ Unknown</b>
(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the developer, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	

If yes or unknown, to any of the responses in Question 7, explain:

### **Part C - The Mortgage Brokerage**

#### **1. Organization of the mortgage brokerage**

Jurisdiction of Incorporation/Organization: Ontario	Date of Incorporation/Organization (yyyy-mm-dd): 2008-09-10
--	--



**2. Describe the brokerage's ownership/control structure.**

(a) If the mortgage brokerage is a corporation, list:

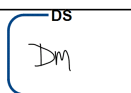
1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for Question 2(a)1).

(b) If the mortgage brokerage is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust, including investment decisions.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee
2060762 Ontario Inc.	Waterloo, ON	50.00%	Shareholder
The Marshall Group Inc.	Waterloo, ON	50.00%	Shareholder
Gregory Lester Zehr, CEO & Co-Founder	Waterloo, ON		Director
David Gilmore Marshall, President & Co-Founder	Waterloo, ON		Director
Gregory Lester Zehr, CEO & Co-Founder	Waterloo, ON		Officer
David Gilmore Marshall, President & Co-Founder	Waterloo, ON		Officer
William Cecil Hayes, COO	Waterloo, ON		Officer
Murray Alexander Snedden, CFO	Waterloo, ON		Officer

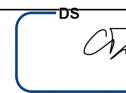
Mortgage Broker initials:

Date: 10/31/2022



Investor/lender initials:

Date: 10/31/2022



## Section 10 – Attached Documents

Important: The investor/lender should review the following documents carefully and assess the risks of this investment before committing to invest. The investor/lender should check that all documents are consistent with this disclosure summary. The following documents should be attached. If not available or applicable, provide comments below.

- ☒ A copy of the appraisal of the property, that satisfies the criteria as set out in subsection 31.1(1)2 of O. Reg. 188/08.
- ☒ If the investment is in, or the loan is in respect of, an existing mortgage, a copy of the mortgage instrument.
- ☒ If the investment is in, or the loan is in respect of, an existing mortgage, a statement indicating whether the mortgage is in arrears and whether any mortgage payments are delayed or owing.
- ☒ A copy of the certificate of mortgage interest, the assignment of the mortgage or any other document that proves evidence of the investment or loan.
- ☐ If an agreement of purchase and sale in respect of the property relating to the mortgage has been entered into in the preceding 12 months and is available to the mortgage brokerage, a copy of the agreement of purchase and sale.
- ☒ Documentary evidence of the borrower's ability to meet the mortgage payments.
- ☒ A copy of the application for the mortgage and of any documents submitted in support of the application.
- ☐ If the investment is in, or if the loan is in respect of, a new mortgage, documentary evidence of any down payment made by the borrower for the purchase of the property relating to the non-qualified syndicated mortgage.
- ☒ A copy of any administration agreement that is applicable to the investor/lender.
- ☒ A copy of any trust agreement that is applicable to the investor/lender.
- ☒ A copy of the commitment letter or document setting out the terms of the investor/lender's commitment to advance funds to the borrower.
- ☒ A copy of any agreement that the investor/lender may be asked to enter into with the mortgage brokerage.
- ☒ If the borrower is not an individual, the borrower's financial statements as required under subsection 31.1(1)15 of O. Reg. 188/08.
- ☐ All other information, in writing, that an investor/lender of ordinary prudence would consider to be material to a decision about whether to lend money on the security of the property related to the non-qualified syndicated mortgage or to invest in the non-qualified syndicated mortgage.
- ☐ Other documents

\_\_\_\_\_  
\_\_\_\_\_

Comments:

All documents have been provided electronically to the investor prior to the investors original investment in the loan. Documents are available again upon request.

One copy of this form must be provided to the lender/investor, and one copy must be retained by the mortgage brokerage.

Mortgage Broker initials: DS  
DM  
Date: 10/31/2022

Investor/lender initials: DS  
CR  
Date: 10/31/2022

## Section 11 - Declaration by All Other Investor/Lender and the Mortgage Brokerage

### Declaration by Mortgage Brokerage

This **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** has been completed by:

MarshallZehr Group Inc.

Name of Mortgage Brokerage

I hereby confirm and declare that I have fully completed this form in accordance with the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and its regulations and declare it to be accurate in every respect to the best of my knowledge. I have discussed the contents of this form with the investor/lender.

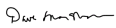
David Marshall

Print name of Mortgage Broker

M09000275

Licence number of Mortgage Broker

DocuSigned by:



Signature of Mortgage Broker

10/31/2022

Date (yyyy-mm-dd)

### Declaration by Investor/Lender

I hereby confirm and declare that receipt of this **Form 3.2 – Disclosure Statement for Investor/Lender Disclosure in a Non-Qualified Syndicated Mortgage**, signed by the mortgage broker.

Aggregated Investments Inc.

Name of Investor/Lender

680 Waterloo Street, London, ON N6A 0B3

Address of Investor/Lender

DocuSigned by:



Signature of Investor/Lender

10/31/2022

Date (yyyy-mm-dd)

## Appendix – Subsection 2(1) of O. Reg. 188/08

### Designated classes of lenders and investors

2(1) For the purposes of this Regulation, a person or entity is a member of a designated class of lenders and investors if the person or entity is a member of any of the following classes:

1. The Crown in right of Ontario, Canada or any province or territory of Canada.
2. A brokerage acting on its own behalf.
3. A financial institution.
4. A corporation that is a subsidiary of a person or entity described in paragraph 1, 2 or 3.
5. A corporation that is an approved lender under the National Housing Act (Canada).
6. An administrator or trustee of a registered pension plan within the meaning of subsection 248 (1) of the Income Tax Act (Canada).
7. A person or entity who is registered as an adviser or dealer under the Securities Act when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
8. A person or entity who is registered under securities legislation in another province or territory of Canada with a status comparable to that described in paragraph 7 when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
9. A person or entity, other than an individual, who has net assets of at least \$5 million as reflected in its most recently-prepared financial statements and who provides written confirmation of this to the brokerage.
10. An individual who, alone or together with his or her spouse, has net assets of at least \$5 million and who provides written confirmation of this to the brokerage.
11. An individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the Securities Act, the cash surrender value of a life insurance contract, a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1 million and who provides written confirmation of this to the brokerage.
12. An individual whose net income before taxes in each of the two most recent years exceeded \$200,000 or whose net income before taxes in each of those years combined with that of his or her spouse in each of those years exceeded \$300,000, who has a reasonable expectation of exceeding the same net income or combined net income, as the case may be, in the current year and who provides written confirmation of this to the brokerage.
13. A person or entity in respect of which all of the owners of interests, other than the owners of voting securities required by law to be owned by directors, are persons or entities described in paragraphs 1 to 12. O. Reg. 188/08, s. 2 (1).

# **EXHIBIT “12”**



# Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage

*Mortgage Brokerages, Lenders and Administrators Act, 2006*

Transaction Number: MZGI-393

## Important Information About This Form

Name of Mortgage Brokerage MarshallZehr Group Inc.			Mortgage Brokerage Licence number 12453	
<b>Address</b>				
Unit Number 100	Street Number 412	Street Name Albert Street		
City/Town Waterloo		Province ON	Postal Code N2L 3V3	
Telephone number 519-342-1000		Email Address msnedden@marshallzehr.com		
Name of Principal Broker Murray Snedden			Principal Broker Licence number M13001624	

### Purpose of Form

This form provides important information to assist the investor/lender in making a decision about investing or lending under the syndicated mortgage proposed by the mortgage brokerage. This disclosure statement is required under subsection 31.1(1)1 of Ontario Regulation 188/08: Mortgage Brokerages Standards of Practice (O. Reg. 188/08) under the *Mortgage Brokerages, Lenders and Administrators Act, 2006 (MBLAA)*.

The mortgage brokerage is required by law to provide the investor/lender with a completed **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** at a minimum two business days before the investor/lender commits to invest/lend.

This disclosure statement and the attached documents are not intended to provide a comprehensive list of factors to consider in making a decision concerning this investment/loan in a non-qualified syndicated mortgage.

### Application of Form

**All non-qualified syndicated mortgages** – This form applies to all syndicated mortgage transactions that do not meet the definition of a "qualified syndicated mortgage." As defined in section 1 of O. Reg. 188/08, a qualified syndicated mortgage is a syndicated mortgage that meets all of the following criteria:

1. It is negotiated or arranged through a mortgage brokerage.
2. It secures a debt obligation on property that,
  - a. is used primarily for residential purposes,
  - b. includes no more than a total of four units, and
  - c. if used for both commercial and residential purposes, includes no more than one unit that is used for commercial purposes.
3. At the time the syndicated mortgage is arranged, the amount of the debt it secures, together with all other debt secured by mortgages on the property that have priority over, or the same priority as, the syndicated mortgage, does not exceed 90 per cent of the fair market value of the property relating to the mortgage, excluding any value that may be attributed to proposed or pending development of the property.

4. It is limited to one debt obligation whose term is the same as the term of the syndicated mortgage.
5. The rate of interest payable under it is equal to the rate of interest payable under the debt obligation.

A syndicated mortgage that secures a debt obligation incurred for the construction or development of property is not a qualified syndicated mortgage.

**All Investors/Lenders** – This form must be provided to each investor/lender in a non-qualified syndicated mortgage, whether or not the investor/lender is part of a designated class of investors/lenders. Members of a "designated class" are defined in subsection 2(1) of O. Reg. 188/08 (Refer to Appendix).

### **Waiting Period**

To enable the investor/lender to thoroughly review the proposed non-qualified syndicated mortgage, this disclosure statement, and to obtain independent legal advice, this **Form 3.2 – Disclosure Statement for Investor/ Lender in a Non-Qualified Syndicated Mortgage**, must be presented to the investor/lender no later than two business days before the earliest of the following events:

1. When the mortgage brokerage receives money from the investor/lender.
2. When the mortgage brokerage enters into an agreement to receive money from the investor/lender.
3. When the investor/lender enters into a mortgage agreement or an agreement to trade in a mortgage.
4. The money is advanced to the borrower under the mortgage.
5. The trade completion date.

**The investor/lender CANNOT waive this two-day waiting period.**

### **Investment Limit**

Section 24.2 of O. Reg. 188/08 limits the amount that an investor/lender can invest/lend in a non-qualified syndicated mortgage to sixty thousand dollars (\$60,000) in any twelve (12)-month period for investors/lenders that are not part of a designated class of lenders and investors (i.e., this limit does not apply to investors/lenders that are part of a designated class). The "designated classes" are defined in subsection 2(1) of O. Reg. 188/08.

When determining whether the applicable limit has been reached for a non-qualified syndicated mortgage, the mortgage brokerage shall not count any investments/loans in respect of non-qualified syndicated mortgages entered into prior to July 1, 2018. By law, the mortgage brokerage cannot sell a proposed non-qualified syndicated mortgage to an investor/lender unless the investor/lender is eligible under these rules. The investor/lender should confirm his/her eligibility with the mortgage brokerage.

### **Record-Keeping**

The mortgage brokerage must provide the investor/lender with a copy of this completed form pursuant to subsection 31.1(1)1 of O. Reg. 188/08, and retain a copy for the mortgage brokerage's records in accordance with sections 46(1)4 and 48 of O. Reg. 188/08.

### **Disclaimer**

This disclosure statement was prepared by the mortgage brokerage and has not been filed with the Financial Services Regulatory Authority of Ontario (FSRA) or other government authority and neither FSRA nor another government authority has reviewed or approved the completed disclosure statement.

## Section 1 – About Your Investment

Name of Investment Project:

Mapleview Refinance - MZGI 393

Address of Property / Security to be Mortgaged:

Unit Number	Street Number 700, 750 & 780	Street Name Mapleview Drive East	
City/Town Barrie	Province ON	Postal Code L4N 0M2	

## Section 2 – Investor/Lender Information

Name

Aggregated Investments Inc.

Mailing address

Unit Number	Street Number 680	Street Name Waterloo Street	
City/Town London	Province ON	Postal Code N6A 0B3	
Telephone number 519-472-8200	Email Address adrewlo10@rogers.com		

**Investor Representative, if applicable (e.g. for entity investor)**

Name Allan Drewlo	Title President
Telephone number 519-671-8073	Email Address adrewlo10@rogers.com

## Section 3 – Investor/Lender Status

☒ Member of a Designated Class who is a/an:

1. Non-Individual, or
2. Individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the *Securities Act*, the cash surrender value of a life insurance contract; a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, **exceeds \$5 million** and who provides written confirmation of this to the brokerage.

**If the investor/lender meets the descriptions in (1) or (2), indicate the following and complete Sections 4 and 5 of this form:**

Type of designated class: (p) on the Certification Form

Type of documentation supporting investor/lender's status:

- ☐ Member of a Designated Class who is not an individual described in (2). **Complete Sections 6 to 11 of this form.**
- ☐ Not a Member of a Designated Class. **Complete Sections 6 to 11 of this form**

The designated classes of lenders and investors are defined in subsection 2(1) of O. Reg. 188/08 (Refer to Appendix). These include classes for certain entities or individuals who have net income before taxes, net assets and net financial assets above a defined limit.



## Section 4 – Disclosure Summary

### Part A – Role of the Brokerage and Other Parties Involved

#### 1. The mortgage brokerage is acting for:

- ☐ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☒ Both the borrower and the investor/lender.

#### 2. Identify the name of following parties involved investment/loan in a non-qualified syndicated mortgage:

Borrower  
Mapleview Developments Ltd.

Developer, if different from the borrower  
Pace Developments

Mortgage Administrator  
MarshallZehr Group Inc.

Licence No.  
11955

Individual or Corporate Guarantor (if applicable)  
See the text box below in 2. for the list of guarantors for this mortgage

### Part B – Loan and Property Details

#### 1. Existing or new mortgage: The investor/lender's investment is to:

- ☐ Purchase a portion of an existing registered mortgage
- ☒ Fund a portion of a new mortgage that has not yet been registered

#### 2. Type of Property:

- ☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)
- ☒ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

#### Guarantors:

Corporate - Pace Developments Inc., Pace Mapleview Ltd., 2552741 Ontario Inc., Pace Group Investments Inc., Urban North On-the-Go Ltd. & Pace Group Holdings Inc.. Personal - Gerardo (Dino) Sciavilla & Yvonne Sciavilla

Phase I and II: Upon completion, Phase I and Phase II will be 311 low-rise townhomes (stacked & freehold). ~50 townhomes have been delivered as of October 21st.

Phase III: Upon completion, Phase III will be 209 low-rise townhomes. All 209 units have been pre-sold to purchasers.

Phase IV: Upon completion, Phase IV will be 321 stacked townhomes. All 321 units have been pre-sold to purchasers.

Phase V: Raw land held by the Borrower that upon zoning approvals, is expected to be developed into ~135 stacked townhomes.

**Phase VI: Raw land held by the Borrower that is zoned for 81 stacked townhomes.**

### 3. Terms of Mortgage

- (a) Amount of your investment (\$): \$5,000,000
- (b) Source(s) of investment funds:
- (c) Face Value of Mortgage Amount (\$): \$47,560,000.00
- (d) Mortgage Term: 16-months
- (e) Maturity Date (yyyy-mm-dd): 2024-02-01
- (f) No. of other investors/lender that have an interest in this mortgage: 0
- (g) Rank of Mortgage (1st, 2nd, 3rd, etc.): (varies-by-phase)
- (h) Provide the name of prior mortgagee(s), if applicable:

**Appendix B on the 3rd amendment (dated October 20th, 2022) has a summary of all mortgage charges for the various phases of the project. This amendment will be provided to the Lender with the FSRA documents for this funding.**

- (i) Existence of a subordination clause (Yes/No): Yes
- (j) Describe the use of the mortgage funds:

**The \$2,860,000 and subsequent draws will be used as a construction revolver to fund hard costs in order to build out Phase 1 & 2.**

### Part C – Appraisal of Property

#### 1. Name, professional designation and address of appraiser:

Name	Professional Designation
Paul Stewart	AACI

Firm Name  
Avison Young Valuation & Advisory Services

#### Address

Unit Number	Street Number	Street Name
50	55	Commerce Valley Drive

City/Town Markham	Province Ontario	Postal Code L3T 7V9
Telephone number 905-968-8030	Email Address paul.stewart@avisonyoung.com	

**2. The date of the appraisal report (yyyy-mm-dd):** 2019-05-23

**3. The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report:** \$57,700,000.00

**4. The effective date of the appraisal (yyyy-mm-dd):** 2019-05-14

**Part D – Loan-to-Value Ratio**

---

(a) Total of prior encumbrances: \$101,697,800.00

(b) Amount of this mortgage: \$47,560,000.00

(c) Total amount of mortgages: (a+b) \$149,257,800.00

(d) Appraised estimated ("as is") value: \$57,700,000.00

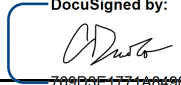
(e) Loan to "as is" value: (c/d X 100) 258.67%

## Section 5 - Declaration by Investor/Lender of Certain Designated Class and the Mortgage Brokerage

### Declaration by the Investor/Lender

I hereby confirm and declare that:

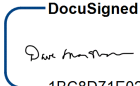
1. I qualify as a member of a designated class of lender and investor as defined in section 2 of O. Reg. 188/08.
2. For an individual who is a member of a designated class: I, alone or together with my spouse, have net financial assets of at least \$5 million. I have provided written confirmation to support my investor/lender status to the mortgage brokerage.
3. I acknowledge the receipt of this **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage**, signed by the mortgage broker, as well as any investment summary and other relevant documents from the mortgage brokerage pertaining to this syndicated mortgage.

Investor/lender Name	Signature of Investor/lender	Date (yyyy-mm-dd)
Aggregated Investments Inc.		
Entity Name (if applicable)		
Allan Drewlo	DocuSigned by: 	11/29/2022
Entity Representative Name	Entity Representative Signature	Date (yyyy-mm-dd)

### Declaration by the Mortgage Brokerage

I hereby confirm and declare that:

1. I have fully completed this **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** in accordance with the *MBLAA* and its regulations and declare it accurate in every respect to the best of my knowledge.
2. I have obtained supporting documentation confirming the investor/lender's status as a member of a designated class of lenders and investors as defined in section 2 of O. Reg. 188/08, and the investor/lender has signed this form, attesting to his/her/its status as a designated class. For an individual who is a member of a designated class, I have obtained documentation confirming the investor/lender, alone or together with his or her spouse, has net financial assets of at least \$5 million.
3. I have discussed the contents of this form and other relevant information pertaining to this syndicated mortgage with the investor/lender. I provided a copy of this form, investment summary and other relevant documents to the investor/lender.

David Marshall	M09000275
Name of Mortgage Broker	Licence number of Mortgage Broker
DocuSigned by:  1BC8D71E02D14DD...	11/29/2022
Signature of Mortgage Broker	Date (yyyy-mm-dd)
MarshallZehr Group Inc.	12453
Mortgage Brokerage Name	Licence number of Mortgage Brokerage

## Section 6 – Caution

All mortgage investments carry risk. There is a relationship between risk and return. In general, the higher the rate of return, the higher the risk of the investment. The investor/lender should very carefully assess the risk of the mortgage transaction described in this disclosure statement and in the supporting documentation before entering into the transaction.

A syndicated mortgage (defined as a mortgage with more than one investor/lender) may carry additional risks not only relating to the risk of default but also to the risks associated with participating in a syndication and the financing of real estate transactions.

By law, the mortgage brokerage must disclose to the investor/lender, in writing, the material risks of the mortgage investment/loan it presents to an investor/lender.

Investors/lenders are strongly advised to obtain independent legal and financial advice before committing to invest/lend in a non-qualified syndicated mortgage. Inexperienced investors should be cautious when deciding to enter into a non-qualified syndicated mortgage investment/loan.

**The general risks related to an investment/loan in non-qualified syndicated mortgages are outlined in Form 3.1 – Suitability Assessment for Investor/Lender in a Non-Qualified Syndicated Mortgage that you, the investor/lender, received on:**

2022-11-28

(yyyy-mm-dd)

Mortgage Broker initials:

Date: 11/29/2022

DS

DM

Investor/lender initials:

Date: 11/29/2022

DS

CD

## Section 7 – Nature of Mortgage Brokerage Relationships

The *Mortgage Brokerages, Lenders and Administrators Act, 2006* requires disclosure of the nature of the relationship between the mortgage brokerage and other persons and entities involved in the mortgage transaction. For the purposes of this form, two persons are "related" if they share any relationship other than an arm's length business relationship. For example, a shareholder, director, officer, partner or employee of a mortgage brokerage is related to the mortgage brokerage and to any mortgage broker or agent authorized to deal or trade in mortgages on behalf of the mortgage brokerage (this group of related parties is referred to as the mortgage brokerage and "its related parties" in this form).

### 1. The mortgage brokerage is acting for:

- ☐ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☒ Both the borrower and the investor/lender.

### 2. Nature of Relationships

Yes/No

(a) Does the mortgage brokerage or any of its related parties have or expect to have a direct or indirect interest in the property identified in Section 8, Part A of this form?	Yes
(b) Does any person who is a close familial relation to any individual who is a mortgage brokerage related party have or expect to have a direct or indirect interest in the property identified in Section 8, Part A of this form?	Yes
(c) Is the mortgage brokerage or any of its related parties related to any of the investors/lenders in the mortgage?	Yes
(d) Is the mortgage brokerage or any of its related parties related to the borrower?	Yes
(e) Is the mortgage brokerage or any of its related parties related to the individual or firm that appraised the property?	No
(f) Is the mortgage brokerage or any of its related parties related to the developer (if the developer is different from the borrower)?	Yes
(g) Is the mortgage brokerage also the mortgage administrator for the non-qualified syndicated investment/loan?	Yes
(h) Is the mortgage brokerage or any of its related parties entitled, directly or indirectly, to a share of the profits earned from the project?	Yes
(i) Has, or will, the mortgage brokerage or any of its related parties provide(d) any goods or services to the borrower or developer whether directly or through an entity owned or controlled by that person or entity?	No
(j) Has, or will, the mortgage brokerage or any of its related parties pay any referral fees in connection with securing investments for this property or non-qualified syndicated mortgage?	Yes
(k) Are there any circumstances or factors, in addition to the above, which may create commercial dependencies as between the mortgage brokerage and its related parties and the borrower, developer or any party related to the borrower or developer (e.g., the mortgage brokerage depends upon transactions with the borrower for a material portion of its revenue)?	Yes

If Yes, to any of the responses in Question 2 explain the relationship and the strategies in place to manage the actual/potential conflict of interest:

MarshallZehr is both the brokerage and administrator of the Mortgage. Being the administrator of the Mortgage allows MarshallZehr to continue to service the Lender's interests after closing of the mortgage transaction.

Greg Zehr and David Marshall are part owners of the project via the co tenant company 2552741 Ontario Inc.( 50% ownership in Mapleview Developments Ltd.) and 2705503 Ontario Inc. (50% ownership in Urban North on the GO Ltd.). The remaining 50% ownership interest in the project is owned by Dino and Yvonne Sciavilla through Pace Mapleview Ltd. and Pace Group Investments Inc..

2552741 Ontario Inc. and 2705503 Ontario Inc. do not hold a secured interest on title to secure it's ownership interest. Mortgage participants will benefit from repayment in advance of receipt of profit by the beneficial owners of the Project; monthly management fees up to the budgeted amount as approved by the lenders prior to funding will be permitted to be paid to Pace and MZ related entities, and any management fees in excess of those forming the initial project budget will require prior consent from the lenders.

The Administrator is related to one of the other Principals that may or may not participate in the Investment either directly or indirectly, namely family members of David Marshall or Greg Zehr and companies owned by Greg Zehr or David Marshall or by Greg Zehr's family trust or David Marshall's family trust.

Facility 1 (Construction): Prime + 8% (Floor of 13.45%)

Interest shall accrue commencing on the date of each advance, calculated daily (365 days/year), compounded monthly and payment deferred until maturity of the loan.

Facility 2 (Mezzanine): Prime + 15% (Floor of 16%)

Interest shall accrue commencing on the date of each advance, calculated daily (365 days/year), compounded monthly and payment deferred until maturity of the loan.

**3. Describe any actual/potential conflicts of interest or relationships in connection with this investment/loan in a non-qualified syndicated mortgage, other than those described in Question 2, and the strategies in place to manage the actual/potential conflict of interest.**

No known existing conflicts of Interest other than those potential conflicts identified above.

Mortgage Broker initials:

Date: 11/29/2022

DS  
DM

Investor/lender initials:

Date: 11/29/2022

DS  
CT





## Section 8 – Property and Mortgage Investment/Loan Details

### Part A – Property/Security to Be Mortgaged

#### 1. Legal and Municipal address of the property:

Legal address

Legal address listed below.

Municipal Address

Unit Number	Street Number 700, 750 & 780	Street Name Mapleview Drive East	
City/Town Barrie	Province Ontario	Postal Code L4N 0M2	

#### 2. Type of Property:

☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)

☒ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

Phase I and II: Upon completion, Phase I and Phase II will be 311 low-rise townhomes (stacked & freehold). ~43 townhomes have been delivered as of the date of this amendment.  
 Phase III: Upon completion, Phase III will be 209 low-rise townhomes. All 209 units have been pre-sold to purchasers.  
 Phase IV: Upon completion, Phase IV will be 321 stacked townhomes. All 321 units have been pre-sold to purchasers.  
 Phase V: Raw land held by the Borrower that upon zoning approvals, is expected to be developed into ~135 stacked townhomes.  
 Phase VI: Raw land held by the Borrower that is zoned for 81 stacked townhomes.

Legal Address:

The applicable Phases 1-5 PINs are as follows: 58091-3884 (LT) to 58091-3891 (LT), inclusive and 58091-3893 (LT) to 58091-3902 (LT), inclusive, 58091-4253 (LT), 58091-4598 (LT), 58091-4639 (LT), 58091-4738 (LT), 58091-4739 (LT), 58091-4740 (LT), 58091-4741 (LT) and 58091-4742 (LT). Phase 6 is PIN 58091-0287 (LT)

#### 3. Appraisal of Property:

Note: Under the *MBLAA*, the estimated market value of the property must reflect its condition and stage of development as of the date of the inspection or within 60 days after that. It cannot depend or rely on assumptions about proposed or future development of, or improvements to, the property or any other conditions not in existence at the date selected for the estimated market value.

(a) Name, professional designation and address of appraiser:

Name	Professional Designation		
Paul Stewart	AACI		
Firm Name			
Avison Young Valuation & Advisory Services			
Address			
Unit Number	Street Number	Street Name	
501	55	Commerce Valley Drive	
City/Town	Province	Postal Code	
Markham	Ontario	L3T 7V9	
Telephone Number	E-mail Address		
905-968-8030	paul.stewart@avisonyoung.com		

- (b) The date the appraiser conducted the inspection of the property (yyyy-mm-dd): 2019-04-10
- (c) The date of the appraisal report (yyyy-mm-dd): 2019-05-23
- (d) The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report: \$57,700,000.00
- (e) The effective date of the appraisal (yyyy-mm-dd): 2019-05-14

**4. Property Taxes:**

(a) Annual property taxes: \_\_\_\_\_

Are taxes in arrears?

☐ Yes

☐ No

☒ Investor/Lender's Solicitor to verify taxes prior to closing or ensure coverage under title insurance

If yes, amount of arrears: \_\_\_\_\_

**5. Condominium Fees (If applicable):**

(a) Monthly condominium fees: \_\_\_\_\_

Are fees in arrears?

☐ Yes

☐ No

If Yes, amount of arrears: \_\_\_\_\_

**6. Zoning: Is the zoning on the property appropriate for the proposed use?**

☒ Yes

☐ No

If No, provide details:

Zoning is in place for phases 1-4 & 6.

Phase 5 zoning is not approved yet but is in process of re-zoning with strong support from the City; rezoning on Phase 5 anticipated to be received by Q4 2022 or Q1 2023.

**Part B - Mortgage Particulars****1. Is the mortgage to fund the purchase of property?**☐ Yes☒ No

If Yes, describe the current ownership of the property and purchase arrangements:

If No, set out the purchase price and date of the purchase:

Purchase Price of Property:

Date of Purchase (yyyy-mm-dd):

\$35,461,750.00

**2. Will the mortgage proceeds be used to refinance, pay out, straight renew, renew with material change, redeem or reduce an existing mortgage on this property?**☒ Yes If yes complete (a) and (b)☐ No

(a) Select how the proceeds will be used:

☒ Refinance☒ Pay out☐ Straight renew☐ Renew with material change☐ Redeem☐ Reduce an existing mortgage☐ Other

(b) Explain your answer for (a):

\$35,461,750 purchase price referenced above is the sum of the Phase 1-5 purchase price (\$31,611,750; December 2016) and the Phase 6 purchase price (\$3,850,000; January 2020).

The initial advance of the loan (\$10,900,000) was used to refinance the MZGI 273 loan. The 2nd advance of the loan was used to fund hard costs in the project. The 3rd advance is going to be used to pay trade payables on site. The 4th advance (\$2.86MM) will be used to fund hard costs in Phase 1-2.

**3. Nature of investment or loan:**

(a) The investor/lender's investment represents:

- ☒ Participation in a mortgage
- ☐ Trade of a participation in a mortgage
- ☐ Any other interest or participation in a mortgage

Explain: 100% of the MZGI 393 loan will be funded by  
Aggregated Investments Inc.

(b) Percentage of total investor/lender's portion: 10.51%

(c) Number of other parties that have an interest in this mortgage: 0

(d) In what name(s) will the mortgage be registered?

MarshallZehr Group Inc.

(e) If the mortgage is not registered in the investor/lender's name, the mortgage brokerage must provide an explanation:

The mortgage is registered in the name of the Mortgage Administrator. The Mortgage Administrator holds the mortgage in trust for all investors.

**4. Existing or new mortgage: The investor/lender's investment is to:**

- ☒ Purchase a portion of an existing registered mortgage
- ☐ Fund a portion of a new mortgage that has not yet been registered

**5. If this investment is a purchase of an existing mortgage or a portion of an existing mortgage, is the mortgage now in default?**

- ☐ Yes
- ☒ No

Has it been in default in the last twelve months?

- ☐ Yes
- ☒ No

If Yes to either, explain:

6. Administered Mortgage: Will the mortgage be administered for the investor/lender?

- ☒ Yes  
☐ No

If "Yes, name, address and licence number of mortgage administrator:

Name		Licence Number	
MarshallZehr Group Inc.		11955	
Address			
Unit Number	Street Number	Street Name	
Suite 100	412	Albert Street	
City/Town		Province	Postal Code
Waterloo		Ontario	N2L 3V3
Telephone number		Email Address	
519-342-1000		msnedden@marshallzehr.com	

Note: A Mortgage Administrator must be licensed under the MBLAA.

7. Terms of the Mortgage

Amount of your investment:	\$5,000,000.00	Term:	16-months
Face value of the mortgage:	\$47,560,000.00	Amortization:	Interest-only
Interest rate		Maturity date (yyyy-mm-dd):	2024-02-01
<input type="radio"/> Fixed <input checked="" type="radio"/> Variable    Percentage per annum:		Balance on maturity:	
Explain the interest rate:	Prime+8%	Borrower's first payment due (yyyy-mm-dd):	
Compounding period:	Monthly	Borrower's rate of interest if different from the rate of interest to be paid to the investor:	13.95%
Payment frequency:	Deferred-to-maturity	Investor's rate of interest:	13.95%
Payments to be made by borrower:			
Payments to the investor/lender:			
Source of funds: No interest reserve on this loan as all of the interest will be accrued until maturity.			

**8. Rank of Mortgage (according to information from borrower):**

(a) The mortgage to be purchased/advanced is/will be a:

☐ First☐ Second☐ Third☒ Other mortgage Varies from a 2nd to 4th mortgage.

(b) Can the rank of the mortgage change?

☒ Yes☐ No

If Yes, explain how it might change and if it is expected to change:

This can change if a senior lender funds into one of the phases.

**9. Prior encumbrances:**

(a) Are there any prior encumbrances (existing or anticipated)?

☒ Yes☐ No**Encumbrance A**

Priority	Face Amount	Amount Owing
1st Mortgage	\$132,500,000.00	\$98,812,800.00

In default?

☐ Yes☒ No☐ Unknown

If yes, explain:

\$132,500,000 represents the mortgage charge from KingSett.

The \$98,812,800 will be receiving paydowns from unit closings by the end of October.

Name of Mortgagee:

KingSett Capital

Encumbrance B		
Priority 1st	Face Amount \$2,885,000.00	Amount Owing \$2,885,000.00
In default? <input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown		
If yes, explain:          		
Name of Mortgagee: Vector Financial Services Ltd.		

(b) Other encumbrances, including environmental, regulatory and/or liens:

Westmount Guarantee has Deposit Insurance Facilities on Phases 1-4.

No environmental concerns.

## 10. Loan-to-Value Ratio

(a) Total of prior encumbrances:	<u>\$101,697,800.00</u>
(b) Amount of this mortgage:	<u>\$47,560,000.00</u>
(c) Total amount of mortgages: (a + b)	<u>\$149,257,800.00</u>
(d) Appraised estimated ("as is") value:	<u>\$57,700,000.00</u>
(e) Loan to "as is" value: (c/d X 100)	<u>258.67%</u>

**11. Amount of Mortgage Advance**

If the amount of the mortgage advance is less than the face value of the mortgage, explain:

The initial advance of \$10.9mm was advanced in July 2021. The second advance of \$12mm went into the project in January of 2022. The 3rd advance (\$11,400,000) will be injected into the project to pay trade payables. The 4th advance (subject advance) will be used to pay for hard costs in Phases 1 and 2.

Project Status/Overview:

- The first 4 phases are made up of 841 low-rise units that are all pre-sold.
- These 841 units are generating a total of \$477,514,944 of net revenue.

**12. Legal Rights of Investor/Lender**

Describe the legal rights of the investor/lender and nature of the investment including, but not limited to:

(a) right of the borrower or mortgage administrator to:

1. extend the term of the mortgage loan;
2. require the mortgage be subordinated to subsequent financing;
3. waive defaults under the mortgage loan;
4. increase the amount of the mortgage;
5. amend the terms of the mortgage and/or loan agreement; and
6. pay proceeds from the sale of the property based on a priority scheme other than that set out under Question 8(a).

(b) the rights of the investor/lender on default by the borrower, and the rights of the lender/investor to share the proceeds of any recovery from the borrower, in particular, the investor/lender's voting rights and whether the investor/lender has the right to institute individual legal action against the borrower, and, if not, the person or persons who may institute or co-ordinate the institution of legal action against the borrower.

The response "Refer to Administration Agreement" is not acceptable.

The Borrower holds a Renewal Option under the commitment letter for a 6 month extension provided the Borrower is not in default of any of its obligations under the Commitment or any Lender security. Any extensions beyond the end of the renewal term must be approved by the lenders.

MarshallZehr must notify the lender of written notices of default issued to the Borrower.

An increase to the mortgage requires lender consent.

Material terms of the mortgage require the lenders consent to be amended. Clerical amendments may be completed without consent or notice.

Provided that the Borrower is not in default, the Lender shall provide partial discharges of Project units (or parcels of land, if required) on the closing of a unit sale transaction provided the Borrower pays the Lender Net Sales Proceeds of each sale.

Each investor holds a proportionate share of voting rights based on their proportionate share of principal invested.

Investors in senior tranches/facilities/loans may have priority voting rights subject to any subordination and standstill agreements between the various lender parties.

The lender holds a 100% undivided interest in the mortgage, subject only to subordination and standstill with respect to senior ranking mortgage charges held by Kingsett, Vector and Westmount.



**Part C - Fees****1. Fees and charges payable by the investor/lender:**

(a) Fees and charges (please indicate fees and charges on the basis of the investor/lender's portion of the loan only).

Estimate	
Mortgage brokerage fee/commission/other costs:	
Approximate legal fees and disbursements:	
Administration fees (where applicable):	
Specify any other charges:	

Total:

(b) Are any of the fees or charges refundable?

☐ Yes☐ No

Explain:

**2. Fees and costs payable by the borrower:**

Type of Fee or Cost (i.e., purpose)	Payable To	Estimate
Lender Fee (crystallized to loan amount)	Lender	\$260,000.00
Legal Costs + Title and Disbursements (Estimate)	Borrower/Lenders Lawyers	\$0.00
Administration Fee (Estimate)	MarshallZehr Group Inc.	\$0.00

**Part D - Project and Use of Funds****1. Briefly describe the project and plans for the use of funds:**

This loan is to pay trade payables. The sources and uses in number 2 are total sources and uses for the servicing & construction of Phases 1-3.

**2. Use of loan proceeds:****(a) Construction/Development Loans:**

<b>Intended use of available funds</b>	<b>Amount (\$)</b>	<b>Party Receiving Payment (indicate if the party is a related party)</b>
Soft costs (e.g. applying for zoning charges, advertising, interior design and architect fees)		
Construction costs	\$131,584,600.00	Non-related
Payment of fees to brokerage, lawyers, etc.		
Payment of interest	\$25,253,300.00	Drewco Development Corp. & KingSett Capital
Specify any other costs:		
Land and Servicing Costs	\$131,550,000.00	Non-related
Development Costs	\$33,417,300.00	Non-related
Soft Costs	\$7,410,300.00	Non-related

**(b) Loans other than Construction/Development**

<b>Intended use of available funds</b>	<b>Amount (\$)</b>	<b>Party Receiving Payment (indicate if the party is a related party)</b>
Specify costs:		

**3. Will funds be raised from investors/lenders in stages?**☒ Yes☐ No

If Yes, disclose the period over which the funds will be raised and the criteria to determine when they will be raised:

Estimated Timeline:

October 25th - \$2,860,000  
November 4th - \$4,000,000  
November 30th - 6,400,000

Dates subject to shift slightly but these are the best estimates.

**4. Identify any person who will monitor, or assist in monitoring, the disbursement of funds to the borrower. If this person is NOT the Mortgage Administrator detailed in Section 8, Part B, Question 6, provide details. Note: A Mortgage Administrator must be licensed under the MBLAA.**

The Glynn Group is the QS on the entire Maplevue Development.

**5. Are there any arrangements under which any part of the funds raised will only become available to the borrower if certain conditions are fulfilled?**

☐ Yes

☒ No

If Yes, describe those conditions and the procedure for the return of funds to the investor/lender if the conditions are not met and any deduction or penalty imposed on the borrower or any other person for not meeting the conditions:

All terms and conditions must be met from the commitment & 3rd amendment (October 20th, 2022) in order to advance any funds.

**6. Describe any other information material to the use of the funds:**

Funds to be used as a revolver to fund trades & financing costs.

## Part E - Material Risks

Investments in non-qualified syndicated mortgages are speculative and involve a high degree of risk. Investors should be aware that this investment has not only the usual risks associated with the financial ability of the borrower to make repayments but also risks associated with financing real estate and other risks associated with syndication. Identified risks should include risks associated with non-qualified syndicated mortgages generally, the terms of this specific non-qualified syndicated mortgage and the specific characteristics and circumstances of this project.

The general risks of a non-qualified syndicated mortgage investment/loan are detailed in **Form 3.1 – Suitability Assessment for Investor/Lender in a Non-Qualified Syndicated Mortgage** that you (the investor/lender) have already acknowledged receiving earlier. These material risks should be consistent with those outlined to you earlier and also include those risks that are specific to this non-qualified syndicated mortgage investment/loan.

**Disclose the material risks of the investment (attach additional pages as required):**

These are the generic risks inherent in this mortgage:

Market Risk, Construction Risk, Economic Risk, Legislative and Regulatory Risk, Re-financing Risk, Environmental Risk, Budget Risk, Political Risk, Investment Risk, Currency Risk, Geographic Risk, Weather Risk, Liquidity Risk and Concentration/Exposure Risk.


See Rider attached for further disclosure regarding this transaction.

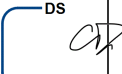
## Part F - Material Contracts

- 1. Give particulars of every material contract relating to the offering of the investment entered into or to be entered into by the borrower or the mortgage brokerage or, if applicable, any of the affiliates of the borrower or mortgage brokerage, within the last two years of the date of this form and, where the material contracts are not attached to this form, state a time and place at which those contracts or copies of those contracts may be inspected.**

MarshallZehr Group Inc. Commitment Letter including all documents referenced therein.  
Mortgage Administration and/or co-lending agreements with Lenders.  
Borrower enters into contracts with trades/vendors/consultants/professionals for completion of works contemplated in the construction of the project.

Contracts made available at lenders request.

Mortgage Broker initials: <sup>DS</sup>  
Date: 11/29/2022 

Investor/lender initials: <sup>DS</sup>  
Date: 11/29/2022 

Section 9 – Transaction Parties

Part A - The Borrower

1. The borrower is:

- ☐ An individual
- ☒ A Corporation/Partnership/Other

2. Name and Municipal Address of the borrower:

Name			
Mapleview Developments Ltd.			
Municipal Address			
Unit Number	Street Number	Street Name	
Unit 3 Building A	30	Wertheim Court	
City/Town	Province		Postal Code
Richmond Hill	Ontario		L4B 1B9
Jurisdiction of Incorporation (if applicable)		Date of Incorporation (yyyy-mm-dd):(if applicable)	
Ontario		2016-07-08	

**3. Describe the borrower's ownership/control structure.**

(a) If the borrower is a corporation, list:

1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for Question 3(a)1).

(b) If the borrower is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee
Pace Mapleview Ltd.	Richmond Hill, Ontario	50.00%	Shareholder
2552741 Ontario Inc.	Waterloo, Ontario	50.00%	Shareholder
Dino Sciavilla, President	Vaughan, Ontario		Director
Dino Sciavilla, President	Vaughan, Ontario		Officer
Yvonne Sciavilla, Secretary-Treasurer	Vaughan, Ontario		Director
Yvonne Sciavilla, Secretary-Treasurer	Vaughan, Ontario		Officer
Gregory Zehr, Vice President	Waterloo, Ontario		Director
Gregory Zehr, Vice President	Waterloo, Ontario		Officer
David Marshall	Waterloo, Ontario		Director
David Marshall	Waterloo, Ontario		Officer

**4. Has the mortgage brokerage verified the identity of the borrower(s)?**

- ☒ Yes
- ☐ No

If Yes, evidence of identity is attached or will be provided on Date (yyyy-mm-dd): \_\_\_\_\_

If No, explain what steps the mortgage brokerage will take to verify the identity before closing:

MarshallZehr conducted AML on Obligors on closing of the loan in 2022.

**5. Is the borrower the Developer of the project:**

- ☒ Yes      If Yes, proceed to Question 6.
- ☐ No      If No, proceed to Question 9.

**6. What is the borrower's Tarion Warranty Corporation number?** 46,303

**7. Describe the borrower's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the borrower was/is a party to a project that has had a mortgage default and power of sale proceeding).**

The Borrower is a co-tenancy entity under the Pace umbrella. Pace, the active development partner in the cotenancy, has completed numerous successful projects in joint ventures and over the past 10 years has completed over 500 units under it's own Tarion license.

**8. What due diligence has the mortgage brokerage done to confirm the borrower's background and experience with construction/development projects?**

Review of Borrowers Tarion experience  
Review of previous project/history

**9. Has the borrower or any of the principals of the borrower (directors, officers, owners, partners or majority shareholders) been involved in any of the following:**

**Yes/  
No/  
Unknown**

(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	Unknown
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the borrower, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	Unknown
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	Unknown
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	Unknown

If yes or unknown, to any of the responses in Question 9, explain:

Legal counsel is not undertaking an updated litigation search in connection with this amendment and increase to the loan.

**10. Borrower's Financial Information – Documentary evidence of the borrower's ability to meet the mortgage payments must be attached to this form. If the borrower is not an individual, the borrower's most recent comparative financial statements in respect of the one or, if available, two most recent years before the date of this Disclosure Statement are for the following years:**

Year 1: 2,020 Year 2: 2,019

Note: The borrower's financial statements must be prepared in accordance with subsection 31.1(1)15 of O. Reg 188/08.

**11. Does the mortgage include a personal covenant, guarantee or other financial commitment?**

☒ Yes

☐ No

If Yes, please describe (including a description of who provided the covenant, guarantee or commitment):

The mortgage will include guarantees from: Pace Developments Inc., Pace Group Investments Inc., Pace Mapleview Ltd., 2552741 Ontario Inc., Urban North on-the-go Ltd. and Pace Group Holdings Inc. Personal guarantees are provided by Dino Sciavilla and Yvonne Sciavilla.

## Part B - The Developer

### 1. Name, address and Tarion Warranty Corporation number of the developer

Name			Tarion Warranty Corporation number	
Address				
Unit Number	Street Number	Street Name		
City/Town		Province	Postal Code	
Jurisdiction of Incorporation (if applicable)			Date of Incorporation (yyyy-mm-dd) (if applicable)	



2. Describe the developer’s ownership/control structure.

- (a) If the developer is a corporation, list:
- 1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
  - 2. the directors and officers of the corporation (if different from persons listed for Question 2(a)1).
- (b) If the developer is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee

3. Describe the role of the developer in the project as distinct from the borrower:

4. What due diligence has the mortgage brokerage done regarding the background and experience of the developer?

**5. Describe the developer's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the developer was/is involved in a project that has had a mortgage default and power of sale proceeding).**

**6. What due diligence has the mortgage brokerage done to confirm the developer's background and experience with construction/development projects?**

<b>7. Has the developer or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:</b>	<b>Yes/ No/ Unknown</b>
(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the developer, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	

If yes or unknown, to any of the responses in Question 7, explain:

### **Part C - The Mortgage Brokerage**

#### **1. Organization of the mortgage brokerage**

Jurisdiction of Incorporation/Organization: Ontario	Date of Incorporation/Organization (yyyy-mm-dd): 2008-09-10
--	--

**2. Describe the brokerage's ownership/control structure.**

(a) If the mortgage brokerage is a corporation, list:

1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for Question 2(a)1).

(b) If the mortgage brokerage is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust, including investment decisions.

<b>Name and Occupation</b>	<b>Address (City, Province)</b>	<b>% share of entity</b>	<b>Director/ Officer/ Partner/ Shareholder/ Trustee</b>
2060762 Ontario Inc.	Waterloo, ON	50.00%	Shareholder
The Marshall Group Inc.	Waterloo, ON	50.00%	Shareholder
Gregory Lester Zehr, CEO & Co-Founder	Waterloo, ON		Director
David Gilmore Marshall, President & Co-Founder	Waterloo, ON		Director
Gregory Lester Zehr, CEO & Co-Founder	Waterloo, ON		Officer
David Gilmore Marshall, President & Co-Founder	Waterloo, ON		Officer
William Cecil Hayes, COO	Waterloo, ON		Officer
Murray Alexander Snedden, CFO	Waterloo, ON		Officer


Mortgage Broker initials:

Date: 11/29/2022



Investor/lender initials:

Date: 11/29/2022



## Section 10 – Attached Documents

Important: The investor/lender should review the following documents carefully and assess the risks of this investment before committing to invest. The investor/lender should check that all documents are consistent with this disclosure summary. The following documents should be attached. If not available or applicable, provide comments below.

- ☒ A copy of the appraisal of the property, that satisfies the criteria as set out in subsection 31.1(1)2 of O. Reg. 188/08.
- ☒ If the investment is in, or the loan is in respect of, an existing mortgage, a copy of the mortgage instrument.
- ☒ If the investment is in, or the loan is in respect of, an existing mortgage, a statement indicating whether the mortgage is in arrears and whether any mortgage payments are delayed or owing.
- ☒ A copy of the certificate of mortgage interest, the assignment of the mortgage or any other document that proves evidence of the investment or loan.
- ☐ If an agreement of purchase and sale in respect of the property relating to the mortgage has been entered into in the preceding 12 months and is available to the mortgage brokerage, a copy of the agreement of purchase and sale.
- ☒ Documentary evidence of the borrower's ability to meet the mortgage payments.
- ☒ A copy of the application for the mortgage and of any documents submitted in support of the application.
- ☐ If the investment is in, or if the loan is in respect of, a new mortgage, documentary evidence of any down payment made by the borrower for the purchase of the property relating to the non-qualified syndicated mortgage.
- ☒ A copy of any administration agreement that is applicable to the investor/lender.
- ☒ A copy of any trust agreement that is applicable to the investor/lender.
- ☒ A copy of the commitment letter or document setting out the terms of the investor/lender's commitment to advance funds to the borrower.
- ☒ A copy of any agreement that the investor/lender may be asked to enter into with the mortgage brokerage.
- ☒ If the borrower is not an individual, the borrower's financial statements as required under subsection 31.1(1)15 of O. Reg. 188/08.
- ☐ All other information, in writing, that an investor/lender of ordinary prudence would consider to be material to a decision about whether to lend money on the security of the property related to the non-qualified syndicated mortgage or to invest in the non-qualified syndicated mortgage.
- ☐ Other documents

\_\_\_\_\_  
 \_\_\_\_\_

### Comments:

All documents have been provided electronically to the investor prior to the investors original investment in the loan. Documents are available again upon request.

One copy of this form must be provided to the lender/investor, and one copy must be retained by the mortgage brokerage.

Mortgage Broker initials:

Date: 11/29/2022

DS  
DM

Investor/lender initials:

Date: 11/29/2022

DS  
CD

## Section 11 - Declaration by All Other Investor/Lender and the Mortgage Brokerage

### Declaration by Mortgage Brokerage

This **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** has been completed by:

MarshallZehr Group Inc.


Name of Mortgage Brokerage

I hereby confirm and declare that I have fully completed this form in accordance with the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and its regulations and declare it to be accurate in every respect to the best of my knowledge. I have discussed the contents of this form with the investor/lender.

David Marshall

Print name of Mortgage Broker

DocuSigned by:



1BC8D71E02D14DD

Signature of Mortgage Broker

M09000275

Licence number of Mortgage Broker

11/29/2022

Date (yyyy-mm-dd)

### Declaration by Investor/Lender

I hereby confirm and declare that receipt of this **Form 3.2 – Disclosure Statement for Investor/Lender Disclosure in a Non-Qualified Syndicated Mortgage**, signed by the mortgage broker.

Aggregated Investments Inc.

Name of Investor/Lender

680 Waterloo Street, London, ON N6A 0B3

Address of Investor/Lender

DocuSigned by:



709D5E1771A0490...

Signature of Investor/Lender

11/29/2022

Date (yyyy-mm-dd)

## Appendix – Subsection 2(1) of O. Reg. 188/08

### Designated classes of lenders and investors

2(1) For the purposes of this Regulation, a person or entity is a member of a designated class of lenders and investors if the person or entity is a member of any of the following classes:

1. The Crown in right of Ontario, Canada or any province or territory of Canada.
2. A brokerage acting on its own behalf.
3. A financial institution.
4. A corporation that is a subsidiary of a person or entity described in paragraph 1, 2 or 3.
5. A corporation that is an approved lender under the National Housing Act (Canada).
6. An administrator or trustee of a registered pension plan within the meaning of subsection 248 (1) of the Income Tax Act (Canada).
7. A person or entity who is registered as an adviser or dealer under the Securities Act when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
8. A person or entity who is registered under securities legislation in another province or territory of Canada with a status comparable to that described in paragraph 7 when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
9. A person or entity, other than an individual, who has net assets of at least \$5 million as reflected in its most recently-prepared financial statements and who provides written confirmation of this to the brokerage.
10. An individual who, alone or together with his or her spouse, has net assets of at least \$5 million and who provides written confirmation of this to the brokerage.
11. An individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the Securities Act, the cash surrender value of a life insurance contract, a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1 million and who provides written confirmation of this to the brokerage.
12. An individual whose net income before taxes in each of the two most recent years exceeded \$200,000 or whose net income before taxes in each of those years combined with that of his or her spouse in each of those years exceeded \$300,000, who has a reasonable expectation of exceeding the same net income or combined net income, as the case may be, in the current year and who provides written confirmation of this to the brokerage.
13. A person or entity in respect of which all of the owners of interests, other than the owners of voting securities required by law to be owned by directors, are persons or entities described in paragraphs 1 to 12. O. Reg. 188/08, s. 2 (1).

# **EXHIBIT “13”**



## Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage

*Mortgage Brokerages, Lenders and Administrators Act, 2006*

Transaction Number: MZGI-393

### Important Information About This Form

Name of Mortgage Brokerage MarshallZehr Group Inc.			Mortgage Brokerage Licence number 12453
<b>Address</b>			
Unit Number 100	Street Number 412	Street Name Albert Street	
City/Town Waterloo		Province ON	Postal Code N2L 3V3
Telephone number 519-342-1000		Email Address msnedden@marshallzehr.com	
Name of Principal Broker Murray Snedden			Principal Broker Licence number M13001624

#### Purpose of Form

This form provides important information to assist the investor/lender in making a decision about investing or lending under the syndicated mortgage proposed by the mortgage brokerage. This disclosure statement is required under subsection 31.1(1)1 of Ontario Regulation 188/08: Mortgage Brokerages Standards of Practice (O. Reg. 188/08) under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* (MBLAA).

The mortgage brokerage is required by law to provide the investor/lender with a completed **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** at a minimum two business days before the investor/lender commits to invest/lend.

This disclosure statement and the attached documents are not intended to provide a comprehensive list of factors to consider in making a decision concerning this investment/loan in a non-qualified syndicated mortgage.

#### Application of Form

**All non-qualified syndicated mortgages** – This form applies to all syndicated mortgage transactions that do not meet the definition of a "qualified syndicated mortgage." As defined in section 1 of O. Reg. 188/08, a qualified syndicated mortgage is a syndicated mortgage that meets all of the following criteria:

1. It is negotiated or arranged through a mortgage brokerage.
2. It secures a debt obligation on property that,
  - a. is used primarily for residential purposes,
  - b. includes no more than a total of four units, and
  - c. if used for both commercial and residential purposes, includes no more than one unit that is used for commercial purposes.
3. At the time the syndicated mortgage is arranged, the amount of the debt it secures, together with all other debt secured by mortgages on the property that have priority over, or the same priority as, the syndicated mortgage, does not exceed 90 per cent of the fair market value of the property relating to the mortgage, excluding any value that may be attributed to proposed or pending development of the property.



4. It is limited to one debt obligation whose term is the same as the term of the syndicated mortgage.
5. The rate of interest payable under it is equal to the rate of interest payable under the debt obligation.

A syndicated mortgage that secures a debt obligation incurred for the construction or development of property is not a qualified syndicated mortgage.

**All Investors/Lenders** – This form must be provided to each investor/lender in a non-qualified syndicated mortgage, whether or not the investor/lender is part of a designated class of investors/lenders. Members of a "designated class" are defined in subsection 2(1) of O. Reg. 188/08 (Refer to Appendix).

### **Waiting Period**

To enable the investor/lender to thoroughly review the proposed non-qualified syndicated mortgage, this disclosure statement, and to obtain independent legal advice, this **Form 3.2 – Disclosure Statement for Investor/ Lender in a Non-Qualified Syndicated Mortgage**, must be presented to the investor/lender no later than two business days before the earliest of the following events:

1. When the mortgage brokerage receives money from the investor/lender.
2. When the mortgage brokerage enters into an agreement to receive money from the investor/lender.
3. When the investor/lender enters into a mortgage agreement or an agreement to trade in a mortgage.
4. The money is advanced to the borrower under the mortgage.
5. The trade completion date.

**The investor/lender CANNOT waive this two-day waiting period.**

### **Investment Limit**

Section 24.2 of O. Reg. 188/08 limits the amount that an investor/lender can invest/lend in a non-qualified syndicated mortgage to sixty thousand dollars (\$60,000) in any twelve (12)-month period for investors/lenders that are not part of a designated class of lenders and investors (i.e., this limit does not apply to investors/lenders that are part of a designated class). The "designated classes" are defined in subsection 2(1) of O. Reg. 188/08.

When determining whether the applicable limit has been reached for a non-qualified syndicated mortgage, the mortgage brokerage shall not count any investments/loans in respect of non-qualified syndicated mortgages entered into prior to July 1, 2018. By law, the mortgage brokerage cannot sell a proposed non-qualified syndicated mortgage to an investor/lender unless the investor/lender is eligible under these rules. The investor/lender should confirm his/her eligibility with the mortgage brokerage.

### **Record-Keeping**

The mortgage brokerage must provide the investor/lender with a copy of this completed form pursuant to subsection 31.1(1)1 of O. Reg. 188/08, and retain a copy for the mortgage brokerage's records in accordance with sections 46(1)4 and 48 of O. Reg. 188/08.

### **Disclaimer**

This disclosure statement was prepared by the mortgage brokerage and has not been filed with the Financial Services Regulatory Authority of Ontario (FSRA) or other government authority and neither FSRA nor another government authority has reviewed or approved the completed disclosure statement.

## Section 1 – About Your Investment

Name of Investment Project:

Mapleview Refinance - MZGI 393

Address of Property / Security to be Mortgaged:

Unit Number	Street Number 700, 750 & 780	Street Name Mapleview Drive East	
City/Town Barrie	Province ON	Postal Code L4N 0M2	

## Section 2 – Investor/Lender Information

Name

Aggregated Investments Inc.

Mailing address

Unit Number	Street Number 680	Street Name Waterloo Street	
City/Town London	Province ON	Postal Code N6A 0B3	
Telephone number 519-472-8200	Email Address adrewlo10@rogers.com		

**Investor Representative, if applicable (e.g. for entity investor)**

Name Allan Drewlo	Title President
Telephone number 519-671-8073	Email Address adrewlo10@rogers.com

## Section 3 – Investor/Lender Status

☒ Member of a Designated Class who is a/an:

1. Non-Individual, or
2. Individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the *Securities Act*, the cash surrender value of a life insurance contract; a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, **exceeds \$5 million** and who provides written confirmation of this to the brokerage.

**If the investor/lender meets the descriptions in (1) or (2), indicate the following and complete Sections 4 and 5 of this form:**

Type of designated class: (p) on the Certification Form

Type of documentation supporting investor/lender's status:

- ☐ Member of a Designated Class who is not an individual described in (2). **Complete Sections 6 to 11 of this form.**
- ☐ Not a Member of a Designated Class. **Complete Sections 6 to 11 of this form**

The designated classes of lenders and investors are defined in subsection 2(1) of O. Reg. 188/08 (Refer to Appendix). These include classes for certain entities or individuals who have net income before taxes, net assets and net financial assets above a defined limit.

## Section 4 – Disclosure Summary

### Part A – Role of the Brokerage and Other Parties Involved

#### 1. The mortgage brokerage is acting for:

- ☐ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☒ Both the borrower and the investor/lender.

#### 2. Identify the name of following parties involved investment/loan in a non-qualified syndicated mortgage:

Borrower  
Mapleview Developments Ltd.

Developer, if different from the borrower  
Pace Developments

Mortgage Administrator  
MarshallZehr Group Inc.

Licence No.  
11955

Individual or Corporate Guarantor (if applicable)  
See the text box below in 2. for the list of guarantors for this mortgage

### Part B – Loan and Property Details

#### 1. Existing or new mortgage: The investor/lender's investment is to:

- ☐ Purchase a portion of an existing registered mortgage
- ☒ Fund a portion of a new mortgage that has not yet been registered

#### 2. Type of Property:

- ☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)
- ☒ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

#### Guarantors:

Corporate - Pace Developments Inc., Pace Mapleview Ltd., 2552741 Ontario Inc., Pace Group Investments Inc., Urban North On-the-Go Ltd. & Pace Group Holdings Inc.. Personal - Gerardo (Dino) Sciavilla & Yvonne Sciavilla

Phase I and II: Upon completion, Phase I and Phase II will be 311 low-rise townhomes (stacked & freehold). ~50 townhomes have been delivered as of October 21st.

Phase III: Upon completion, Phase III will be 209 low-rise townhomes. All 209 units have been pre-sold to purchasers.

Phase IV: Upon completion, Phase IV will be 321 stacked townhomes. All 321 units have been pre-sold to purchasers.

Phase V: Raw land held by the Borrower that upon zoning approvals, is expected to be developed into ~135 stacked townhomes.

**Phase VI: Raw land held by the Borrower that is zoned for 81 stacked townhomes.**

### 3. Terms of Mortgage

- (a) Amount of your investment (\$): \$1,300,000.00
- (b) Source(s) of investment funds: \_\_\_\_\_
- (c) Face Value of Mortgage Amount (\$): \$47,560,000.00
- (d) Mortgage Term: 16-months
- (e) Maturity Date (yyyy-mm-dd): 2024-02-01
- (f) No. of other investors/lender that have an interest in this mortgage: 0
- (g) Rank of Mortgage (1st, 2nd, 3rd, etc.): (varies-by-phase)
- (h) Provide the name of prior mortgagee(s), if applicable:

**Appendix B on the 3rd amendment (dated October 20th, 2022) has a summary of all mortgage charges for the various phases of the project. This amendment will be provided to the Lender with the FSRA documents for this funding.**

- (i) Existence of a subordination clause (Yes/No): Yes
- (j) Describe the use of the mortgage funds:

**The \$2,860,000 and subsequent draws will be used as a construction revolver to fund hard costs in order to build out Phase 1 & 2.**

### Part C – Appraisal of Property

#### 1. Name, professional designation and address of appraiser:

Name	Professional Designation
Paul Stewart	AACI

Firm Name  
Avison Young Valuation & Advisory Services

#### Address

Unit Number	Street Number	Street Name
50	55	Commerce Valley Drive

City/Town Markham	Province Ontario	Postal Code L3T 7V9
Telephone number 905-968-8030	Email Address paul.stewart@avisonyoung.com	

**2. The date of the appraisal report (yyyy-mm-dd):** 2019-05-23

**3. The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report:** \$57,700,000.00

**4. The effective date of the appraisal (yyyy-mm-dd):** 2019-05-14

**Part D – Loan-to-Value Ratio**

---

(a) Total of prior encumbrances: \$101,697,800.00

(b) Amount of this mortgage: \$47,560,000.00

(c) Total amount of mortgages: (a+b) \$149,257,800.00

(d) Appraised estimated ("as is") value: \$57,700,000.00

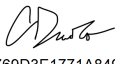
(e) Loan to "as is" value: (c/d X 100) 258.67%

## Section 5 - Declaration by Investor/Lender of Certain Designated Class and the Mortgage Brokerage

### Declaration by the Investor/Lender

I hereby confirm and declare that:


1. I qualify as a member of a designated class of lender and investor as defined in section 2 of O. Reg. 188/08.
2. For an individual who is a member of a designated class: I, alone or together with my spouse, have net financial assets of at least \$5 million. I have provided written confirmation to support my investor/lender status to the mortgage brokerage.
3. I acknowledge the receipt of this **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage**, signed by the mortgage broker, as well as any investment summary and other relevant documents from the mortgage brokerage pertaining to this syndicated mortgage.

Investor/lender Name	Signature of Investor/lender	Date (yyyy-mm-dd)
Aggregated Investments Inc.		
Entity Name (if applicable)		
Allan Drewlo	<div style="border: 1px solid black; padding: 2px;"> <small>DocuSigned by:</small>    <small>769D3E1771A8498</small> </div>	12/19/2022
Entity Representative Name	Entity Representative Signature	Date (yyyy-mm-dd)

### Declaration by the Mortgage Brokerage

I hereby confirm and declare that:

1. I have fully completed this **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** in accordance with the *MBLAA* and its regulations and declare it accurate in every respect to the best of my knowledge.
2. I have obtained supporting documentation confirming the investor/lender's status as a member of a designated class of lenders and investors as defined in section 2 of O. Reg. 188/08, and the investor/lender has signed this form, attesting to his/her/its status as a designated class. For an individual who is a member of a designated class, I have obtained documentation confirming the investor/lender, alone or together with his or her spouse, has net financial assets of at least \$5 million.
3. I have discussed the contents of this form and other relevant information pertaining to this syndicated mortgage with the investor/lender. I provided a copy of this form, investment summary and other relevant documents to the investor/lender.

David Marshall	M09000275
Name of Mortgage Broker	Licence number of Mortgage Broker
<div style="border: 1px solid black; padding: 2px;"> <small>DocuSigned by:</small>    <small>1BC8D71E02D14DD...</small> </div>	12/20/2022
Signature of Mortgage Broker	Date (yyyy-mm-dd)
MarshallZehr Group Inc.	12453
Mortgage Brokerage Name	Licence number of Mortgage Brokerage

## Section 6 – Caution

All mortgage investments carry risk. There is a relationship between risk and return. In general, the higher the rate of return, the higher the risk of the investment. The investor/lender should very carefully assess the risk of the mortgage transaction described in this disclosure statement and in the supporting documentation before entering into the transaction.

A syndicated mortgage (defined as a mortgage with more than one investor/lender) may carry additional risks not only relating to the risk of default but also to the risks associated with participating in a syndication and the financing of real estate transactions.

By law, the mortgage brokerage must disclose to the investor/lender, in writing, the material risks of the mortgage investment/loan it presents to an investor/lender.

Investors/lenders are strongly advised to obtain independent legal and financial advice before committing to invest/lend in a non-qualified syndicated mortgage. Inexperienced investors should be cautious when deciding to enter into a non-qualified syndicated mortgage investment/loan.

**The general risks related to an investment/loan in non-qualified syndicated mortgages are outlined in Form 3.1 – Suitability Assessment for Investor/Lender in a Non-Qualified Syndicated Mortgage that you, the investor/lender, received on:**

2022-12-16

(yyyy-mm-dd)

Mortgage Broker initials:

Date: 12/20/2022

DS  
DM

Investor/lender initials:

Date: 12/19/2022

DS  
AD

## Section 7 – Nature of Mortgage Brokerage Relationships

The *Mortgage Brokerages, Lenders and Administrators Act, 2006* requires disclosure of the nature of the relationship between the mortgage brokerage and other persons and entities involved in the mortgage transaction. For the purposes of this form, two persons are "related" if they share any relationship other than an arm's length business relationship. For example, a shareholder, director, officer, partner or employee of a mortgage brokerage is related to the mortgage brokerage and to any mortgage broker or agent authorized to deal or trade in mortgages on behalf of the mortgage brokerage (this group of related parties is referred to as the mortgage brokerage and "its related parties" in this form).

### 1. The mortgage brokerage is acting for:

- ☐ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☒ Both the borrower and the investor/lender.

### 2. Nature of Relationships

Yes/No

(a) Does the mortgage brokerage or any of its related parties have or expect to have a direct or indirect interest in the property identified in Section 8, Part A of this form?	Yes
(b) Does any person who is a close familial relation to any individual who is a mortgage brokerage related party have or expect to have a direct or indirect interest in the property identified in Section 8, Part A of this form?	Yes
(c) Is the mortgage brokerage or any of its related parties related to any of the investors/lenders in the mortgage?	Yes
(d) Is the mortgage brokerage or any of its related parties related to the borrower?	Yes
(e) Is the mortgage brokerage or any of its related parties related to the individual or firm that appraised the property?	No
(f) Is the mortgage brokerage or any of its related parties related to the developer (if the developer is different from the borrower)?	Yes
(g) Is the mortgage brokerage also the mortgage administrator for the non-qualified syndicated investment/loan?	Yes
(h) Is the mortgage brokerage or any of its related parties entitled, directly or indirectly, to a share of the profits earned from the project?	Yes
(i) Has, or will, the mortgage brokerage or any of its related parties provide(d) any goods or services to the borrower or developer whether directly or through an entity owned or controlled by that person or entity?	No
(j) Has, or will, the mortgage brokerage or any of its related parties pay any referral fees in connection with securing investments for this property or non-qualified syndicated mortgage?	Yes
(k) Are there any circumstances or factors, in addition to the above, which may create commercial dependencies as between the mortgage brokerage and its related parties and the borrower, developer or any party related to the borrower or developer (e.g., the mortgage brokerage depends upon transactions with the borrower for a material portion of its revenue)?	Yes



If Yes, to any of the responses in Question 2 explain the relationship and the strategies in place to manage the actual/potential conflict of interest:

MarshallZehr is both the brokerage and administrator of the Mortgage. Being the administrator of the Mortgage allows MarshallZehr to continue to service the Lender's interests after closing of the mortgage transaction.

Greg Zehr and David Marshall are part owners of the project via the co tenant company 2552741 Ontario Inc.( 50% ownership in Mapleview Developments Ltd.) and 2705503 Ontario Inc. (50% ownership in Urban North on the GO Ltd.). The remaining 50% ownership interest in the project is owned by Dino and Yvonne Sciavilla through Pace Mapleview Ltd. and Pace Group Investments Inc..

2552741 Ontario Inc. and 2705503 Ontario Inc. do not hold a secured interest on title to secure it's ownership interest. Mortgage participants will benefit from repayment in advance of receipt of profit by the beneficial owners of the Project; monthly management fees up to the budgeted amount as approved by the lenders prior to funding will be permitted to be paid to Pace and MZ related entities, and any management fees in excess of those forming the initial project budget will require prior consent from the lenders.

The Administrator is related to one of the other Principals that may or may not participate in the Investment either directly or indirectly, namely family members of David Marshall or Greg Zehr and companies owned by Greg Zehr or David Marshall or by Greg Zehr's family trust or David Marshall's family trust.

Facility 1 (Construction): Prime + 8% (Floor of 13.45%)

Interest shall accrue commencing on the date of each advance, calculated daily (365 days/year), compounded monthly and payment deferred until maturity of the loan.

Facility 2 (Mezzanine): Prime + 15% (Floor of 16%)

Interest shall accrue commencing on the date of each advance, calculated daily (365 days/year), compounded monthly and payment deferred until maturity of the loan.

**3. Describe any actual/potential conflicts of interest or relationships in connection with this investment/loan in a non-qualified syndicated mortgage, other than those described in Question 2, and the strategies in place to manage the actual/potential conflict of interest.**

No known existing conflicts of Interest other than those potential conflicts identified above.

Mortgage Broker initials:

Date: 12/20/2022

DS  
DM

Investor/lender initials:

Date: 12/19/2022

DS  
CD



## Section 8 – Property and Mortgage Investment/Loan Details

### Part A – Property/Security to Be Mortgaged

#### 1. Legal and Municipal address of the property:

Legal address

Legal address listed below.

Municipal Address

Unit Number	Street Number 700, 750 & 780	Street Name Mapleview Drive East	
City/Town Barrie	Province Ontario	Postal Code L4N 0M2	

#### 2. Type of Property:

☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)

☒ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

Phase I and II: Upon completion, Phase I and Phase II will be 311 low-rise townhomes (stacked & freehold). ~43 townhomes have been delivered as of the date of this amendment.  
 Phase III: Upon completion, Phase III will be 209 low-rise townhomes. All 209 units have been pre-sold to purchasers.  
 Phase IV: Upon completion, Phase IV will be 321 stacked townhomes. All 321 units have been pre-sold to purchasers.  
 Phase V: Raw land held by the Borrower that upon zoning approvals, is expected to be developed into ~135 stacked townhomes.  
 Phase VI: Raw land held by the Borrower that is zoned for 81 stacked townhomes.

Legal Address:

The applicable Phases 1-5 PINs are as follows: 58091-3884 (LT) to 58091-3891 (LT), inclusive and 58091-3893 (LT) to 58091-3902 (LT), inclusive, 58091-4253 (LT), 58091-4598 (LT), 58091-4639 (LT), 58091-4738 (LT), 58091-4739 (LT), 58091-4740 (LT), 58091-4741 (LT) and 58091-4742 (LT). Phase 6 is PIN 58091-0287 (LT)

#### 3. Appraisal of Property:

Note: Under the *MBLAA*, the estimated market value of the property must reflect its condition and stage of development as of the date of the inspection or within 60 days after that. It cannot depend or rely on assumptions about proposed or future development of, or improvements to, the property or any other conditions not in existence at the date selected for the estimated market value.

(a) Name, professional designation and address of appraiser:

Name	Professional Designation		
Paul Stewart	AACI		
Firm Name			
Avison Young Valuation & Advisory Services			
Address			
Unit Number 501	Street Number 55	Street Name Commerce Valley Drive	
City/Town Markham	Province Ontario	Postal Code L3T 7V9	
Telephone Number 905-968-8030	E-mail Address paul.stewart@avisonyoung.com		

- (b) The date the appraiser conducted the inspection of the property (yyyy-mm-dd): 2019-04-10
- (c) The date of the appraisal report (yyyy-mm-dd): 2019-05-23
- (d) The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report: \$57,700,000.00
- (e) The effective date of the appraisal (yyyy-mm-dd): 2019-05-14

#### 4. Property Taxes:

(a) Annual property taxes: \_\_\_\_\_

Are taxes in arrears?

☐ Yes

☐ No

☒ Investor/Lender's Solicitor to verify taxes prior to closing or ensure coverage under title insurance

If yes, amount of arrears: \_\_\_\_\_

#### 5. Condominium Fees (If applicable):

(a) Monthly condominium fees: \_\_\_\_\_

Are fees in arrears?

☐ Yes

☐ No

If Yes, amount of arrears: \_\_\_\_\_

#### 6. Zoning: Is the zoning on the property appropriate for the proposed use?

☒ Yes

☐ No

If No, provide details:

Zoning is in place for phases 1-4 & 6.

Phase 5 zoning is not approved yet but is in process of re-zoning with strong support from the City; rezoning on Phase 5 anticipated to be received by Q4 2022 or Q1 2023.

**Part B - Mortgage Particulars****1. Is the mortgage to fund the purchase of property?**

- ☐ Yes
- ☒ No

If Yes, describe the current ownership of the property and purchase arrangements:

If No, set out the purchase price and date of the purchase:

Purchase Price of Property:

\$35,461,750.00

Date of Purchase (yyyy-mm-dd):

**2. Will the mortgage proceeds be used to refinance, pay out, straight renew, renew with material change, redeem or reduce an existing mortgage on this property?**

- ☒ Yes If yes complete (a) and (b)
- ☐ No

(a) Select how the proceeds will be used:

- ☒ Refinance
- ☒ Pay out
- ☐ Straight renew
- ☐ Renew with material change
- ☐ Redeem
- ☐ Reduce an existing mortgage
- ☐ Other

(b) Explain your answer for (a):

\$35,461,750 purchase price referenced above is the sum of the Phase 1-5 purchase price (\$31,611,750; December 2016) and the Phase 6 purchase price (\$3,850,000; January 2020).

The initial advance of the loan (\$10,900,000) was used to refinance the MZGI 273 loan. The 2nd advance of the loan was used to fund hard costs in the project. The 3rd advance is going to be used to pay trade payables on site. The 4th advance (\$2.86MM) will be used to fund hard costs in Phase 1-2.

**3. Nature of investment or loan:**

(a) The investor/lender's investment represents:

- ☒ Participation in a mortgage
- ☐ Trade of a participation in a mortgage
- ☐ Any other interest or participation in a mortgage

Explain: 100% of the MZGI 393 loan will be funded by  
Aggregated Investments Inc.

(b) Percentage of total investor/lender's portion: 2.73%

(c) Number of other parties that have an interest in this mortgage: 0

(d) In what name(s) will the mortgage be registered?

MarshallZehr Group Inc.

(e) If the mortgage is not registered in the investor/lender's name, the mortgage brokerage must provide an explanation:

The mortgage is registered in the name of the Mortgage Administrator. The Mortgage Administrator holds the mortgage in trust for all investors.

**4. Existing or new mortgage: The investor/lender's investment is to:**

- ☒ Purchase a portion of an existing registered mortgage
- ☐ Fund a portion of a new mortgage that has not yet been registered

**5. If this investment is a purchase of an existing mortgage or a portion of an existing mortgage, is the mortgage now in default?**

- ☐ Yes
- ☒ No

Has it been in default in the last twelve months?

- ☐ Yes
- ☒ No

If Yes to either, explain:

6. Administered Mortgage: Will the mortgage be administered for the investor/lender?

- ☒ Yes  
☐ No

If "Yes, name, address and licence number of mortgage administrator:

Name		Licence Number	
MarshallZehr Group Inc.		11955	
Address			
Unit Number	Street Number	Street Name	
Suite 100	412	Albert Street	
City/Town		Province	Postal Code
Waterloo		Ontario	N2L 3V3
Telephone number		Email Address	
519-342-1000		msnedden@marshallzehr.com	

Note: A Mortgage Administrator must be licensed under the MBLAA.

7. Terms of the Mortgage

Amount of your investment:	\$1,300,000.00	Term:	16-months
Face value of the mortgage:	\$47,560,000.00	Amortization:	Interest-only
Interest rate		Maturity date (yyyy-mm-dd):	2024-02-01
<input type="radio"/> Fixed <input checked="" type="radio"/> Variable    Percentage per annum:		Balance on maturity:	
Explain the interest rate:	Prime+8%	Borrower's first payment due (yyyy-mm-dd):	
Compounding period:	Monthly	Borrower's rate of interest if different from the rate of interest to be paid to the investor:	14.45%
Payment frequency:	Deferred-to-maturity	Investor's rate of interest:	14.45%
Payments to be made by borrower:			
Payments to the investor/lender:			
Source of funds: No interest reserve on this loan as all of the interest will be accrued until maturity.			

**8. Rank of Mortgage (according to information from borrower):**

(a) The mortgage to be purchased/advanced is/will be a:

☐ First☐ Second☐ Third☒ Other mortgage Varies from a 2nd to 4th mortgage.

(b) Can the rank of the mortgage change?

☒ Yes☐ No

If Yes, explain how it might change and if it is expected to change:

This can change if a senior lender funds into one of the phases.

**9. Prior encumbrances:**

(a) Are there any prior encumbrances (existing or anticipated)?

☒ Yes☐ No**Encumbrance A**

Priority	Face Amount	Amount Owing
1st Mortgage	\$132,500,000.00	\$98,812,800.00

In default?

☐ Yes☒ No☐ Unknown

If yes, explain:

\$132,500,000 represents the mortgage charge from KingSett.

The \$98,812,800 will be receiving paydowns from unit closings by the end of October.

Name of Mortgagee:

KingSett Capital



Encumbrance B		
Priority 1st	Face Amount \$2,885,000.00	Amount Owing \$2,885,000.00
In default? <input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown		
If yes, explain:          		
Name of Mortgagee: Vector Financial Services Ltd.		

(b) Other encumbrances, including environmental, regulatory and/or liens:

Westmount Guarantee has Deposit Insurance Facilities on Phases 1-4.

No environmental concerns.

## 10. Loan-to-Value Ratio

(a) Total of prior encumbrances:	<u>\$101,697,800.00</u>
(b) Amount of this mortgage:	<u>\$47,560,000.00</u>
(c) Total amount of mortgages: (a + b)	<u>\$149,257,800.00</u>
(d) Appraised estimated ("as is") value:	<u>\$57,700,000.00</u>
(e) Loan to "as is" value: (c/d X 100)	<u>258.67%</u>

**11. Amount of Mortgage Advance**

If the amount of the mortgage advance is less than the face value of the mortgage, explain:

The initial advance of \$10.9mm was advanced in July 2021. The second advance of \$12mm went into the project in January of 2022. The 3rd advance (\$11,400,000) will be injected into the project to pay trade payables. The 4th advance (subject advance) will be used to pay for hard costs in Phases 1 and 2.

Project Status/Overview:

- The first 4 phases are made up of 841 low-rise units that are all pre-sold.
- These 841 units are generating a total of \$477,514,944 of net revenue.

**12. Legal Rights of Investor/Lender**

Describe the legal rights of the investor/lender and nature of the investment including, but not limited to:

(a) right of the borrower or mortgage administrator to:

1. extend the term of the mortgage loan;
2. require the mortgage be subordinated to subsequent financing;
3. waive defaults under the mortgage loan;
4. increase the amount of the mortgage;
5. amend the terms of the mortgage and/or loan agreement; and
6. pay proceeds from the sale of the property based on a priority scheme other than that set out under Question 8(a).

(b) the rights of the investor/lender on default by the borrower, and the rights of the lender/investor to share the proceeds of any recovery from the borrower, in particular, the investor/lender's voting rights and whether the investor/lender has the right to institute individual legal action against the borrower, and, if not, the person or persons who may institute or co-ordinate the institution of legal action against the borrower.

The response "Refer to Administration Agreement" is not acceptable.

The Borrower holds a Renewal Option under the commitment letter for a 6 month extension provided the Borrower is not in default of any of its obligations under the Commitment or any Lender security. Any extensions beyond the end of the renewal term must be approved by the lenders.

MarshallZehr must notify the lender of written notices of default issued to the Borrower.

An increase to the mortgage requires lender consent.

Material terms of the mortgage require the lenders consent to be amended. Clerical amendments may be completed without consent or notice.

Provided that the Borrower is not in default, the Lender shall provide partial discharges of Project units (or parcels of land, if required) on the closing of a unit sale transaction provided the Borrower pays the Lender Net Sales Proceeds of each sale.

Each investor holds a proportionate share of voting rights based on their proportionate share of principal invested.

Investors in senior tranches/facilities/loans may have priority voting rights subject to any subordination and standstill agreements between the various lender parties.

The lender holds a 100% undivided interest in the mortgage, subject only to subordination and standstill with respect to senior ranking mortgage charges held by Kingsett, Vector and Westmount.

**Part C - Fees****1. Fees and charges payable by the investor/lender:**

(a) Fees and charges (please indicate fees and charges on the basis of the investor/lender's portion of the loan only).

Estimate	
Mortgage brokerage fee/commission/other costs:	
Approximate legal fees and disbursements:	
Administration fees (where applicable):	
Specify any other charges:	

Total:

(b) Are any of the fees or charges refundable?

☐ Yes

☐ No

Explain:

**2. Fees and costs payable by the borrower:**

Type of Fee or Cost (i.e., purpose)	Payable To	Estimate
Lender Fee (crystallized to loan amount)	Lender	\$260,000.00
Legal Costs + Title and Disbursements (Estimate)	Borrower/Lenders Lawyers	\$0.00
Administration Fee (Estimate)	MarshallZehr Group Inc.	\$0.00

**Part D - Project and Use of Funds****1. Briefly describe the project and plans for the use of funds:**

This loan is to pay trade payables. The sources and uses in number 2 are total sources and uses for the servicing & construction of Phases 1-3.

**2. Use of loan proceeds:****(a) Construction/Development Loans:**

<b>Intended use of available funds</b>	<b>Amount (\$)</b>	<b>Party Receiving Payment (indicate if the party is a related party)</b>
Soft costs (e.g. applying for zoning charges, advertising, interior design and architect fees)		
Construction costs	\$131,584,600.00	Non-related
Payment of fees to brokerage, lawyers, etc.		
Payment of interest	\$25,253,300.00	Drewco Development Corp. & KingSett Capital
Specify any other costs:		
Land and Servicing Costs	\$131,550,000.00	Non-related
Development Costs	\$33,417,300.00	Non-related
Soft Costs	\$7,410,300.00	Non-related

**(b) Loans other than Construction/Development**

<b>Intended use of available funds</b>	<b>Amount (\$)</b>	<b>Party Receiving Payment (indicate if the party is a related party)</b>
Specify costs:		

**3. Will funds be raised from investors/lenders in stages?**☒ Yes☐ No

If Yes, disclose the period over which the funds will be raised and the criteria to determine when they will be raised:

Estimated Timeline:

October 25th - \$2,860,000  
November 4th - \$4,000,000  
November 30th - 6,400,000

Dates subject to shift slightly but these are the best estimates.

**4. Identify any person who will monitor, or assist in monitoring, the disbursement of funds to the borrower. If this person is NOT the Mortgage Administrator detailed in Section 8, Part B, Question 6, provide details. Note: A Mortgage Administrator must be licensed under the MBLAA.**

The Glynn Group is the QS on the entire Maplevue Development.

**5. Are there any arrangements under which any part of the funds raised will only become available to the borrower if certain conditions are fulfilled?**

☐ Yes

☒ No

If Yes, describe those conditions and the procedure for the return of funds to the investor/lender if the conditions are not met and any deduction or penalty imposed on the borrower or any other person for not meeting the conditions:

All terms and conditions must be met from the commitment & 3rd amendment (October 20th, 2022) in order to advance any funds.

**6. Describe any other information material to the use of the funds:**

Funds to be used as a revolver to fund trades & financing costs.

## **Part E - Material Risks**

Investments in non-qualified syndicated mortgages are speculative and involve a high degree of risk. Investors should be aware that this investment has not only the usual risks associated with the financial ability of the borrower to make repayments but also risks associated with financing real estate and other risks associated with syndication. Identified risks should include risks associated with non-qualified syndicated mortgages generally, the terms of this specific non-qualified syndicated mortgage and the specific characteristics and circumstances of this project.

The general risks of a non-qualified syndicated mortgage investment/loan are detailed in **Form 3.1 – Suitability Assessment for Investor/Lender in a Non-Qualified Syndicated Mortgage** that you (the investor/lender) have already acknowledged receiving earlier. These material risks should be consistent with those outlined to you earlier and also include those risks that are specific to this non-qualified syndicated mortgage investment/loan.

**Disclose the material risks of the investment (attach additional pages as required):**

These are the generic risks inherent in this mortgage:

Market Risk, Construction Risk, Economic Risk, Legislative and Regulatory Risk, Re-financing Risk, Environmental Risk, Budget Risk, Political Risk, Investment Risk, Currency Risk, Geographic Risk, Weather Risk, Liquidity Risk and Concentration/Exposure Risk.

See Rider attached for further disclosure regarding this transaction.

**Part F - Material Contracts**

- 1. Give particulars of every material contract relating to the offering of the investment entered into or to be entered into by the borrower or the mortgage brokerage or, if applicable, any of the affiliates of the borrower or mortgage brokerage, within the last two years of the date of this form and, where the material contracts are not attached to this form, state a time and place at which those contracts or copies of those contracts may be inspected.**

MarshallZehr Group Inc. Commitment Letter including all documents referenced therein.

Mortgage Administration and/or co-lending agreements with Lenders.

Borrower enters into contracts with trades/vendors/consultants/professionals for completion of works contemplated in the construction of the project.

Contracts made available at lenders request.

Mortgage Broker initials:

Date: 12/20/2022

DS  
DM

Investor/lender initials:

Date: 12/19/2022

DS  
CD

Section 9 – Transaction Parties

Part A - The Borrower

1. The borrower is:

- ☐ An individual
- ☒ A Corporation/Partnership/Other

2. Name and Municipal Address of the borrower:

Name			
Mapleview Developments Ltd.			
Municipal Address			
Unit Number	Street Number	Street Name	
Unit 3 Building A	30	Wertheim Court	
City/Town	Province		Postal Code
Richmond Hill	Ontario		L4B 1B9
Jurisdiction of Incorporation (if applicable)		Date of Incorporation (yyyy-mm-dd):(if applicable)	
Ontario		2016-07-08	

**3. Describe the borrower's ownership/control structure.**

(a) If the borrower is a corporation, list:

1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for Question 3(a)1).

(b) If the borrower is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee
Pace Mapleview Ltd.	Richmond Hill, Ontario	50.00%	Shareholder
2552741 Ontario Inc.	Waterloo, Ontario	50.00%	Shareholder
Dino Sciavilla, President	Vaughan, Ontario		Director
Dino Sciavilla, President	Vaughan, Ontario		Officer
Yvonne Sciavilla, Secretary-Treasurer	Vaughan, Ontario		Director
Yvonne Sciavilla, Secretary-Treasurer	Vaughan, Ontario		Officer
Gregory Zehr, Vice President	Waterloo, Ontario		Director
Gregory Zehr, Vice President	Waterloo, Ontario		Officer
David Marshall	Waterloo, Ontario		Director
David Marshall	Waterloo, Ontario		Officer

**4. Has the mortgage brokerage verified the identity of the borrower(s)?**

- ☒ Yes
- ☐ No

If Yes, evidence of identity is attached or will be provided on Date (yyyy-mm-dd): \_\_\_\_\_

If No, explain what steps the mortgage brokerage will take to verify the identity before closing:

MarshallZehr conducted AML on Obligors on closing of the loan in 2022.



**5. Is the borrower the Developer of the project:**

- ☒ Yes      If Yes, proceed to Question 6.
- ☐ No      If No, proceed to Question 9.

**6. What is the borrower's Tarion Warranty Corporation number?** 46,303

**7. Describe the borrower's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the borrower was/is a party to a project that has had a mortgage default and power of sale proceeding).**

The Borrower is a co-tenancy entity under the Pace umbrella. Pace, the active development partner in the cotenancy, has completed numerous successful projects in joint ventures and over the past 10 years has completed over 500 units under it's own Tarion license.

**8. What due diligence has the mortgage brokerage done to confirm the borrower's background and experience with construction/development projects?**

Review of Borrowers Tarion experience  
Review of previous project/history

**9. Has the borrower or any of the principals of the borrower (directors, officers, owners, partners or majority shareholders) been involved in any of the following:**

**Yes/  
No/  
Unknown**

(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	Unknown
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the borrower, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	Unknown
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	Unknown
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	Unknown

If yes or unknown, to any of the responses in Question 9, explain:

Legal counsel is not undertaking an updated litigation search in connection with this amendment and increase to the loan.

**10. Borrower's Financial Information – Documentary evidence of the borrower's ability to meet the mortgage payments must be attached to this form. If the borrower is not an individual, the borrower's most recent comparative financial statements in respect of the one or, if available, two most recent years before the date of this Disclosure Statement are for the following years:**

Year 1: 2,020 Year 2: 2,019

Note: The borrower's financial statements must be prepared in accordance with subsection 31.1(1)15 of O. Reg 188/08.

**11. Does the mortgage include a personal covenant, guarantee or other financial commitment?**

☒ Yes

☐ No

If Yes, please describe (including a description of who provided the covenant, guarantee or commitment):

The mortgage will include guarantees from: Pace Developments Inc., Pace Group Investments Inc., Pace Mapleview Ltd., 2552741 Ontario Inc., Urban North on-the-go Ltd. and Pace Group Holdings Inc. Personal guarantees are provided by Dino Sciavilla and Yvonne Sciavilla.

**Part B - The Developer**

**1. Name, address and Tarion Warranty Corporation number of the developer**

Name			Tarion Warranty Corporation number	
Address				
Unit Number	Street Number	Street Name		
City/Town		Province	Postal Code	
Jurisdiction of Incorporation (if applicable)			Date of Incorporation (yyyy-mm-dd) (if applicable)	

2. Describe the developer’s ownership/control structure.

- (a) If the developer is a corporation, list:
- 1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
  - 2. the directors and officers of the corporation (if different from persons listed for Question 2(a)1).
- (b) If the developer is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee

3. Describe the role of the developer in the project as distinct from the borrower:

4. What due diligence has the mortgage brokerage done regarding the background and experience of the developer?

**5. Describe the developer's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the developer was/is involved in a project that has had a mortgage default and power of sale proceeding).**

--

**6. What due diligence has the mortgage brokerage done to confirm the developer's background and experience with construction/development projects?**

--

7. Has the developer or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:	Yes/ No/ Unknown
(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the developer, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	

If yes or unknown, to any of the responses in Question 7, explain:

--

## Part C - The Mortgage Brokerage

### 1. Organization of the mortgage brokerage

Jurisdiction of Incorporation/Organization: Ontario	Date of Incorporation/Organization (yyyy-mm-dd): 2008-09-10
--	--

**2. Describe the brokerage's ownership/control structure.**

(a) If the mortgage brokerage is a corporation, list:

1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for Question 2(a)1).

(b) If the mortgage brokerage is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust, including investment decisions.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee
2060762 Ontario Inc.	Waterloo, ON	50.00%	Shareholder
The Marshall Group Inc.	Waterloo, ON	50.00%	Shareholder
Gregory Lester Zehr, CEO & Co-Founder	Waterloo, ON		Director
David Gilmore Marshall, President & Co-Founder	Waterloo, ON		Director
Gregory Lester Zehr, CEO & Co-Founder	Waterloo, ON		Officer
David Gilmore Marshall, President & Co-Founder	Waterloo, ON		Officer
William Cecil Hayes, COO	Waterloo, ON		Officer
Murray Alexander Snedden, CFO	Waterloo, ON		Officer

Mortgage Broker initials:

Date: 12/20/2022

DS  
DM

Investor/lender initials:

Date: 12/19/2022

DS  
CD

## Section 10 – Attached Documents

Important: The investor/lender should review the following documents carefully and assess the risks of this investment before committing to invest. The investor/lender should check that all documents are consistent with this disclosure summary. The following documents should be attached. If not available or applicable, provide comments below.

- ☒ A copy of the appraisal of the property, that satisfies the criteria as set out in subsection 31.1(1)2 of O. Reg. 188/08.
- ☒ If the investment is in, or the loan is in respect of, an existing mortgage, a copy of the mortgage instrument.
- ☒ If the investment is in, or the loan is in respect of, an existing mortgage, a statement indicating whether the mortgage is in arrears and whether any mortgage payments are delayed or owing.
- ☒ A copy of the certificate of mortgage interest, the assignment of the mortgage or any other document that proves evidence of the investment or loan.
- ☐ If an agreement of purchase and sale in respect of the property relating to the mortgage has been entered into in the preceding 12 months and is available to the mortgage brokerage, a copy of the agreement of purchase and sale.
- ☒ Documentary evidence of the borrower's ability to meet the mortgage payments.
- ☒ A copy of the application for the mortgage and of any documents submitted in support of the application.
- ☐ If the investment is in, or if the loan is in respect of, a new mortgage, documentary evidence of any down payment made by the borrower for the purchase of the property relating to the non-qualified syndicated mortgage.
- ☒ A copy of any administration agreement that is applicable to the investor/lender.
- ☒ A copy of any trust agreement that is applicable to the investor/lender.
- ☒ A copy of the commitment letter or document setting out the terms of the investor/lender's commitment to advance funds to the borrower.
- ☒ A copy of any agreement that the investor/lender may be asked to enter into with the mortgage brokerage.
- ☒ If the borrower is not an individual, the borrower's financial statements as required under subsection 31.1(1)15 of O. Reg. 188/08.
- ☐ All other information, in writing, that an investor/lender of ordinary prudence would consider to be material to a decision about whether to lend money on the security of the property related to the non-qualified syndicated mortgage or to invest in the non-qualified syndicated mortgage.
- ☐ Other documents

\_\_\_\_\_  
 \_\_\_\_\_

### Comments:

All documents have been provided electronically to the investor prior to the investors original investment in the loan. Documents are available again upon request.

One copy of this form must be provided to the lender/investor, and one copy must be retained by the mortgage brokerage.

Mortgage Broker initials: DS  
DM  
 Date: 12/20/2022

Investor/lender initials: DS  
CD  
 Date: 12/19/2022

## Section 11 - Declaration by All Other Investor/Lender and the Mortgage Brokerage

### Declaration by Mortgage Brokerage

This **Form 3.2 – Disclosure Statement for Investor/Lender in a Non-Qualified Syndicated Mortgage** has been completed by:

MarshallZehr Group Inc.

Name of Mortgage Brokerage

I hereby confirm and declare that I have fully completed this form in accordance with the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and its regulations and declare it to be accurate in every respect to the best of my knowledge. I have discussed the contents of this form with the investor/lender.


David Marshall

Print name of Mortgage Broker

M09000275

Licence number of Mortgage Broker

DocuSigned by:



12/20/2022

Signature of Mortgage Broker

Date (yyyy-mm-dd)

### Declaration by Investor/Lender

I hereby confirm and declare that receipt of this **Form 3.2 – Disclosure Statement for Investor/Lender Disclosure in a Non-Qualified Syndicated Mortgage**, signed by the mortgage broker.

Aggregated Investments Inc.

Name of Investor/Lender

680 Waterloo Street, London, ON N6A 0B3

Address of Investor/Lender

DocuSigned by:



12/19/2022

Signature of Investor/Lender

Date (yyyy-mm-dd)

## Appendix – Subsection 2(1) of O. Reg. 188/08

### Designated classes of lenders and investors

2(1) For the purposes of this Regulation, a person or entity is a member of a designated class of lenders and investors if the person or entity is a member of any of the following classes:

1. The Crown in right of Ontario, Canada or any province or territory of Canada.
2. A brokerage acting on its own behalf.
3. A financial institution.
4. A corporation that is a subsidiary of a person or entity described in paragraph 1, 2 or 3.
5. A corporation that is an approved lender under the National Housing Act (Canada).
6. An administrator or trustee of a registered pension plan within the meaning of subsection 248 (1) of the Income Tax Act (Canada).
7. A person or entity who is registered as an adviser or dealer under the Securities Act when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
8. A person or entity who is registered under securities legislation in another province or territory of Canada with a status comparable to that described in paragraph 7 when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
9. A person or entity, other than an individual, who has net assets of at least \$5 million as reflected in its most recently-prepared financial statements and who provides written confirmation of this to the brokerage.
10. An individual who, alone or together with his or her spouse, has net assets of at least \$5 million and who provides written confirmation of this to the brokerage.
11. An individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the Securities Act, the cash surrender value of a life insurance contract, a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1 million and who provides written confirmation of this to the brokerage.
12. An individual whose net income before taxes in each of the two most recent years exceeded \$200,000 or whose net income before taxes in each of those years combined with that of his or her spouse in each of those years exceeded \$300,000, who has a reasonable expectation of exceeding the same net income or combined net income, as the case may be, in the current year and who provides written confirmation of this to the brokerage.
13. A person or entity in respect of which all of the owners of interests, other than the owners of voting securities required by law to be owned by directors, are persons or entities described in paragraphs 1 to 12. O. Reg. 188/08, s. 2 (1).



# **EXHIBIT “14”**

Court File No.: CV-24-00716511-00CL

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

B E T W E E N:

**KINGSETT MORTGAGE CORPORATION**

Applicant

- and -

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

Respondents

**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**

**NOTICE OF EXAMINATION**

TO: SEAN ATKINSON

YOU ARE REQUIRED TO ATTEND

- ☐ In person
- ☐ By telephone conference
- ☒ By video conference

Meeting ID **82526228389**  
Password **S7Y9dWOW2j**

**Meeting Link:**

<https://proceedings.veritext.com/?token=eb0681becffcb6b45e218c7aa7453f55>

at the following location:

on **Tuesday, January 7, 2024 at 10:00 a.m.** for:

**EXHIBIT**

☐ Cross-examination on

☒ Examination under Rule 39.03 of the *Rules of Civil Procedure*

☐ Examination for discovery on behalf of or in place of [identify party]

☐ Examination in aid of execution

☐ Examination in aid of execution on behalf of or in place of [identify party]

If you object to the method of attendance, you must notify the other parties or their lawyers. If you and the other parties cannot come to an agreement on the method of attendance, one of the parties must request a case conference for the court to make an order under Rule 1.08(8).

YOU ARE REQUIRED TO PRODUCE at the examination the documents mentioned in subrule 30.04(4) of the *Rules of Civil Procedure*, and the following documents and things:

1. Any statement(s) of account relating to the investments made in the following loan facilities: MZGI-273, MZGI-274 and MZGI-393, or other document(s) evidencing: the amounts invested in such facilities; amounts repaid to investors in connection with such facilities; and dates on which such amounts were invested or repaid.
2. Any correspondence sent to Portland after June 23, 2020, regarding MZGI 273, MZGI 274, MZGI 393, the Debtors in this proceeding or the project known as the “Mapleview Project”.
3. All original documents including any sound recording, videotape, film, photograph, chart, graph, map, plan, survey, book of account and information recorded or stored by means on

any device in your possession, control or power which are relevant to any matters in issue in this proceeding and a list of documents over which you claim privilege.

December 18, 2024

**Thornton Grout Finnigan LLP**

100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7

**Robert I. Thornton (LSO# 24266B)**

Tel: (416) 304-0560

Email: [rthornton@tgf.ca](mailto:rthornton@tgf.ca)

**Alexander Soutter (LSO# 72403T)**

Tel: (416) 304-0595

Email: [asoutter@tgf.ca](mailto:asoutter@tgf.ca)

Lawyers for Dunsire Homes Inc.

**TO: CHAITONS LLP**  
5000 Yonge Street  
North York, ON M2N 7E9

Harvey Chaiton  
Tel: (416) 218-1129  
Email: [harvey@chaitons.com](mailto:harvey@chaitons.com)

Lawyers for MashallZehr Group Inc.

**KINGSETT MORTGAGE CORPORATION**

- and -

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

Applicant

Respondents

**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**

Court File No.: CV-24-00716511-00CL

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

Proceedings commenced at Toronto, Ontario

**NOTICE OF EXAMINATION**

**Thornton Grout Finnigan LLP**

100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7

**Robert I. Thornton (LSO# 24266B)**

Tel: (416) 304-0560

Email: [rthornton@tgf.ca](mailto:rthornton@tgf.ca)

**Alexander Soutter (LSO# 72403T)**

Tel: (416) 304-0595

Email: [asoutter@tgf.ca](mailto:asoutter@tgf.ca)

Lawyers for Dunsire Homes Inc.

# EXHIBIT “15”

## Dawn Wise

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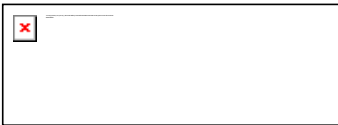
**From:** Jana Mirt  
**Sent:** April 7, 2020 5:00 PM  
**Cc:** Sean Atkinson; Josh Thiessen; Cecil Hayes  
**Subject:** Maplevue MZGI-274 Update

Dear Lenders,

- Sales have been progressing well for phases 1-4. Sales by phase as of March 2, 2020, were Phase 1 182, Phase 2 111, Phase 3 194, Phase 4 17.
- Site servicing is underway, although has been temporarily halted on site by Condrain due to labour issues surrounding COVID-19. Construction is now anticipated to begin early summer instead of late spring.
- Maturity has been extended to August 2022.
- KingSett has issued their commitment letter for Phase 3 financing, which is targeted to close in Q2 2020.

Should you have any questions, please reply all.

Thank you,



**Sean Atkinson**

**Project Manager**

**T** 519 342 1000 **X** 238

**C** 519 501 5143

[marshallzehr.com](http://marshallzehr.com) | [email](mailto:sean@marshallzehr.com)

Agent

MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453

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# **EXHIBIT “16”**



## Anthony Carleton

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**From:** Sean Atkinson  
**Sent:** March 18, 2024 2:47 PM  
**To:** Kyle Ostrander  
**Cc:** Murray Snedden; Anthony Carleton; Ian Madziak; Jordan Luck; Chris Wain-Lowe; Lucas Piatek; Iggy Gulizia  
**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE  
**Attachments:** 58091-3895 (LT) - Phase IV.pdf; 58091-3902 (LT) - Phase IV.pdf

Hi Kyle

Please see comments below (comments dated today, in orange, immediately after the yellow highlighted subject line).

I wanted to specifically draw your attention to one of the comments below re: Kingsett. We are now in receipt of their Receivership application, which is scheduled to be heard on Thursday of this week. We are coordinating a call with legal counsel with respect to a reply.

Regards,



**Sean Atkinson**

**Vice President – Mortgage Operations**  
Agent Level 2

**T** 519 342 1000 x238

**C** 519 501 5143

[marshallzehr.com](http://marshallzehr.com)

**MarshallZehr Group Inc.**

FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFSA Mortgage Broker #MB600627

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---

**From:** Kyle Ostrander <KOstrander@portlandic.com>  
**Sent:** Monday, March 18, 2024 11:43 AM  
**To:** Sean Atkinson <satkinson@marshallzehr.com>  
**Cc:** Murray Snedden <msnedden@marshallzehr.com>; Anthony Carleton <acarleton@marshallzehr.com>; Jesse Kirby <jkirby@marshallzehr.com>; Dawn Wise <dwise@marshallzehr.com>; Ian Madziak <imadziak@portlandic.com>; Jordan Luck <jluck@portlandic.com>; Chris Wain-Lowe <cwain-low@portlandic.com>; Lucas Piatek <lpiatek@portlandic.com>; Iggy Gulizia <igulizia@aicgh.com>; Kyle Ostrander <KOstrander@portlandic.com>  
**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

Hi Sean,

Could you advise if we should expect to receive a response to our questions today? We are extremely disappointed we didn't receive answers to our questions last week as we were advised.

Sincerely,

Kyle Ostrander, CFA  
Portfolio Manager  
Portland Investment Counsel Inc.  
Email: [kostrander@portlandic.com](mailto:kostrander@portlandic.com)  
Website: [www.portlandic.com](http://www.portlandic.com)

Burlington Office  
1375 Kerns Road, Suite 100  
Burlington, Ontario, Canada, L7P 4V7  
Tel: 905-331-4242 (ext. 4234)  
Fax: 905-331-4265

Toronto Office  
100 King Street West, Suite 5708  
Toronto, Ontario, Canada, M5X 1B1  
Tel: 416-304-9440 (ext. 2004)  
Fax: 416-304-9441

---

**From:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>  
**Sent:** Friday, March 15, 2024 5:08 PM  
**To:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>  
**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Jordan Luck <[jluck@portlandic.com](mailto:jluck@portlandic.com)>; Chris Wain-Lowe <[cwain-lowel@portlandic.com](mailto:cwain-lowel@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Iggy Gulizia <[igulizia@aicgh.com](mailto:igulizia@aicgh.com)>; Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>  
**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

Hi Sean,

Can you advise if you will be sending a response today? We are very much looking forward to receiving a response to our questions today.

Sincerely,

Kyle Ostrander, CFA  
Portfolio Manager  
Portland Investment Counsel Inc.  
Email: [kostrander@portlandic.com](mailto:kostrander@portlandic.com)  
Website: [www.portlandic.com](http://www.portlandic.com)

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Tel: 905-331-4242 (ext. 4234)  
Fax: 905-331-4265

Toronto Office  
100 King Street West, Suite 5708  
Toronto, Ontario, Canada, M5X 1B1  
Tel: 416-304-9440 (ext. 2004)  
Fax: 416-304-9441

---

**From:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>  
**Sent:** Friday, March 15, 2024 2:21 PM  
**To:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>  
**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Jordan Luck <[jluck@portlandic.com](mailto:jluck@portlandic.com)>; Chris Wain-Lowe <[cwain-lowe@portlandic.com](mailto:cwain-lowe@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Iggy Gulizia <[igulizia@aicgh.com](mailto:igulizia@aicgh.com)>; Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>  
**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

Hi Sean,

Are you able to provide an update on the response? I gave you a call earlier to discuss.

Sincerely,

Kyle Ostrander, CFA  
Portfolio Manager  
Portland Investment Counsel Inc.  
Email: [kostrander@portlandic.com](mailto:kostrander@portlandic.com)  
Website: [www.portlandic.com](http://www.portlandic.com)

Burlington Office  
1375 Kerns Road, Suite 100  
Burlington, Ontario, Canada, L7P 4V7  
Tel: 905-331-4242 (ext. 4234)  
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Toronto Office  
100 King Street West, Suite 5708  
Toronto, Ontario, Canada, M5X 1B1  
Tel: 416-304-9440 (ext. 2004)  
Fax: 416-304-9441

---

**From:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>  
**Sent:** Friday, March 15, 2024 10:41 AM  
**To:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>  
**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Jordan Luck <[jluck@portlandic.com](mailto:jluck@portlandic.com)>; Chris Wain-Lowe <[cwain-lowe@portlandic.com](mailto:cwain-lowe@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Iggy Gulizia <[igulizia@aicgh.com](mailto:igulizia@aicgh.com)>; Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>  
**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

Hi Sean,



I just wanted to follow up with you to see if you could provide an estimate on when we should expect to receive your response today? Please let us know.

Sincerely,

Kyle Ostrander, CFA  
Portfolio Manager  
Portland Investment Counsel Inc.  
Email: [kostrander@portlandic.com](mailto:kostrander@portlandic.com)  
Website: [www.portlandic.com](http://www.portlandic.com)

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Toronto Office  
100 King Street West, Suite 5708  
Toronto, Ontario, Canada, M5X 1B1  
Tel: 416-304-9440 (ext. 2004)  
Fax: 416-304-9441

---

**From:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>

**Sent:** Thursday, March 14, 2024 3:55 PM

**To:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>

**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Jordan Luck <[jluck@portlandic.com](mailto:jluck@portlandic.com)>; Chris Wain-Lowe <[cwain-lowe@portlandic.com](mailto:cwain-lowe@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Iggy Gulizia <[igulizia@aicgh.com](mailto:igulizia@aicgh.com)>

**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

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Hi Kyle,

Still pulling some items together for this, but should be able to send reply either later today or tomorrow.



**Sean Atkinson**

**Vice President – Mortgage Operations**  
Agent Level 2

**T** 519 342 1000 x238

**C** 519 501 5143

**MarshallZehr Group Inc.**

FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFS Mortgage Broker #MB600627

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**From:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>

**Sent:** Thursday, March 14, 2024 3:51 PM

**To:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>

**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Jordan Luck <[jluck@portlandic.com](mailto:jluck@portlandic.com)>; Chris Wain-Lowe <[cwain-low@portlandic.com](mailto:cwain-low@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Iggy Gulizia <[igulizia@aicgh.com](mailto:igulizia@aicgh.com)>; Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>

**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

Hi Sean,

We wanted to follow up with you for a response to our questions. We are available to have a call about this today or tomorrow if preferred. Please let us know your availability.

Sincerely,

Kyle Ostrander, CFA  
Portfolio Manager  
Portland Investment Counsel Inc.  
Email: [kostrander@portlandic.com](mailto:kostrander@portlandic.com)  
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---

**From:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>

**Sent:** Monday, March 11, 2024 5:32 PM

**To:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>

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**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

Hi Sean,



In addition to the below questions, which we would still like to receive a response on, as first advised to you on February 29, 2024, Portland strongly disagrees with you about the mortgage priority on this project. The MZGI-274 mortgage ranks ahead of the MZGI-393 mortgage. [SeA 2024-03-18: I have attached a copy of the parcel registers for Phase 4A and 4B which note the various registrations. Summary of the loan charges can be found below](#) (please also note that Westmount is on title, but we understand there have been no authorized deposit releases by Westmount so we expect this charge to have \$0 “owing”). As noted in the MZGI 274 Commitment Letter, the loan ranks subordinate to MZGI 273 which was recapitalized as the MZGI 393 loan.

1. Instrument No. SC1950702 (\$132,500,000) – KingSett Mortgage Corporation;
2. Instrument No. SC1629459 (\$49,500,000) – MarshallZehr Group Inc. (MZGI 393; formerly MZGI 273 loan);
3. Instrument No. SC1927187 (\$21,000,000) – Westmount Guarantee Services Inc.;
4. Instrument No. SC1629461 (\$9,000,000) – MarshallZehr Group Inc. (MZGI 274); and
5. Instrument No. SC1371405 (\$20,000,000) – MarshallZehr Group Inc. (MZGI 112)

You advised that Kingsett, upon expiry of the 10-day notice period, will now make an application to the Courts to appoint a Receiver and that this type of motion typically requires a minimum of 5-business days advance notice/circulation of motion materials, prior to the hearing occurring.

As administrator of MZGI 274 we require MZ :

- to provide timely updates about the status of Kingsett’s enforcement and [SeA 2024-03-18: Please note that we obtained service of the Kingsett Receivership application Friday morning. The Court date has been set for Thursday March 21<sup>st</sup>. We are in discussions with legal counsel as to what replies, if any, are required from MZ on behalf of the subordinate lenders.](#)
- to inform the Receiver and Kingsett that MZGI-274 ranks ahead of the MZGI-393 mortgage. [SeA 2024-03-18: the 274 mortgage does not rank in priority to the 393 mortgage, as noted above.](#)

Failure to do so would prejudice Portland’s position.

As per the September 2019 Commitment Letter:

#### Purpose of loan

2nd Mortgage for Land Loan required to purchase Phase 4 of the Maplevue Project. It is understood that separate PINs for Phase 4 will be available Q4 2019 or Q1 2020. In the interim Facility 1 (\$2,310,000) of the loan amount will be advanced in order to provide a deposit for the P&S Agreement of Phase 4. The initial advance will be secured against the whole of the Maplevue lands as defined in the Project. Upon separate PINS being made available the security over the Maplevue land will be released with a 2nd charge provided against the Phase 4 lands. The Lender understands that the Project is to consist of a 5-phase project which is currently plan of subdivision approved for 849 units on 99 acres. This mortgage will be used to finance the purchase of Phase 4 once it has been severed from the other 4 phases of the project. Phase 4 is to consist of 321 stacked townhouse units and 8 apartment units. Furthermore, the Lender understands that the Project is Plan of Subdivision Approved.

#### Terms & Conditions

The Borrower shall deliver to the Lender within ten (10) business days of the acceptance of this Commitment for the Lender’s satisfactory review and acceptance the following: i. A copy of the Purchase and Sale Agreement (and any subsequent amendments or side letters related thereto) and statement of adjustments for the purchase by the Borrower of the Phase 4 Project Lands confirming a purchase price of not less than \$23,000,000.

2<sup>nd</sup> Mortgage for Land Loan required to purchase Phase 4 of the Maplevue Project. It is understood that separate PINs for Phase 4 will be available Q4 2019 or Q1 2020. In the interim Facility 1 (\$2,310,000) of the loan amount will be advanced in order to provide a deposit for the P&S Agreement of Phase 4. The initial advance will be secured



against the whole of the Maplevue lands as defined in the Project. Upon separate PINS being made available the security over the Maplevue land will be released with a 2nd charge provided against the Phase 4 lands. The Lender understands that the Project is to consist of a 5-phase project which is currently plan of subdivision approved for 849 units on 99 acres. This mortgage will be used to finance the purchase of Phase 4 once it has been severed from the other 4 phases of the project. Phase 4 is to consist of 321 stacked townhouse units and 8 apartment units. Furthermore, the Lender understands that the Project is Plan of Subdivision Approved.

#### Funding Conditions for Lender Advances and Borrower Draws

The Borrower shall adhere to the following conditions when requesting Lender Advances or Borrower Draws, as the case may be: a) Lender Advance Conditions – The Lender shall not be required to provide any Lender Advances to the Borrower prior to the Borrower having fulfilled to the Lender's satisfaction the following conditions at the time of each and every advance: i. Lender Advances shall be requested in the form provided in Appendix C; ii. The Lender shall have a period of not less than five (5) business days from the date that a Lender Advance is requested to fund and process the Lender Advance; iii. Each Lender Advance shall be in an amount not less than \$100,000; iv. A title search will be conducted with each Lender Advance. The title search and solicitors' fees and expenses applicable thereto are at the Borrower's expense and shall be deducted from the Lender Advance by the Lender; v. Lender Advances in the aggregate (plus the Initial Advance) shall total the Loan Amount. vi. The Borrower will immediately infuse, upon the Lender's request, funds required to cover any and all cost overruns beyond the original budget. b) Borrower Draw Conditions – The Lender shall not be required to provide any Borrower Draws to the Borrower prior to the Borrower having fulfilled to the Lender's satisfaction the following conditions at the time of each and every draw:

#### General Conditions

The following conditions must be fulfilled for each and every Borrower Draw:

1. The Borrower must have separate PIN for Phase 4 which the Lender can register security against.
2. Discharge Statement from KingSett Capital confirming the outstanding principal balance does not exceed \$18,000,000 and is required to release security over the Phase 4 lands and is in good standing.
3. The Lender agrees to postpone to up to \$14,030,000 financing from Vector Financial Services Limited.

#### SECURITY TO BE DELIVERED

The Borrower shall deliver the following security (the "Security") duly registered where applicable subject only to the KingSett Capital 1 st 2 nd 3 rd mortgage and MarshallZehr Group Inc. MZGI 273 security and all in the form and on the terms acceptable to the Lender's solicitors: a) Mortgage – Initially A 5th Mortgage in the amount of \$9,000,000 behind KingSett Capital 1st 2 nd 3 rd mortgages and MarshallZehr Group Inc.'s MZGI 273 fourth mortgage.

Upon availability of PINs on the phase 4 lands the existing security will be released and a 2nd mortgage charge in the amount of \$9,000,000 will be registered behind Vector Financial Services Limited on the Maplevue phase 4 and property plus any accrued contingent payments. The mortgage will be registered at the Wrap Up rate of interest, being 24.7%.

When PIN's were no longer expected for the phase 4 lands, why was the original principal from MZGI-274 not repaid immediately? When you knew the "Vector" phase 4 deal would not happen and therefore the conditions of MZGI-274 mortgage would not be met, we should have been repaid immediately. **SeA 2024-03-18: the MZGI 274-Facility 1 advance was made for the purposes of: (i) \$2,000,000 deposit on behalf of UNOTG to MPV, as defined in the APS, (ii) \$200,000 – capitalizing the Lender Fee earned by Portland, (iii) ~\$50,000 closing costs of the loan, and (iv) a ~\$60,000 six-month interest reserve. When the loan closed, the deposit was remitted to Kingsett's lawyer in Trust, per the terms of the agreement. Their security included 1<sup>st</sup> priority over the deposit funds. When the subdivision was registered and Phase 4 obtained it's standalone two PINS (4A & 4B), UNOTG was in the process of trying to close on the purchase using funds from the planned Meridian Phase 4 loan (which ultimately did not**



close) instead of calling on the balance of funds to be delivered via MZGI 274 and Vector's loan. The purpose of trying to close with Meridian was that during the time it took to get the subdivision registered (longer than originally anticipated), servicing had already commenced on Phases 1-3, and Pace intended to have Condrain roll over onto Phase 4 and so needed a servicing facility (ie. the Vector/274 land purchase facility would have been insufficient). When the Meridian financing fell apart, Kingsett had also claimed Default under its loan agreement, and cancelled all remaining undrawn credit under its facilities. Kingsett, still in possession of UNOTG's Phase 4 deposit in its lawyers Trust account, had authority at that time to apply the \$2mm non-refundable deposit against its loan amount. We requested that Kingsett and the 393 loan allow the release of the deposit back to MZ, such that it be applied against the MZGI 274 indebtedness, as previously described in earlier correspondence. So, to specifically answer your question on timing of repayment, the funds were immediately returned to Portland as soon as they were made available from Kingsett, who did not have an obligation to release the funds. Also for added clarity, all initial funding conditions were met to appropriately fund the MZGI 274 loan's Facility 1 amount; further conditions would have been required to fund Facility 2, which was never advanced.

- b) GSA – General Security Agreement over all of the assets and undertaking of the Borrower and each Guarantor, if any.
- c) General Assignment of all leases and rents with respect to this project.
- d) Guarantees – Unlimited joint and several guarantees from each of the guarantors.
- e) Environmental – An Environmental Undertaking and Indemnity and Checklist from the Borrower in such form as the Lender shall require.
- f) Security Opinion – A favourable Letter of Opinion from the Lender's solicitor confirming the validity and enforceability of the Lender's security.
- g) Insurance – Proof of appropriate Insurance and an assignment of insurance satisfactory to an insurance professional engaged on behalf of the Lender. In addition, a certificate of insurance showing the Lender as additional insured on any required insurance, and Commercial Liability coverage of not less than the amount deemed appropriate by the Lender's Insurance Consultant.
- h) Title Insurance – Satisfactory title insurance.

In summary adherence to the terms of the Commitment letter required that, at the time the MZGI-274 mortgage was lent it was:

- subordinate to Kingsett 1, 2, 3 and MZGI-273. MZGI-273 has now been paid in full and as such only Kingsett 1,2,3, as at the date of the Commit letter rank ahead of MZG1-274 **SeA 2024-03-18: as previously advised, the MZGI 273 indebtedness was assigned together with its Security to MZGI 393 whose loan agreement was re-stated under a new loan agreement. The MZGI 273 security was not discharged and new security registered for 393 in its place.... It was assigned, as permitted in the MZGI 273 loan agreement.**

- conditioned upon

(i) the Borrower having a separate PIN for Phase 4 which the Lender can register security against, **SeA 2024-03-18: it was disclosed to Portland that the standalone Phase 4 pin(s) would not be available until after closing. It was clearly articulated to Portland that Facility 1 was to provide the purchase deposit on behalf of UNOTG, and that closing of the purchase would occur when funds under Facility 2 were called up, together with the funding from Vector, after the Phase 4 PINS had been made available.**

(ii) a Discharge Statement from KingSett Capital confirming the outstanding principal balance does not exceed \$18,000,000 and is required to release security over the Phase 4 lands and is in good standing; and **SeA 2024-03-18: at the time the MZGI 274 loan was funded, the Kingsett loan was in good standing and their agreement to discharge the Phase 4 lands for \$18mm repayment against the Phase 1-3 indebtedness was valid. As noted above, they revoked that discharge privilege when they deemed their loan to be in Default and cancelled their undrawn balances.**



(iii) agreeing to postpone to up to \$14,030,000 financing from Vector Financial Services Limited. **SeA 2024-03-18:** this was disclosed as being the 1<sup>st</sup> mortgage once closing of the land sale occurred (and Facility 2 funded). It was clearly articulated that at the time Facility 1 was advanced, it would rank subordinate to Kingsett and 273.

Portland was never approached and never provided any approval for MZGI-393 to rank ahead of MZGI-274. **SeA 2024-03-18:** as noted above, the loan position and security was assigned by 273 to 393 and the loan agreement was re-stated under the pre-existing security which Portland had agreed to subordinate behind under the new Commitment Letter (the MZGI 393 Commitment Letter). Further, when MZGI 393's charge was increased, it was only done as a replacement of the reduced loan from Kingsett which 274 had already agreed to rank subordinate to. The full amount of the 393 loan constitutes monies which Portland had already agreed to rank subordinate to.

The circumstances that MZ describe leading up to this state of affairs (as provided by Sean Atkinson below) were never contemplated within the Commitment letter, and the conditions therein.

Regarding the circumstances that give rise to MZGI 393 having priority over MZGI 274 on title, as we previously advised the 393 loan exists because it recapitalized/restated the MZGI 273 indebtedness, as well as funded construction costs in lieu of Kingsett when they cancelled their revolving construction facilities. Accordingly, when the 393 loan closed it assumed MZGI 273's charge on title (ie. the 273 charge was not discharged and a new charge registered in its place) and so on that basis the loan's security was already registered in priority to MZGI 274. When the MZGI 393 loan charge was later increased, it was as a direct result of the reduction of the Kingsett loan and charge amount. As a result, further consent was not sought from Portland, as Portland had already agreed to rank in a subordinate position to the Kingsett and MZGI 273 indebtedness.

MZ need to rectify your error immediately and advise the Receiver, Kingsett and Vector of the correct priority of the mortgages. MZGI-393 must rank below MZGI-274 in the order of priority. **SeA 2024-03-18:** please refer to commentary above.

Sincerely,

Kyle Ostrander, CFA  
Portfolio Manager  
Portland Investment Counsel Inc.  
Email: [kostrander@portlandic.com](mailto:kostrander@portlandic.com)  
Website: [www.portlandic.com](http://www.portlandic.com)

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---

**From:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>

**Sent:** Friday, March 8, 2024 11:19 AM

**To:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>

**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Jordan Luck <[jluck@portlandic.com](mailto:jluck@portlandic.com)>; Chris Wain-Lowe <[cwain-lowee@portlandic.com](mailto:cwain-lowee@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Iggy Gulizia <[igulizia@aicgh.com](mailto:igulizia@aicgh.com)>; Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>

**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

Hi Sean,

Can you send us the MZGI-393 commitment letter? When was the MZGI-393 facility put in place? Can you provide us all the dates that the amounts of the MZGI-393 charges have changed and the amounts of those charges?

Can you provide us all the dates that the amounts of the Kingsett charges have changed and the amounts of those charges? You confirmed that the Kingsett charge increased in September 2022. How many other changes in charges occurred between the time MZGI-274 was lent and September 2022?

Sincerely,

Kyle Ostrander, CFA  
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---

**From:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>

**Sent:** Friday, March 8, 2024 10:43 AM

**To:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>

**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Jordan Luck <[jluck@portlandic.com](mailto:jluck@portlandic.com)>; Chris Wain-Lowe <[cwain-low@portlandic.com](mailto:cwain-low@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Iggy Gulizia <[igulizia@aicgh.com](mailto:igulizia@aicgh.com)>

**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

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Hi Kyle

Please see comments below.

By way of update with respect to Kingsett and Vector's demand/enforcement, we are advised as follows:



1. Kingsett – we are expecting service of their motion materials and affidavit early next week. We have been advised by Kingsett’s counsel that they’ve not yet sought a court date. We’ll forward copies of their materials once available.
2. Vector – 10-days from their Demand expires at the end of the day today. Via an update call with them yesterday, they advised they intend to run a separate process to enforce and will seek their own application to appoint a Receiver. Their concern, which we do not agree with, is that one Receivership and sales process may prejudice the allocation towards their specific security to the extent that Kingsett might coach a bidder into allocating more across Phases 1-5 where they are in 1<sup>st</sup> if there is an issue in procuring sufficient bid dollars. We are discussing strategy later today with Chaitons, but believe that if there were two applications in with the Court to appoint a Receiver, that the Courts would want to hear those applications together and in doing so we’d petition to have a singular Receiver appointed over all assets of Maplevue.



**Sean Atkinson**

**Vice President – Mortgage Operations**  
Agent Level 2

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**MarshallZehr Group Inc.**

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**From:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>

**Sent:** Friday, March 8, 2024 10:08 AM

**To:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>

**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Jordan Luck <[jluck@portlandic.com](mailto:jluck@portlandic.com)>; Chris Wain-Lowe <[cwain-low@portlandic.com](mailto:cwain-low@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Iggy Gulizia <[igulizia@aicgh.com](mailto:igulizia@aicgh.com)>; Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>

**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

Hi Sean,

I hope you’re doing well. I just wanted to follow up with you on these questions to see if we could receive some responses today? Please let us know.

Sincerely,

Kyle Ostrander, CFA  
Portfolio Manager  
Portland Investment Counsel Inc.  
Email: [kostrander@portlandic.com](mailto:kostrander@portlandic.com)  
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---

**From:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>  
**Sent:** Monday, March 4, 2024 1:27 PM  
**To:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>  
**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Jordan Luck <[jluck@portlandic.com](mailto:jluck@portlandic.com)>; Chris Wain-Lowe <[cwain-lowe@portlandic.com](mailto:cwain-lowe@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Iggy Gulizia <[igulizia@aicgh.com](mailto:igulizia@aicgh.com)>; Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>  
**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

Hi Sean,

I just wanted to send through our follow up questions on this project.

What is the current amount of the charge that Kingsett has across the six phases of the project? **The KingSett mortgage charge is \$132,500,000. It was set at this amount when KingSett issued their amended and reinstated commitment letter in September of 2022. This charge was set at ~125% of the loan amount at that time.**

What is the current amount of the charge that MZGI-393 has across the six phases of the project? **The mortgage charge is \$49,500,000.**

Can you provide us the loan agreements/commitment letters that Kingsett had in place with Maplevue Developments at the time the MZGI-274 mortgage was lent? **See attached Kingsett's 2019 Commitment Letters.**

I have attached the commitment letter for MZGI-274. On page 10 of the pdf, an initial funding condition, that I have copied below was listed. Was this condition met? Can you provide evidence that this funding condition was met? **Yes this was satisfied by way of VTB commitment from MPV to UNOTG as contemplated in the S&U. UNOTG agreed to purchase the site from MPV for \$23mm, which was to be satisfied as \$18mm cash and \$5mm VTB. The land was ultimately never transferred, as it was contemplated as occurring once subdivision was complete and registered to create multiple PINS (which occurred after MZGI 274 funded), but as you are aware, the 2<sup>nd</sup> tranche of MZGI 274 (which was to fund part of the cash consideration of the purchase price alongside a facility from Vector) was never called upon, and the Phase 4 lands remain in Maplevue's name.**

vi. Satisfactory proof of \$5,000,000 in invested capital in the Project and means to cover any potential closing costs, if required.

Furthermore, Dino Sciavilla and Yvonne Sciavilla were listed as personal guarantors on the MZGI-274 loan. Can you provide an updated personal net worth statement for both Dino and Yvonne? Have they been served notice to repay the MZGI-274 mortgage? **See attached. MZ have not issued Demand/NITES on any of the Maplevue loans at this time (MZGI 393, 274 or 112). We discussed with legal counsel, and they believed it was unnecessary and would only bring more costs for us, as Kingsett and Vector have already begun enforcement to appoint and**



Receiver and we are in a standstill behind both. We have however requested that Chaitons begin to prepare Demand/NITES in respect of the Markham MZGI 285 and Maple MZGI 140 loans such that we may be in a position to begin a claim against the Pace personal and corporate guarantees.

Can you provide the most recent financial statements of 2705503 Ontario Inc. and 2552741 Ontario Inc.? These corporations are listed as guarantors on the MZGI-274 mortgage. Have either of these corporations pledged its shares to any lender? I have attached the most recently available draft financial statements for the co-tenancy (FY22). We have followed up with the auditor re finalization. 255's shares are pledged to Kingsett as advised under previous updates. 270's are not, but the entity was setup to hold MZ's interest in Urban North on the GO Ltd. ("UNOTG"), which was to be the owner/buyer of Phase 4 from Maplevue Developments Ltd. ("MPV"), and so since UNOTG never closed on the purchase, 270 is just a shell-co with no assets. 255 is an SPE to hold Dave & Greg's interest in MPV, and has no other assets outside of the Maplevue project.

Sincerely,

Kyle Ostrander, CFA  
Portfolio Manager  
Portland Investment Counsel Inc.  
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---

**From:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>  
**Sent:** Thursday, February 29, 2024 5:32 PM  
**To:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>  
**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Jordan Luck <[jluck@portlandic.com](mailto:jluck@portlandic.com)>; Chris Wain-Lowe <[cwain-lowe@portlandic.com](mailto:cwain-lowe@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Iggy Gulizia <[igulizia@aicgh.com](mailto:igulizia@aicgh.com)>; Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>  
**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

Hi Sean,

We strongly disagree with you about the mortgage priority on this project. The MZGI-274 mortgage should rank ahead of the MZGI-393 mortgage. We are having our in-house legal counsel review this file and he will respond within the next few days. I have copied him on this email as well. I also have some additional follow up questions that I will send tomorrow.

Sincerely,

Kyle Ostrander, CFA  
Portfolio Manager  
Portland Investment Counsel Inc.  
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---

**From:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>

**Sent:** Thursday, February 29, 2024 3:40 PM

**To:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Chris Wain-Lowe <[cwain-low@portlandic.com](mailto:cwain-low@portlandic.com)>

**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Jordan Luck <[jluck@portlandic.com](mailto:jluck@portlandic.com)>

**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

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Hi Kyle,

We confirm the 10-day notice period under Kingsett's NITES has in fact expired on Monday February 26<sup>th</sup>. Further, we wish to advise that pursuant to the notice given by Kingsett to Vector upon service of their Demand/NITES, Vector has now also issued Demand/NITES to the Borrower, which was delivered on Monday February 26<sup>th</sup>.

MZ spoke to Kingsett late Monday upon expiry of Kingsett's 10-day notice period, and we understand that they will now make an application to the Courts to appoint a Receiver. We have not been provided with their application record or affidavit to support same, and have not yet been advised of a date that the application will be heard. This type of motion typically requires a minimum of 5-business days advance notice/circulation of motion materials, prior to the hearing occurring. Following appointment of the Receiver, we understand their mandate will include obtaining approval of a sales process and marketing of the site for sale. Given the size/complexity of the site, MZ anticipates it could be a matter of months before they are in a position *start* a sales process, followed by 2-3 months to sufficiently expose the site to the market (which may or may not include the Receiver using an outside broker), and potentially another month or more to accept an offer, submit a report to Court, and obtain approval to close the sale. Note that further to this, it is possible the site will be marketed in pieces/phases, which may present multiple bidders for the Receiver to negotiate with. So while I do appreciate the need for MZ to provide timely updates to Portland about the status of Kingsett's enforcement (which we will certainly continue to do as



things progress), there is not an imminent risk of a distribution being made by a yet-to-be-appointed Receiver which would prejudice Portland's position.

Regarding the circumstances that give rise to MZGI 393 having priority over MZGI 274 on title, as we previously advised the 393 loan exists because it recapitalized/restated the MZGI 273 indebtedness, as well as funded construction costs in lieu of Kingsett when they cancelled their revolving construction facilities. Accordingly, when the 393 loan closed it assumed MZGI 273's charge on title (ie. the 273 charge was not discharged and a new charge registered in its place) and so on that basis the loan's security was already registered in priority to MZGI 274. When the MZGI 393 loan charge was later increased, it was as a direct result of the reduction of the Kingsett loan and charge amount. As a result, further consent was not sought from Portland, as Portland had already agreed to rank in a subordinate position to the Kingsett and MZGI 273 indebtedness.

Regarding your questions around the pledge of equity/other collateral, the beneficial owners of the project are: (1) for Pace, Dino & Yvonne Sciavilla (via intermediary companies holding ownership on their behalf – ie. Pace Mapleview Ltd., Pace Group Investments, etc.), and (2) for MZ, Dave Marshall and Greg Zehr (via intermediary companies holding ownership on their behalf – ie. 2552741 Ontario Inc. etc.). Dave and Greg have not pledged equity to Kingsett other than 2552741 Ontario Inc.'s shares in Mapleview Developments Ltd. (ie. no personal guarantees), and have not pledged any equity or collateral in respect of the MZGI 285 loan. Pace have pledged Pace Mapleview Ltd.'s shares in Mapleview Developments Ltd. to Kingsett, as previously advised, with the shares Pace holds in Pace Mapleview Ltd. having been pledged to MZGI 285 (ie. the up-stream share pledge); Pace have also provided certain corporate and personal guarantees to Kingsett as part of Kingsett's security package.

Please advise if there are further questions pertaining to these matters.

Regards,



**Sean Atkinson**

**Vice President – Mortgage Operations**  
Agent Level 2

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**From:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>

**Sent:** Wednesday, February 28, 2024 12:18 PM

**To:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Chris Wain-Lowe <[cwain-low@portlandic.com](mailto:cwain-low@portlandic.com)>

**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Jordan

Luck <[jluck@portlandic.com](mailto:jluck@portlandic.com)>; Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>

**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

Hi Sean,

We would like to note that the 10 days following the NITES being issued on February 16 has past. We have not been provided an update that this project is not headed to receivership, therefore we urgently request that we receive a response to the question about our mortgage priority of MZGI 274 today. We need to ensure that our mortgage priority is properly registered with the receiver which absent a project update should be occurring imminently.

As a follow up question to your below response copied above for ease of reference, have any equity participants pledged equity or other collateral to entities other than Kingsett or Portland to secure debt borrowed for the purposes of developing any phase in the Maplevue project? Are Portland (MZGI 285) and Kingsett the only lenders that have received share pledges from any equity participants?

Regarding share pledges what set of shares are pledged to who (Kingsett/Markham)? **SeA 2024-02-26: Pace Maplevue Ltd & 2552741 Ontario Inc. (Pace & MZ co-tenants, respectively) have pledged their shares in Maplevue Developments Ltd (the project co-tenancy) to Kingsett as part of their security package. Pace's shares in Pace Maplevue Ltd. are what's pledged to Markham.**

Sincerely,

Kyle Ostrander, CFA  
Portfolio Manager  
Portland Investment Counsel Inc.  
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Website: [www.portlandic.com](http://www.portlandic.com)

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---

**From:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>

**Sent:** Wednesday, February 28, 2024 9:33 AM

**To:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Chris Wain-Lowe <[cwain-low@portlandic.com](mailto:cwain-low@portlandic.com)>

**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Jordan Luck <[jluck@portlandic.com](mailto:jluck@portlandic.com)>

**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE



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Hi Kyle

We are still assembling some documents/replies before responding under the other Mapview thread – if you wanted to send your questions/comments to my Feb 26 email, feel free to do so at your earliest convenience.

Thanks



**Sean Atkinson**

**Vice President – Mortgage Operations**

Agent Level 2

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**From:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>

**Sent:** Tuesday, February 27, 2024 4:51 PM

**To:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Chris Wain-Lowe <[cwain-low@portlandic.com](mailto:cwain-low@portlandic.com)>; Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>

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**Subject:** RE: MAPVIEW MZGI 274 - LENDER UPDATE

Hi Sean,

I hope you're doing well. I just wanted to follow up with you to see when we should expect a response to the other email chain that I had sent about the mortgage priority. We have additional follow up questions to the below and wanted to see if we could incorporate all our follow up questions at one time. Please let us know.

Sincerely,

Kyle Ostrander, CFA

Portfolio Manager

Portland Investment Counsel Inc.

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**From:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>  
**Sent:** Monday, February 26, 2024 5:14 PM  
**To:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Chris Wain-Lowe <[cwain-low@portlandic.com](mailto:cwain-low@portlandic.com)>  
**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Jordan Luck <[jluck@portlandic.com](mailto:jluck@portlandic.com)>  
**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

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Good afternoon Portland team,

Please see below comments embedded in orange.



**Sean Atkinson**

**Vice President – Mortgage Operations**  
Agent Level 2

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**From:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>  
**Sent:** Monday, February 26, 2024 2:57 PM  
**To:** Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>; Chris Wain-Lowe <[cwain-low@portlandic.com](mailto:cwain-low@portlandic.com)>

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**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

Hi Everyone,

I just wanted to follow up with you on these questions as well. Please let us know.

Sincerely,

Kyle Ostrander, CFA  
Portfolio Manager  
Portland Investment Counsel Inc.  
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**From:** Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>

**Sent:** Friday, February 9, 2024 4:15 PM

**To:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>; Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>; Chris Wain-Lowe <[cwain-lowe@portlandic.com](mailto:cwain-lowe@portlandic.com)>

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**Subject:** RE: MAPLEVIEW MZGI 274 - LENDER UPDATE

Hi Sean,

Nice meeting you the other day. We do have a few follow-up questions.

Can we see correspondence on why MZGI 393 is ranking above MZGI 274. Our loan agreement says we are in the second position on Phase 4. What was the logic of this re-ranking? I have attached 3 documents that support this "2019-09-18 Maplevue 274 Commitment Letter MZ Signed" Page. 13 see a) Rank, "2019-09 PPI Commitment" and "2018-09-24 Form 3.2 Portland Private Income LP" Page 12 see 8. Rank of Mortgage **SeA 2024-02-26: will reply under separate cover in Kyle's email chain.**

What Phase were the APSs that are involved in the HCRA allegations in? **SeA 2024-02-26: Phase 1 – specifically the stacked towns**



Can we see the APSs that were modified and be provided with the unaltered version? SeA 2024-02-26: we can add to the Portland VDR on MZ's Box sent for the file audit meetings.

Can we see the schedule agreed upon with Kingsett for the payouts? SeA 2024-02-26: the amounts are stipulated by lot-type and included in the Partial Discharges section of their late 2022 Amended and Restated Commitment Letter – I understand this was already added to the Mapleview folder in Box.

Why did Meridian construction fall through on phase 4? SeA 2024-02-26: there were significant delays in getting Meridian to issue paper. By the time they came around to a commitment, their underwriting had taken so long that they forced a budget update that included construction costs based on Altus guide estimates and not based on actual contracts which were being achieved in Phase 1 stacked. This triggered a ~\$6mm budget increase which project ownership was unable to address. Kingsett then started raising concerns with the budget which triggered their rebudgeting exercise, cancellation of their construction facilities, and later in 2022, their amended and restated commitment letter.

Regarding share pledges what set of shares are pledged to who (Kingsett/Markham)? SeA 2024-02-26: Pace Mapleview Ltd & 2552741 Ontario Inc. (Pace & MZ co-tenants, respectively) have pledged their shares in Mapleview Developments Ltd (the project co-tenancy) to Kingsett as part of their security package. Pace's shares in Pace Mapleview Ltd. are what's pledged to Markham.

Why is one set of shares in greater priority than the other? SeA 2024-02-26: see above. Note Kingsett's security package includes a subordination of shareholder claims (as is typical with MZ's own Security package).

Why was Kingsett able to get above Markham on the pledged shares? SeA 2024-02-26: the pledge of shares to Kingsett pre-dated the Markham loan and the granting of that security. When we closed Markham, our legal counsel felt that getting the pledge of shares one level up was functionally the same security for lenders, as it was still subject first to all of the secured mortgages in Mapleview.

Did the equivalent shares from Dave and Greg get pledged to Kingsett as well? SeA 2024-02-26: yes see above.

Have all Markham – MZGI 285 lenders been advised of the allegations? SeA 2024-02-26: yes.

Sincerely,

Lucas Piatek  
Investment and Sales Analyst  
Portland Investment Counsel Inc.  
Tel: 905-331-4242 (ext. 4233)



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**From:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>  
**Sent:** Monday, February 5, 2024 7:23 PM  
**To:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>; Chris Wain-Lowe <[cwain-low@portlandic.com](mailto:cwain-low@portlandic.com)>  
**Cc:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>  
**Subject:** FW: MAPLEVIEW MZGI 274 - LENDER UPDATE

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Good evening Chris & Kyle,

Please see responses to the various questions from Portland embedded below in **orange**. Happy to discuss tomorrow afternoon.

Regards,



**Sean Atkinson**

**Vice President – Mortgage Operations**  
Agent Level 2

**T** 519 342 1000 x238

**C** 519 501 5143

[marshallzehr.com](http://marshallzehr.com)

**MarshallZehr Group Inc.**

FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFSA Mortgage Broker #MB600627

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**From:** Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>  
**Sent:** Friday, January 26, 2024 3:01 PM  
**To:** Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>; Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>; Jesse Kirby <[jkirby@marshallzehr.com](mailto:jkirby@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>  
**Cc:** Chris Wain-Lowe <[cwain-low@portlandic.com](mailto:cwain-low@portlandic.com)>; Ian Madziak <[imadziak@portlandic.com](mailto:imadziak@portlandic.com)>; Lucas Piatek <[lpiatek@portlandic.com](mailto:lpiatek@portlandic.com)>; Kyle Ostrander <[KOstrander@portlandic.com](mailto:KOstrander@portlandic.com)>  
**Subject:** MAPLEVIEW MZGI 274 - LENDER UPDATE

Hello,

We have reviewed the below update on the Mapleview mortgage and we do have some follow up questions that we listed below:



## 1. Allegations Update

- How long are the HCRA proceedings going to take? It was mentioned a meeting is scheduled in February how long can we expect a decision to be made on the verdict? **SeA 2024-02-05: We're unable to comment on how long the HCRA's review of the matter may take other than to say until they've satisfied themselves in regards to their investigation.**
- What is the law firm that specializes in HCRA law that was engaged? **SeA 2024-02-05: we have retained the firm Doyle Barteaux**
- What are Chaitons and the HCRA specialty law firms' opinions on this matter? What do they currently believe the potential repercussions will be? **SeA 2024-02-05: DB are still reviewing documentation which is being obtained from Pace before rendering an opinion.**
- What was the result of the legal guidance provided by Chaitons to answer the questions previously raised by Chris Wain-Lowe? **SeA 2024-02-05: we still have legal counsel reviewing the documentation association with the HCRA issue, but we do not believe there was any wrong-doing which would cause concern for MZ to maintain it's mortgage licenses in good standing as a going concern.**
- Given David Marshall & Greg Zehr's 50% interest in Maplevue Development Ltd. through a project specific holding company, will this still be the case for the duration of the actions during this allocation? **SeA 2024-02-05: David and Greg's beneficial interest in the project via the project Holdco (2552741 Ontario Inc.) remains. There are currently no planned changes in ownership in the project.**
- What are the legal ramifications on David Marshall and Greg Zehr as well as Marshall Zehr's license as a Mortgage Administrator and Mortgage Broker? **SeA 2024-02-05: David and Greg are Officers and Directors of Maplevue Developments Ltd. but were not made aware of any of the inquiries made by HCRA until almost 2 months after they had formally issued their notice which was sent to Pace's office (registered mailing address for Maplevue Developments Ltd). David and Greg were not personally served this notice by HCRA. We are not aware of any current or potential impacts to MarshallZehr's Administration or Brokerage licenses.**
- What is the amount of equity and subordinated finance that David Marshall and Greg Zehr have injected into the project through the project-specific holding company? **SeA 2024-02-05: approximately \$6.5mm in remaining outstanding p notes due to 2552741**
- Were any loan applications or refinancing requests rejected by any potential new lenders due to the allegations made by the HCRA? **SeA 2024-02-05: the HCRA's allegations have not come up in any of the discussions with lenders as a concern. The rejections for financing have primarily been around the size of the loan request, sponsor covenant, and concerns over profitability given the aged sales agreements and significant cost escalation since the sales were entered into.**
- When was Maplevue Developments Ltd. notified of the HCRA allegations? **SeA 2024-02-05: Maplevue Developments Ltd. was issued written notice on November 10<sup>th</sup>, 2023. The letter was sent digitally to Pace's controller and sent by physical copy to Pace's head office which is the registered business address for the Maplevue Developments Ltd. entity. Despite a recurring weekly call with Pace as well as numerous other ad hoc touch points, MZ was not made aware of the issued written notice until January 2, 2024, at which point we took immediate steps to engage counsel to review the matter with us. We wish to note that at this time, Maplevue Developments Ltd's HCRA licenses remain valid and have not been suspended or revoked.**
- When was Pace notified of the HCRA allegations? **SeA 2024-02-05: see above**
- When was Dave Marshall and Greg Zehr notified of the HCRA allegations? **SeA 2024-02-05: see above.**
- When was Kingsett and Vector notified of the HCRA allegations? **SeA 2024-02-05: Kingsett was notified the 1<sup>st</sup> week of January. Vector has not yet been notified of the HCRA allegations.**



## 2. Mapleview Developments Ltd.

- Can we receive the articles of association, signing authorities, controls and procedures between the parties of the joint venture for Mapleview Developments Ltd? **SeA 2024-02-05: we will add these under a Mapleview-specific folder in the “Box” data room previously shared with Portland.**
- Were organizational decisions made solely by PACE or collectively with PACE and the project-specific hold co. set up by David Marshall and Greg Zehr. **SeA 2024-02-05: decisions are to be made in accordance with various project agreements including the Co-Tenancy Agreement, Development and Construction Management Agreement, Financing Agreement, and Sales and Marketing Agreement, as amended via Omnibus Amending Agreement.**
- What were the exact responsibilities of David Marshall and Greg Zehr project-specific hold co.? **SeA 2024-02-05: the holding company holds the shares representing David and Greg’s beneficial interest in the project (50% co-tenant interest). The responsibilities of the holding company are outlined in the agreements noted above.**
- Who decided to alter APSs and provide these to the HCRA? **SeA 2024-02-05: Pace was in charge of all APS’s and have been the ones working with HCRA. Counsel for Mapleview Developments Ltd., Devry Smith Frank LLP, assisted Pace in fielding HCRA’s inquiries as well as inquiries which came from Tarion in 2022 (we not that Tarions investigation into this matter also occurred without MZ’s knowledge, but was supposedly closed without any action being taken; HCRA initiated an independent investigation as a “successor”, but technically separate entity to Tarion).**
- How much legal costs is Mapleview Developments Ltd. Incurring due to the allegations brought forth by the HCRA? **SeA 2024-02-05: remains to be determined.**

## 3. Impact of lower prices if allegations prove robust.

- Was the Mapleview / Markham Proforma last provided in March reflective of the \$3 million that was added to APSs that are involved in the HCRA allegations? **SeA 2024-02-05: yes the March 2023 proforma included the additional revenue.**
- In this proforma, units for phases 5 & 6 were set at \$800,000 per unit. Is this still the case? Would we be able to see an updated model? Can you send an updated price list of for sale units? **SeA 2024-02-05: Units in Phases 5 and 6 are still not for sale but we are projecting a higher sales price for both Phases. As it currently stands, Phase 6 is in the process of being approved for 81 stacked townhomes (as shown in the proforma). Pace are however trying to do some value-engineering with a potential conversion of the site plan application to row-towns on a common element road (est. \$1.2MM per unit at time of sale), which may result in fewer units but with a larger overall profit contribution. On Phase 5 , the concept plan proposed 135 stacked townhomes (as shown in the proforma), but the City of Barrie is expropriating a piece of this land for a SWM pond to facilitate the widening of Mapleview Drive, which will limit buildable area on this parcel (Mapleview would be entitled to compensation from the City for the partial taking of the land; comp \$ TBD). We have some preliminary drawings for a similar value engineering exercise to convert the remainder of Phase 5 (after the expropriation) to 78 row towns on a common-element road which we estimate to sell for \$1.2MM per unit in a couple of years when they go to market.**
- How many units have been sold to date and are there any unsold units? What is the selling price of the most recently sold units? Would we be able to see a breakdown of units sold by type and market selling price? **SeA 2024-02-05: 841 sold units (Phases 1-4). No pre-sales in Phases 5 & 6. Most recent phase release was Phase 4B (stacked towns) which sold on average of \$668,000 per unit, which was up from 4A’s average (same product type) at \$564,000 per unit.**

## 4. Priority of mortgages



- Can you confirm that Vector only has priority over Phase 6? **SeA 2024-02-05: Vector is solely registered in 1<sup>st</sup> position on Phase 6.**
- Where did MZGI 393 come from? What are the terms of the loan? What is it secured against? What was the purpose of this loan? Why were we not made aware of this loan or asked to participate? Who participated in this loan? We want to see the legal documentation of this loan including the loan application, financial statements, notes on the risk and viability of this project by Marshall Zehr as mortgage broker and mortgage administrator. **SeA 2024-02-05: Portland has been made aware of this loan for several years now (note email thread attached which includes discussion as part of the March 2023 proforma exercise). Its purpose includes funds that recapitalized Portland's position in the MZGI 273 loan when Portland refused to allow Kingsett to register its increased 1<sup>st</sup> mortgage charge on Phase 3 to contemplate their servicing/construction facilities; the loan was also used to provide mezzanine financing to capitalize the Phase 1-3 construction budgets. The loan with its latest amendments was increased to help reprime construction on the site once Kingsett withdrew its construction revolvers, and so a considerable portion of the principal in the loan was used to fund hard construction costs on the site. This loan is secured against all phases of the Mapleview project immediately behind Kingsett's position. We are not able to disclose the identity of investors who participate in a blind trust.**

The expectation is that MZGI 274 will be paid out on the refinance of the existing debt stack. We are still working through the syndication of the loan and will send out a fulsome update when available.

As for Seegmiller, I checked with the Borrower and they are still actively trying to sell the Forwell site. There have been some interested parties but nothing we can put confidence in yet. The Borrower understands that the loan matures on December 1<sup>st</sup> and they still plan on selling the site before maturity.

I will reach out if I get any further updates.

- Please see the above email communication. Was MZGI 393 the refinancing of the above mentioned debt stack? If that is the case, why were we not paid out? If it was to reduce King Sett's debt which only had entitlement to phases 1-3 why is it shown as above priority to us? **SeA 2024-02-05: no – the email above references the planned refi of the MZGI 274 loan together with takeout of Kingsett's remaining loan which MZ has been working on for the past year. MZGI 393 did not reduce Kingsett's debt. It was used to meet Kingsett's mezzanine requirements in the project and later was used to fund construction costs in Phase 1&2 when Kingsett withdrew their construction revolvers.**
- Please provide the debt stack on the debt across the six different phases of the Mapleview project. We understand certain loans did not have security across all phases of the project. Are all six phases of the project being put into receivership? **SeA 2024-02-05: Kingsett is registered on all phases in 1<sup>st</sup>, except for Phase 6 where they are in 2<sup>nd</sup> behind Vector. Vector is solely registered on Phase 6 and are in 1<sup>st</sup>. MZGI 393 is registered immediately behind Kingsett's position on all phases. MZGI 274 (Portland's sole remaining participation in Mapleview) is registered behind Kingsett and MZGI 393, solely against Phase 4 lands. MZGI 112 is registered against all Phases. Regarding what is going into Receivership, at this time we're unable to say, as Kingsett has not yet formally issued Demand/NITES. We understand however their intention is to put Mapeview Developments Ltd into Receivership which would extend to all phases/assets of the company.**
- Which phases of the project have been fully completed? Which phases of the project are currently being developed? Which phases of the project have not been developed yet? **SeA 2024-02-05: There is one block of stacked towns (12 units), 2 blocks of back to backs (16 x 2 = 32 units), and one partial block (3 units) of row towns across phases 1&2 left to close, with only the back to back blocks having remaining construction works to obtain occupancies (264/311 Phase 1&2 units occupied/closed/discharged to date). No blocks in Phase 3+ have started construction. Servicing is complete on phases 1-4a with all secondary road works still to be completed for top-coat asphalt and landscaping. 4b and 6 are earthworks completed and ready for servicing works to commence subject to agreement with the City. Phase 5 has considerable fill left, and so is the furthest away from being servicing-ready.**

## 5. Receivership process



- Mapleview Developments 'v' Lenders includes MZ lenders .... so therefore we would expect different legal counsels to be used to manage conflicts of interest ... Marshall Zehr as Administrator needs to use Chaitons to represent MZ lenders and Mapleview Developments will be using which legal counsel? **SeA 2024-02-05: Mapleview Developments has engaged various legal counsel at times for various matters. Devry Smith Frank is the primary on matters related to condo, closings, etc and we have engaged with Aird Berlis regarding certain planning matters. Chaitons has and continues to be engaged by MZ on behalf of lenders regarding loan security. We will address retention of independent counsel to avoid conflicts as the need arises.**
- What is our loan secured against? Can we receive an updated PNW of the guarantor? What is the most current valuation of the project? **SeA 2024-02-05: MZGI 274 is secured solely against Phase 4. We have requested but not received an updates PNW from the Guarantors in some time. Most recent copy on file is attached. I have also attached the draft Phase 1-4 appraisal, which has not yet been finalized as the appraiser has not yet been paid.**
- Is Kingsett electing to put the borrower into receivership due to the allegations brought forth by the HCRA? Other than the inability to refinance the project and the allegations brought forth by the HCRA, are there any other economic issues impacting the profitability and development of the Mapleview project? **SeA 2024-02-05: until we receive the formal Demand/NITES and affidavit to support appointment of the Receiver, it's unclear which formal reasons Kingsett is giving to proceed to enforce. Generally, we understand it is due to lack of project financing to secure their takeout and not specifically an HCRA issue (again note comment above that they are as of now, unproven allegations and Mapleview's HCRA licenses remain in place).**

Sincerely,

Kyle Ostrander, CFA  
Portfolio Manager  
Portland Investment Counsel Inc.  
Email: [kostrander@portlandic.com](mailto:kostrander@portlandic.com)  
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100 King Street West, Suite 5708  
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Fax: 416-304-9441

---

**From:** Dawn Wise <[dwise@marshallzehr.com](mailto:dwise@marshallzehr.com)>

**Sent:** Thursday, January 25, 2024 3:28 PM

**Cc:** Sean Atkinson <[satkinson@marshallzehr.com](mailto:satkinson@marshallzehr.com)>; Murray Snedden <[msnedden@marshallzehr.com](mailto:msnedden@marshallzehr.com)>; Anthony Carleton <[acarleton@marshallzehr.com](mailto:acarleton@marshallzehr.com)>; Cecil Hayes <[chayes@marshallzehr.com](mailto:chayes@marshallzehr.com)>

**Subject:** MAPLEVIEW MZGI 274 - LENDER UPDATE

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Dear Lenders,

We have been advised by KingSett (the senior secured lender on the site) that they are demanding full payment of their loan in the next few days as we have been unable to obtain a construction financing solution to repay the remainder of their loan. Our understanding is this allows the borrower 10 days to pay out their mortgage position without being able to take further enforcement action. If that passes with no repayment (this is the reality at this point), KingSett will seek to put a Court appointed Receiver in place to help realize against their security to satisfy the loan obligations. The Receiver will be required to follow an appropriate marketing process, after which the assets of the borrower will be sold and funds will be distributed to creditors in priority to their security.

The current debt stack is as follows:

Mapleview Debt Stack	
KingSett Mortgage Corporation <sup>1</sup>	\$ 48,888,711.83
Vector Financial Services <sup>2</sup>	\$ 2,916,616.44
MarshallZehr - MZGI 393 <sup>3</sup>	\$ 65,202,332.51
MarshallZehr - MZGI 274 <sup>3</sup>	\$ 2,019,070.93
MarshallZehr - MZGI 112 <sup>3</sup>	\$ 26,903,494.19
<b>Total</b>	<b>\$ 145,930,225.90</b>

### Notes

- 1) Kingsett principal amount as at December 21, 2023. 1st mortgage excluding Phase 6, where re
- 2) estimated balance due at January 25, 2024. 1st mortgage registered only on Phase 6.
- 3) all MarshallZehr balances as at January 25, 2024 and include accrued interest to effective date

We continue to work with several groups who have expressed interest in the project and are working diligently to protect as much of the MarshallZehr security as possible. Additional details will be provided as available.

Should you have any questions, please contact Cecil or Anthony.

Thank you,





**Dawn Wise**

**Loan Compliance Manager**

Agent Level 2

**T** 519 342 1000 x235

**C** 226 808 5892

[marshallzehr.com](http://marshallzehr.com)

**MarshallZehr Group Inc.**

FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFSA Mortgage Broker #MB600627

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# EXHIBIT “17”

## Dannallyn Salita

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**From:** Harvey G. Chaiton <Harvey@chaitons.com>  
**Sent:** January 7, 2025 9:37 AM  
**To:** Alexander Soutter  
**Subject:** [EXTERNAL]Fwd: Maplevue Proforma & Markham Repayment Update  
**Attachments:** Outlook-MarshallZe.png; image001.png; 2023-03-20 - Maplevue & Markham Proforma .xlsx

This is relevant part of attachments  
Sent from my iPad



**Harvey G. Chaiton | Partner**  
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**From:** Sean Atkinson <satkinson@marshallzehr.com>  
**Date:** January 7, 2025 at 9:34:38 AM EST  
**To:** "Harvey G. Chaiton" <Harvey@chaitons.com>  
**Subject:** Fw: Maplevue Proforma & Markham Repayment Update

CAUTION: [External]

**Sean Atkinson**  
Vice President – Mortgage Operations  
Broker

T 519 342 1000 x238

**MarshallZehr Group Inc.**

FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFS Mortgage Broker #MB600627

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---

**From:** Anthony Carleton <acarleton@marshallzehr.com>

**Sent:** Thursday, March 30, 2023 1:56 PM

**To:** Chris Wain-Lowe <cwain-low@portlandic.com>

**Cc:** Sean Atkinson <satkinson@marshallzehr.com>; Murray Snedden <msnedden@marshallzehr.com>;

Julia Schlumpf <jschlumpf@marshallzehr.com>

**Subject:** Maplevue Proforma & Markham Repayment Update

Good afternoon Chris,

Thank you for your response regarding your positions in **Maplevue – MZGI 274 & Markham – MZGI 285**. I can confirm that we have applied the wrap-up rate of 24.7% interest on **Maplevue – MZGI 274**.

I understand that your main request is to see a report framed in a way that shows total project economics for Maplevue and how they flow into the **Markham – MZGI 285** repayment. Please find a summary of this information below (as of February 23<sup>rd</sup>) as well as the model attached to this email.

**Net Distributable Cash Flow Summary:**

- **Revenue:** All revenue for Phases 1-4 is contractual based on binding pre-sales for the 841 units. Revenue for Phases 5 & 6 are based on \$800,000/unit which is less than some of the appraisals on recently closed units.
- **Deposits & Recoveries:** The deposits are contractual for Phase 1-4 and are assumed at 10% for Phase 5 & 6. Recoveries/upgrades are assumed at \$15,000-\$18,000 per unit based on what we are seeing on current closings.
- The revenue in the total project proforma attached is relatively fixed with the exception of Phase 5 & 6 as mentioned above. We believe that the assumptions shown for the 216 units in Phases 5 & 6 align with the current low-rise real estate market.

**Repayment Waterfall Summary:**

- **KingSett:** The KingSett debt obligations were as of February 1<sup>st</sup>, 2023 which is the debt outstanding after 65 closings. There is a very large paydown (24 units) occurring at the end of March/beginning of April which will greatly reduce the total indebtedness.
- **Revolving Trade Facility:** This is equal to the total dollars paid to trades from closing proceeds. As mentioned in the past update, the current financing structure pays KingSett a set discharge amount per closing and the rest of the proceeds are used to pay for project costs. ***We are modelling a refinance of KingSett in July of 2023 where the new land and servicing facility receives a smaller discharge per unit which allows for more funds to be applied to the trade credit facility and the construction revolver.***



- **Construction Revolver:** This amount is reflective of the aggregate amount of funds that will be advanced through the 3<sup>rd</sup> party revolver that will be funded in Q3 of 2023.
- **All 3 MarshallZehr Mapleview Loans (MZGI 393, MZGI 274 & MZGI 112):** These are inclusive of interest until their expected repayment.
- **Vector Phase 6 Loan:** This is likely going to be refinanced as part of the financing that is expected to occur in Q3 of 2023.

#### **Markham – MZGI 285 Repayment Summary:**

- Total principal of Tranche A is equal to \$15,245,611.
- Total estimated interest to August of 2025 (estimated completion date of all six phases of Mapleview) is equal to \$13,406,075.
- Total estimated indebtedness of Tranche A as of August 2025 is equal to \$28,651,685.
- Total expected Pace Developments profit from Mapleview is equal to \$22,442,921.
- Total residual value of units in the Markham project is equal to \$310,000.
- Estimated stub is equal to \$5,898,765.
- Coverage ratio is 0.794x.
- Portland's current position in **Markham – MZGI 285** is \$3,538,537.32 of principal and \$771,634.58 of interest.
- This summary assumes that all Pace development profits are deferred to Q3 of 2025 and there are no opportunities to pull cash forward for Pace to repay Markham – MZGI 285 earlier.

The proforma and numbers above are based on the current financing solutions in place for the Mapleview project. We anticipate the project economics to improve over the coming months/years for 3 reasons:

- **Hard Costs:** We anticipate the costs to come down for the stacked and freehold product providing significant savings to the project.
- **Financing Costs:** As we continue to show progress on site, we will look to refinance the existing debt with cheaper capital. Across the entire project, this will result in millions of dollars of savings.
- **Construction Schedule:** The current construction schedule is very conservative given the cashflow constraints (senior lender having withdrawn the revolving facility from their commitment). Once we secure additional financing, Pace will be able to build out Phases 1-3 simultaneously. There will be financing cost savings associated with the quicker delivery of units.

If you have any additional questions, please reply to this email and I will get back to you as soon as possible.

Best,

**Anthony Carleton** MBA

Manager – Project Management

T 519 342 1000 X 253

C 647 501 6066

[marshallzehr.com](http://marshallzehr.com) | [email](mailto:anthony.carleton@marshallzehr.com)

Agent

MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453

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# **EXHIBIT “18”**

**Mapleview & Markham Proforma**
**February 23rd, 2023**

	SOLD UNITS	DISCHARGED	INVENTORY	TOTAL
<b>Phase 1 &amp; 2</b>				
Gross Unit Revenue	\$ 166,381,998	\$ 41,442,690	\$ -	\$ 124,939,308
HST on Selling Price	-\$ 12,500,632	-\$ 3,473,728	\$ -	-\$ 9,026,903
Net Unit Revenue	\$ 153,881,366	\$ 37,968,962	\$ -	\$ 115,912,405
<b>Phase 3</b>				
Gross Unit Revenue	\$ 118,341,910	\$ -	\$ -	\$ 118,341,910
HST on Selling Price	-\$ 9,120,619	\$ -	\$ -	-\$ 9,120,619
Net Unit Revenue	\$ 109,221,291	\$ -	\$ -	\$ 109,221,291
<b>Phase 4</b>				
Gross Unit Revenue	\$ 188,167,819	\$ -	\$ -	\$ 188,167,819
HST on Selling Price	-\$ 14,782,714	\$ -	\$ -	-\$ 14,782,714
Net Unit Revenue	\$ 173,385,105	\$ -	\$ -	\$ 173,385,105
<b>Phase 5</b>				
Gross Unit Revenue	\$ -	\$ -	\$ 108,000,000	\$ 108,000,000
HST on Selling Price	\$ -	\$ -	-\$ 9,902,250	-\$ 9,902,250
Net Unit Revenue	\$ -	\$ -	\$ 98,097,750	\$ 98,097,750
<b>Phase 6</b>				
Gross Unit Revenue	\$ -	\$ -	\$ 64,800,000	\$ 64,800,000
HST on Selling Price	\$ -	\$ -	-\$ 5,941,350	-\$ 5,941,350
Net Unit Revenue	\$ -	\$ -	\$ 58,858,650	\$ 58,858,650
<b>ALL-PHASE GROSS UNIT REVENUE</b>	\$ 472,891,727	\$ 41,442,690	\$ 172,800,000	\$ 604,249,037
<b>ALL-PHASE HST ON SELLING PRICE</b>	-\$ 36,403,964	-\$ 3,473,728	-\$ 15,843,600	-\$ 48,773,836
<b>ALL-PHASE NET UNIT REVENUE</b>	\$ 436,487,763	\$ 37,968,962	\$ 156,956,400	\$ 555,475,201
<b>ADD: Land Sales and Cost Sharing Recoveries</b>				
Phase 4 Land Sale	\$ -	\$ -	\$ -	\$ -
Phase 4 Cost Sharing	\$ -	\$ -	\$ -	\$ -
Phase 3 Cost Sharing	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000
<b>ADD: Closing Recoveries (Sold) &amp; Upgrades (Inventory)</b>				
Phase 1	\$ 7,585,700	\$ 1,954,388	\$ -	\$ 5,631,312
Phase 2	\$ -	\$ -	\$ -	\$ -
Phase 3	\$ 3,866,061	\$ -	\$ -	\$ 3,866,061
Phase 4	\$ 5,937,825	\$ -	\$ -	\$ 5,937,825
Phase 5	\$ -	\$ -	\$ 2,025,000	\$ 2,025,000
Phase 6	\$ -	\$ -	\$ 1,215,000	\$ 1,215,000
<b>DEDUCT: Costs Paid from Unit Closing Revenue</b>			\$ -	
Purchaser Deposits Used in Construction	\$ 38,367,080	\$ 2,087,017	\$ 17,280,000	\$ 53,560,063
Deferred Costs				
Trade Credit				
				Included in Revolving Trade Facility
<b>TOTAL NET CASHFLOW AVAILABLE FOR DEBT REPAYMENT</b>	\$ 419,510,269	\$ 37,836,333	\$ 142,916,400	\$ 524,590,336

**Repayment Waterfall**

Phase 1-3 Servicing Loan (as at Feb 1st)	\$	-	\$	-	\$	61,782,106
Phase 1-3 Construction Loan (as at Feb 1st)	\$	-	\$	-	\$	7,818,165
Phase 1-3 Mezzanine Loan (as at Feb 1st)	\$	-	\$	-	\$	20,776,707
<b>Total KingSett Debt Obligations (Not Including LCs)</b>	\$	-	\$	-	\$	<b>90,376,978</b>
 Revolving Trade Facility (Phase 1-6)	\$	-	\$	-	\$	 47,767,105
Construction Revolver (Phase 1-6)	\$	-	\$	-	\$	232,961,555
 <b>Mapleview Refinance - MZGI 393</b>						
Facility 1 (Construction)	\$	-	\$	-	\$	24,660,000
Facility 2 (Mezzanine)	\$	-	\$	-	\$	22,900,000
Accrued Interest to November 1st, 2022	\$	-	\$	-	\$	4,338,050
Accrued interest until Full Repayment (July of 2025)	\$	-	\$	-	\$	23,117,551
<b>Total</b>	\$	-	\$	-	\$	<b>75,015,601</b>
 <b>Mapleview - MZGI 274</b>						
Facility 1 Principal (As of \$2MM Repayment)	\$	-	\$	-	\$	1,667,647
Facility 1 Interest from March 20th 2023 to January 1st 2024	\$	-	\$	-	\$	323,884
<b>Total</b>	\$	-	\$	-	\$	<b>1,991,531</b>
 <b>Mapleview - MZGI 112</b>						
Tranche A Principal	\$	-	\$	-	\$	13,390,115
Tranche A Interest Accrued to November 1st, 2022	\$	-	\$	-	\$	5,482,737
Tranche B Principal	\$	-	\$	-	\$	4,379,568
Tranche B Interest Accrued to November 1st, 2022	\$	-	\$	-	\$	1,793,267
Accrued Interest until Full Repayment (August of 2025)	\$	-	\$	-	\$	3,661,038
<b>Total</b>	\$	-	\$	-	\$	<b>28,706,724</b>
 Vector Phase 6 Loan	\$	-	\$	-	\$	 2,885,000
<b>Total Cash Coverage</b>	\$	-	\$	-	\$	<b>44,885,842</b>

Pace Profit from Mapleview (50%)

\$ 22,442,921

**Markham MZGI 285 Loan**

Tranche A	
Principal	\$ 15,245,611
Outstanding Interest at March 20, 2023	\$ 3,324,549
Interest to August 1, 2025	\$ 10,081,526
Total Estimated Payout Amount	<u>\$ 28,651,685</u>
 Total Markham MZGI 285 Loan Outstanding (Tranche A)	 \$ 28,651,685
 Coverage on Markham Tranche A	 -\$ 6,208,765
Less: Commercial Inventory Unit	\$ 310,000
Coverage on Markham Loan	<u>-\$ 5,898,765</u>
Coverage Ratio on Tranche A	79.4%

# **EXHIBIT “19”**

## Dawn Wise

---

**From:** Rebecca Bachynski  
**Sent:** November 29, 2022 4:40 PM  
**Cc:** Anthony Carleton; Cecil Hayes  
**Subject:** Maplevue - MZGI 274: Partial Repayment & Lender Update

Good afternoon,

Please see the below update on your position in **Maplevue – MZGI 274**:

The Phase 4 financing with Meridian which MZ was sourcing did not proceed earlier this year due to their concern on changing market conditions. MZ and Pace decided at that time to focus on construction of Phases 1, 2 & 3 and have recently finalized terms with KingSett and a B capital partner to fund construction to the end of Phase 3. The related party sale from Maplevue Developments to Urban North On-the-Go will be cancelled as it is no longer required to concurrently finance Phase 4 alongside Phases 1-3. You will recall that KingSett required a \$2MM deposit to be held in trust (which your loan funded) for the sale to Urban North On-the-Go and they have agreed to release the deposit back to MZ. These funds are expected to be wired to your account late this week or early next as a partial reduction of the MZGI 274 indebtedness and in accordance with the Standstill Agreement with KingSett.

Principal Amount: \$2,310,000

Interest Amount (As of November 28<sup>th</sup>): \$1,270,626.18

**Total: \$3,580,626.18**

The \$2,000,000 repayment will be applied to interest first and then a partial reduction of principal outstanding. We note that interest has been accruing at the wrap-up rate since May 1<sup>st</sup>, 2021.

Principal Amount: \$1,580,626.18

**Total: \$1,580,626.18**

We would like to discuss the plan and timing to complete Phases 1-4 (including repayment of the remaining MZGI 274 indebtedness) and work towards a formal amendment of the loan at a reduced interest rate (i.e not at wrap-up).

Please see the progress update for the Maplevue project below:

KingSett issued an amended commitment letter in September 2022 which extended their Land, Servicing, Mezzanine & LC facilities and capped them at their existing balances. At the time of the commitment letter, KingSett had roughly \$98MM of debt outstanding in addition to their letter of credit facilities that totaled roughly \$8MM. KingSett will now

receive a partial discharge from the closing of each unit. KingSett's loan program has been paid down by roughly \$2.5MM from closing proceeds of units in October 2022.

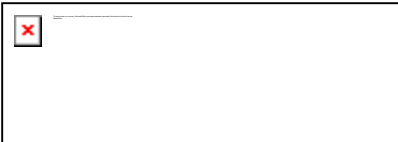
Construction of Phase 1 & 2 (311 units) is now being financed by revolving closing proceeds and a construction facility that has been arranged by MarshallZehr. The financing program in place will allow for the construction and delivery of the remaining 261 units with closings from December 2022 through to September 2023.

As of today's date, Pace Developments has delivered 50 units in the Mapleview project. The remaining 261 units in Phases 1 & 2 are at varying stages of construction. From December onwards, we are expecting an average of 20-30 closings per month. The site is extremely active and will continue to be throughout the upcoming Winter months. Condo registration for Phase 1's 102 stacked townhouse units is expected to be approved in November 2022 with closings to begin in January 2023. Phase 3 building permit applications have been submitted but are not anticipated to be drawn down until Spring of 2023. Phase 4A servicing is complete to blacktop roads and Phase 4B servicing is expected to commence in Spring of 2023. Phases 5 & 6 have not begun servicing works.

The current source of repayment for the subject loan is through closing proceeds from units in Phase 3-6. As mentioned above, once the \$2MM has been repaid, we will need to amend the loan to change the maturity date.

If you have any questions or concerns, please feel free to reach out, replay all

Sincerely,



**Rebecca Bachynski**

**Funding Analyst**

**T 519 342 1000**

[marshallzehr.com](http://marshallzehr.com) | [email](#)

Agent

MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453

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# **EXHIBIT “20”**



	Advance Amount	Sent to Borrower/Project Operating Account	Sent to MZ Cost Reserve	MZ Debt Refi	Direct Disbursement by MZ from Advance	CHECK	
\$10,900,000 on July 15th, 2021	\$ 10,900,000.00	\$ 76,478.69		\$ 10,793,630.88	\$ 29,890.43	\$ -	
\$12,000,000 on January 25th, 2022	\$ 12,000,000.00	\$ 10,891,790.50	\$ 1,068,824.89		\$ 39,384.61	\$ -	
\$11,400,000 on August 15th, 2022	\$ 11,400,000.00		\$ 4,062,997.29		\$ 7,337,002.71	\$ -	
\$2,860,000 on October 25th, 2022	\$ 2,860,000.00	\$ 1,797,973.45	\$ 799,837.08		\$ 262,189.47	\$ -	
\$4,100,000 on November 1st, 2022	\$ 4,100,000.00	\$ 4,098,016.32			\$ 1,983.68	\$ -	
\$5,000,000 on November 30th, 2022	\$ 5,000,000.00	\$ 4,155,744.45	\$ 782,235.74		\$ 62,019.81	\$ -	
\$1,300,000 on December 20th, 2022	\$ 1,300,000.00	\$ 483,921.45	\$ 814,213.43		\$ 1,865.12	\$ -	
	\$ 47,560,000.00	\$ 21,503,924.86	\$ 7,528,108.43	\$ 10,793,630.88	\$ 7,734,335.83	\$ -	



## Mapleview Refinance - MZGI 393 Cost Reserve

Date	Description	Amount	Balance
31-Jan-22	Funds held for Mapleview Dec - Cash to secure BMO Phase 4A	\$500,000.00	\$500,000.00
31-Jan-22	Funds held for Urban North on the Go Ltd Acct 5140 - 2nd Funding	\$2,500,000.00	\$3,000,000.00
31-Jan-22	Funds held in Trust - Cost Reserve 2nd funding	\$1,068,824.89	\$4,068,824.89
31-Jan-22	Online Transfer sent to Mapleview Ltd Acct 9596 - 2Funding	(\$500,000.00)	\$3,568,824.89
31-Jan-22	Payment sent to Urban North On the Go Phase 4 Acct 5140	(\$2,500,000.00)	\$1,068,824.89
02-Feb-22	Mapleview Refinance - 1st draw Phase 1 & 2 RBC Acct 8666	(\$601,155.99)	\$467,668.90
01-Mar-22	Funds - Draw #2	(\$467,668.90)	\$0.00
15-Aug-22	Facility 1 Tranche A 1st Funding	\$10,998,217.72	\$10,998,217.72
15-Aug-22	Paid Brockport Home Systems	(\$590,294.62)	\$10,407,923.10
15-Aug-22	Paid to Con-Drain Company(1983) Limited	(\$1,909,469.96)	\$8,498,453.14
15-Aug-22	Paid to Capelas Construction	(\$153,107.32)	\$8,345,345.82
15-Aug-22	Paid to Mansteel Limited	(\$80,737.60)	\$8,264,608.22
15-Aug-22	Paid to Mansteel Rebar Ltd.	(\$1,356.00)	\$8,263,252.22
15-Aug-22	Paid to MCF Forming Contractors Inc.	(\$141,055.64)	\$8,122,196.58
15-Aug-22	Paid to NEWCO Diamond Truss Inc.	(\$94,709.82)	\$8,027,486.76
15-Aug-22	Paid to Newmar Window Manufacturing Inc.	(\$171,123.11)	\$7,856,363.65
15-Aug-22	Paid to North Gate Farms Limited	(\$373,067.50)	\$7,483,296.15
15-Aug-22	Paid to NEBB FORMING LTD	(\$283,804.02)	\$7,199,492.13
15-Aug-22	Paid to Pro Star Excavating & Grading Ltd.	(\$158,178.60)	\$7,041,313.53
15-Aug-22	Paid to Quality Sterling Group	(\$167,293.98)	\$6,874,019.55
15-Aug-22	Paid to RN Design Ltd.	(\$212,856.71)	\$6,661,162.84
15-Aug-22	Paid to Schaeffer Dzaldov Bennett Ltd.	(\$41,037.34)	\$6,620,125.50
15-Aug-22	Paid to Schaeffers Consulting Engineers	(\$99,010.45)	\$6,521,115.05
15-Aug-22	Paid to Selba Industries Inc.	(\$98,970.21)	\$6,422,144.84
15-Aug-22	Paid to The King-Con Corporation	(\$1,018,961.57)	\$5,403,183.27
15-Aug-22	Paid to Velcan Forest Products Inc.	(\$1,247,965.56)	\$4,155,217.71
15-Aug-22	Paid to TA Appliance & Barbecues	(\$92,220.42)	\$4,062,997.29
16-Aug-22	Paid to Pace Group Investments Inc.	(\$816,889.60)	\$3,246,107.69
17-Aug-22	Paid to 2552741 Ontario Inc. P note P-\$634,556.16 Int \$1,564.66	(\$636,120.82)	\$2,609,986.87
17-Aug-22	1st Choice Disposal	(\$16,946.88)	\$2,593,039.99
17-Aug-22	2459096 ONTARIO INC	(\$1,695.00)	\$2,591,344.99
17-Aug-22	A-Aaron Protection Services	(\$14,491.12)	\$2,576,853.87
17-Aug-22	Accurate Glass Products	(\$25,488.94)	\$2,551,364.93
17-Aug-22	Alpa Stairs and Railings Inc.	(\$18,013.34)	\$2,533,351.59
17-Aug-22	Aquazition (2009) Ltd.	(\$4,237.50)	\$2,529,114.09
17-Aug-22	ATCO Structures & Logistics Ltd.	(\$1,846.42)	\$2,527,267.67
17-Aug-22	Barrie Trim & Moulding Inc.	(\$55,944.17)	\$2,471,323.50
17-Aug-22	Bisoukis Enterprises Limited ( Kardia Painting)	(\$15,038.89)	\$2,456,284.61
17-Aug-22	Bolton Paving & General Contractors	(\$5,850.00)	\$2,450,434.61
17-Aug-22	Breda BayPoint Plumbing & Mechanical Inc.	(\$21,532.70)	\$2,428,901.91
17-Aug-22	Canadian Springs	(\$135.02)	\$2,428,766.89
17-Aug-22	Concord Fireplaces Inc	(\$1,582.00)	\$2,427,184.89
17-Aug-22	The City of Barrie	(\$21,882.07)	\$2,405,302.82
17-Aug-22	Durham Fence	(\$15,143.13)	\$2,390,159.69
17-Aug-22	exp Services Inc.	(\$26,284.37)	\$2,363,875.32
17-Aug-22	Fencor Contracting Ltd.	(\$57,460.50)	\$2,306,414.82
17-Aug-22	Ford On-Site Services Ltd.	(\$1,600.08)	\$2,304,814.74
17-Aug-22	Foremont Drywall Contracting	(\$172,021.48)	\$2,132,793.26
17-Aug-22	Gee-Wizz Portable Toilets Inc.	(\$2,163.95)	\$2,130,629.31
17-Aug-22	Gemini Printing	(\$89.27)	\$2,130,540.04
17-Aug-22	Giancola Aluminum Contractors Inc	(\$75,351.56)	\$2,055,188.48
17-Aug-22	GM Exteriors	(\$16,945.25)	\$2,038,243.23
17-Aug-22	Granitec	(\$55,069.46)	\$1,983,173.77
17-Aug-22	Greenbelt Environmental Services	(\$6,845.67)	\$1,976,328.10
17-Aug-22	Hard Wear Promotions	(\$980.84)	\$1,975,347.26
17-Aug-22	Homelife G1 Realty Inc. Brokerage	(\$6,549.90)	\$1,968,797.36
17-Aug-22	HomeLife Woodbine Real Estate Inc. Brokerage	(\$5,876.02)	\$1,962,921.34
17-Aug-22	Ideal Railings Ltd.	(\$49,529.48)	\$1,913,391.86
17-Aug-22	Investments Hardware Limited	(\$4,834.80)	\$1,908,557.06
17-Aug-22	iPro Realty Ltd., Brokerage	(\$14,879.80)	\$1,893,677.26
17-Aug-22	Jackson Roofing GTA Inc.	(\$112,256.46)	\$1,781,420.80
17-Aug-22	Jentry Construction Limited	(\$13,727.87)	\$1,767,692.93
17-Aug-22	KLM Planning Partners Inc.	(\$7,280.02)	\$1,760,412.91
17-Aug-22	MetalTronics Inc.	(\$8,979.55)	\$1,751,433.36
17-Aug-22	Mykon Electrical North Ltd.	(\$51,279.85)	\$1,700,153.51
17-Aug-22	Mykon Electrical North Ltd.	(\$18,000.00)	\$1,682,153.51
17-Aug-22	Nature's Call Portable Toilets	(\$916.96)	\$1,681,236.55
17-Aug-22	Omega Superior Maintenance Inc.	(\$13,684.30)	\$1,667,552.25
17-Aug-22	Picco Engineering	(\$226.00)	\$1,667,326.25
17-Aug-22	Remax Realty Enterprises Inc.	(\$6,639.90)	\$1,660,686.35
17-Aug-22	Remax Real Estate Centre Inc	(\$21,119.71)	\$1,639,566.64
17-Aug-22	Reprodux	(\$630.77)	\$1,638,935.87

17-Aug-22	RN Design Ltd.
17-Aug-22	RTG Systems Inc.
17-Aug-22	Save MaxRealEstate Inc. Brokerage
17-Aug-22	Strybos Barron King Landscape Architecture
17-Aug-22	Sunbelt Rentals of Canada Inc
17-Aug-22	Timescapes
17-Aug-22	TP Delta Construction Ltd.
17-Aug-22	Via-Con Masonry Inc.
17-Aug-22	York 1 Hydrovac Ltd.
17-Aug-22	P2 RealtyInc
17-Aug-22	P2 RealtyInc
17-Aug-22	Tripace
22-Aug-22	Chaitons LLP * FCT title Insurance PolicyAmendment/Legal Fees
01-Sep-22	Payment to Kingsett Mortgage Corp for Sept 1 interest
01-Sep-22	Payment to Kingsett Mortgage Corp for Sept 1 interest- balance
19-Sep-22	Funds received from Pace Group Investments
22-Sep-22	Funds sent to Mapleview Developments Ltd for overpayment
03-Oct-22	Payment to Kingsett Mortgage Corp for Oct 2022 interest
04-Oct-22	Payment for Kingsett Mortgage Corp for commitment Fee
25-Oct-22	Payment for Kingsett Mortgage Corp Nov1st interest
01-Nov-22	Payment for Kingsett Nov1st Interest payment
30-Nov-22	Funds held for Kingsett December 1st Interest ptm - F1-4th F
01-Dec-22	Payment sent to Kingsett Mtg Corporation Inv0509
01-Dec-22	Payment sent to Kingsett Mtg Corporation Inv0510
01-Dec-22	Payment sent to Kingsett Mtg Corporation Inv0523
01-Dec-22	Payment sent to Kingsett Mtg Corporation Inv5021
01-Dec-22	Payment sent to Kingsett Mtg Corporation Inv5022
01-Dec-22	Payment sent to Kingsett Mtg Corporation Inv5028
01-Dec-22	Payment sent to Kingsett Mtg Corporation Inv5030
20-Dec-22	Held in interest reserve from F1-5th funding
03-Jan-23	Payment sent to Kingsett Mtg Corporation Inv0509
03-Jan-23	Payment sent to Kingsett Mtg Corporation Inv0510
03-Jan-23	Payment sent to Kingsett Mtg Corporation Inv0523
03-Jan-23	Payment sent to Kingsett Mtg Corporation Inv5021
03-Jan-23	Payment sent to Kingsett Mtg Corporation Inv5022
03-Jan-23	Payment sent to Kingsett Mtg Corporation Inv5028
03-Jan-23	Payment sent to Kingsett Mtg Corporation Inv5030
01-Feb-23	Funds received from Pace Group Investments
01-Feb-23	funds sent to Kingsett Mtg Corporation #rd Extension fee
01-Feb-23	Payment sent to Kingsett Mtg Corporation Inv0510
01-Feb-23	Payment sent to Kingsett Mtg Corporation Inv0523
01-Feb-23	Payment sent to Kingsett Mtg Corporation Inv0521
01-Feb-23	Payment sent to Kingsett Mtg Corporation Inv0530
01-Feb-23	Payment sent to Kingsett Mtg Corporation Inv0509
01-Feb-23	Payment sent to Kingsett Mtg Corporation Inv0522
01-Feb-23	Payment sent to Kingsett Mtg Corporation Inv0528
03-Apr-23	Payment received from Borrower for Kingsett Interest
03-Apr-23	Payment sent to Kingsett for April 1, 2023 interest
01-May-23	Payment received from borrower for Kingsett Interest
01-May-23	Payment sent to Kingsett May2023 Interest
01-May-23	Payment sent to Kingsett for May1st extension fee
01-Jun-23	Funds received from Mapleview Development - June Interest
01-Jun-23	Payment sent to Kingsett Mtg Corporation Inv0509
01-Jun-23	Payment sent to Kingsett Mtg Corporation Inv0521
01-Jun-23	Payment sent to Kingsett Mtg Corporation Inv0522
01-Jun-23	Payment sent to Kingsett Mtg Corporation Inv0528
01-Jun-23	Payment sent to Kingsett Mtg Corporation Inv0530
01-Jun-23	Payment sent to Kingsett Mtg Corporation Inv0510
03-Aug-23	Overpayment returned from Kingsett for over payment August 1st
31-Dec-23	Reconciled to December 31, 2023 - Sabrina Ecclestone

(\$1,830.60)	\$1,637,105.27
(\$4,355.02)	\$1,632,750.25
(\$6,989.90)	\$1,625,760.35
(\$9,651.05)	\$1,616,109.30
(\$30,938.87)	\$1,585,170.43
(\$3,390.00)	\$1,581,780.43
(\$2,327.10)	\$1,579,453.33
(\$63,460.80)	\$1,515,992.53
(\$20,701.56)	\$1,495,290.97
(\$40,680.00)	\$1,454,610.97
(\$82,153.68)	\$1,372,457.29
(\$9,831.00)	\$1,362,626.29
(\$40,277.97)	\$1,322,348.32
(\$656,594.35)	\$665,753.97
(\$65,007.74)	\$600,746.23
\$650,000.00	\$1,250,746.23
(\$75,000.00)	\$1,175,746.23
(\$744,554.74)	\$431,191.49
(\$420,000.00)	\$11,191.49
\$799,837.08	\$811,028.57
(\$785,606.41)	\$25,422.16
\$782,235.74	\$807,657.90
(\$292,860.63)	\$514,797.27
(\$178,767.12)	\$336,030.15
(\$83,133.03)	\$252,897.12
(\$26,721.75)	\$226,175.37
(\$68,845.69)	\$157,329.68
(\$120,994.86)	\$36,334.82
(\$10,912.66)	\$25,422.16
\$814,213.43	\$839,635.59
(\$316,996.18)	\$522,639.41
(\$189,657.54)	\$332,981.87
(\$84,743.75)	\$248,238.12
(\$27,612.48)	\$220,625.64
(\$73,039.73)	\$147,585.91
(\$130,966.41)	\$16,619.50
(\$11,276.42)	\$5,343.08
\$1,029,989.72	\$1,035,332.80
(\$197,000.00)	\$838,332.80
(\$191,712.33)	\$646,620.47
(\$72,131.53)	\$574,488.94
(\$27,612.48)	\$546,876.46
(\$11,276.42)	\$535,600.04
(\$322,985.15)	\$212,614.89
(\$73,831.06)	\$138,783.83
(\$133,440.75)	\$5,343.08
\$835,145.86	\$840,488.94
(\$835,145.86)	\$5,343.08
\$898,125.44	\$903,468.52
(\$734,301.52)	\$169,167.00
(\$163,823.92)	\$5,343.08
\$706,562.63	\$711,905.71
(\$254,983.49)	\$456,922.22
(\$26,323.45)	\$430,598.77
(\$74,820.23)	\$355,778.54
(\$136,533.67)	\$219,244.87
(\$19,620.97)	\$199,623.90
(\$194,280.82)	\$5,343.08
\$594.39	\$5,937.47
\$0.00	\$5,937.47



EXTERNAL

TRUST ADVANCE STATEMENT - Anticipated Closing Date: Friday October 4, 2019  
MarshallZehr Group Inc. corporate financing with Maplevue Developments Ltd.  
Maplevue MZGI 273

Received from MarshallZehr Group Inc.:		\$	6,725,000.00
Paid to Insurance Reviewer - Robert Harder Consulting Inc. Inv #1444	\$	423.75	
Held by Chaitons LLP			
Estimated Legal Fees + disbursements (incl. title insurance) and HST MZGI 273 and MZGI 274 loans	\$	39,337.44	
Paid to David Chong in Trust - partial funds for advance to Maplevue Developments for cost in place:	\$	6,685,238.81	
	\$	6,725,000.00	\$ 6,725,000.00

 Oct. 17, 2019

Sean Atkinson, Project Risk Manager

E & O E



FILE #

TRUST ADVANCE STATEMENT - Date: June 24, 2020

MarshallZehr Group Inc. corporate financing with Maplevew Developments Ltd.

RE:Maplevew MZGI-273 - Tranche B - 1st funding

Received from MarshallZehr Group Inc. - MZGI 273 Tranche B Initial Advance \$ 9,000,000.00

Paid to MarshallZehr Group Inc. "in Trust":

To partial paydown of MZGI 273 "Tranche A"	\$ 2,885,000.00
To Interest Reserve for MZGI 273 "Tranche B"	\$ 285,384.52

Paid to MarshallZehr Group Inc.:

Draw Fee	\$ 250.00
Costs to Recover	\$ 68.22

Paid to Dersean Investments Ltd. to discharge Phase 6 2nd mortgage incl. legal fees (as at June 24, 2020) \$1,060,063.05  
*Per Diem after 1:00 p.m.: \$655.55*

Title Insurance re: Phase 6 Collateral Charge \$ 1,734.21

Paid to Chaitons LLP for Legal Fees \$ 17,500.00

Paid to Maplevew Developments Ltd.

To repatriation of Phase 1 & 2 deposits used in project	\$ 4,270,000.00
To partial repatriation of Phase 3 deposits used in project	\$ 480,000.00

\$ 9,000,000.00 \$ 9,000,000.00

DocuSigned by:



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Sean Atkinson

Manager - Mortgage Underwriting & Funding

E & O E





FILE #  
TRUST ADVANCE STATEMENT - Date: July 31, 2020  
MarshallZehr Group Inc. corporate financing with Maplevue Developments Ltd.  
RE:Maplevue MZGI-273 - Tranche B - 3rd funding

Received from MarshallZehr Group Inc. \$ 750,000.00

Paid to MarshallZehr Group Inc.:

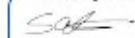
Draw Fee \$ 250.00  
Costs to Recover \$ 3,672.50

Paid to Chaltons LLP for Subsearch Fee \$ 593.27

Paid to MarshallZehr Group Inc. "In Trust" - towards payout of MZGI 273 Tranche A \$ 745,484.23

\$ 750,000.00 \$ 750,000.00

DocuSigned by:



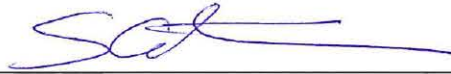
Sean Atkinson  
Manager - Mortgage Underwriting & Funding

E & O E



TRUST ADVANCE STATEMENT - Anticipated Closing Date: Friday October 4, 2019  
MarshallZehr Group Inc. corporate financing with Urban North on the GO Ltd.  
Mapleview MZGI 274

Received from MarshallZehr Group Inc.:			\$2,310,000.00
Paid to Insurance Reviewer - Robert Harder Consulting Inc. Inv #1444 (\$423.75)		\$NIL - paid via MZGI 273	
Held by Chailons LLP			
Estimated Legal Fees + disbursements (incl. title insurance) and HST MZGI 273 and MZGI 274 loans (\$34,950.00)		\$NIL - paid via MZGI 273	
Paid to MarshallZehr Group Inc. in Trust:			
Lender Fee	\$	200,000.00	
Interest Reserve	\$	110,000.00	
Paid to Chailons LLP in Trust - Deposit for Purchase by Urban North on the GO Ltd. of Phase 4 from Mapleview Developments Ltd.:	\$	2,000,000.00	
	\$	2,310,000.00	\$ 2,310,000.00



Sean Atkinson, *Project Risk Manager*

E & O E

**KINGSETT MORTGAGE CORPORATION**

- and -

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

Applicant

Respondents

**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**

Court File No.: CV-24-00716511-00CL

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

Proceedings commenced at Toronto, Ontario

**RESPONDING MOTION RECORD**  
**(VOLUME 1 OF 3)**

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Aggregated Investments Inc.