Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

MARSHALLZEHRGROUP INC.

Applicant

and

2557386 ONTARIO INC. and 2363823 ONTARIO INC. O/A MARIMAN HOMES

Respondents

MOTION RECORD

November 11, 2024

RORY MCGOVERN PC
Lawyer
25 Adelaide St. East Suite 1910
Toronto, ON, M5C 3A1

Rory McGovern LSO# 65633H
rory@rorymcgovernpc.com
Tel: (416) 938-7679

Lawyer for the Respondents,
2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes

TO: **THE SERVICE LIST**

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TAB 1

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

MARSHALLZEHRGROUP INC.

Applicant

and

2557386 ONTARIO INC. and 2363823 ONTARIO INC. O/A MARIMAN HOMES

Respondents

NOTICE OF MOTION

The Respondents, 2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes, will make a Motion to a Judge on Tuesday, November 12, 2024 at 8:30 a.m., or as soon after that time as the Motion can be heard.

PROPOSED METHOD OF HEARING: The Motion is to be heard

[ ] In writing under subrule 37.12.1(1) because it is [insert on consent, unopposed or made without notice];

[ ] In writing as an opposed motion under subrule 37.12.1(4);

[ ] In person;

[ ] By telephone conference;

[X] By video conference.

at the following location:

https://ca01web.zoom.us/j/68763445471?pwd=c212MHFNenltVXZrS0NYTkZXWUdQQT09#success

THE MOTION IS FOR

(a) An order suspending the operation of the Approval and Vesting Order of Justice Black dated October 1, 2024 (the "**AVO**") until December 31, 2024;

(b) An order varying the Distribution and Discharge Order of Justice Black dated October 1, 2024 (the "**DDO**") to extend the time for the Respondents to close the Proposed Refinancing Transaction (as defined below) until December 30, 2024 and extending all other provisions contained in the DDO accordingly, including the discharge of the Receiver in respect of the York Property;

(c) An order abridging the time for the service and filing of the Respondents' materials in connection with the within motion such that the motion is properly returnable on November 12, 2024 at 8:30 am;

(d) An order validating service of the Respondents' materials on the within motion and dispensing with the need for any further service in respect thereof; and

(e) Such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE

(f) The Respondents, 2557386 Ontario Inc. ("**255**") and 2363823 Ontario Inc. o/a Mariman Homes are debtors under a mortgage to the Applicant, MarshallZehr

Group Inc. ("**MZ**") in connection with a mortgage (the "**Mortgage**") that was given in relation to a development project in Haldimand that was being developed by the Respondents (the "**York Estates Project**");

(g) The mortgage was given to secure certain credit facilities that were provided to the Respondents by MZ in order to complete the construction of the York Estates Project (the "**Credit Facilities**");

(h) Shortly after the initial advances under the Credit Facilities were made in the Summer of 2022, MZ refused to advance funds under the Credit Facilities and cited concerns about ongoing litigation that Mariman and its principal, Mr. Bettiol had been involved in (the "**Proceedings**");

(i) Most of the Proceedings had been resolved and none of the Proceedings could have possibly had a material adverse impact on the York Estates Project. Despite being advised of this, MZ still refused to provide advances under the terms of the Credit Facilities, including to pay interest that was due under the terms of same;

(j) On March 6, 2023, MZ provided the Respondents with a purported notice of default under the terms of the Credit Facilities;

(k) On April 6, 2023, MZ issued demands for payment and a notice of intention to enforce security under Section 244 of the *Bankruptcy and Insolvency Act*;

(l) On June 5, 2023, the Respondents entered into a Forbearance Agreement with MZ which expired on October 30, 2023;

(m) MZ refused to consider any proposals from the Respondents that would have allowed the York Estates Project to be completed;

(n) On January 16, 2024, KSV Restructuring Inc. (the "**Receiver**") was appointed as the Receiver over the respondents pursuant to the Order of Justice Osborne dated January 16, 2024;

Attempts to Secure Refinancing

(o) Mike Bettiol, the principal of the Respondents has been diligently working to secure a lender to refinance the York Estates Project since the Spring of 2023;

(p) The lending environment during 2022, 2023 and the first part of 2024 was extremely difficult for borrowers and funds to refinance the York Estates Project could not be secured;

(q) In furtherance of obtaining refinancing, 255 entered into a commitment letter with Co Capital Ltd. ("**Co-Capital**") dated July 24, 2024, which commitment letter would have provided sufficient financing to redeem the Mortgage (the "**Co-Capital Refinancing Transaction**");

(r) The Co-Capital Refinancing Transaction was only subject to two material conditions as of July 24, 2024 (collectively, the "**Co-Capital Conditions**"): (a) that a form CMA was drafted for use in respect of the development of the York Estates Project; and (b) that 255 entered into an agreement with a Tarion certified builder to allay the concerns of the Receiver that had been expressed throughout the pendency of the within Proceeding;

(s) On September 24, 2024, the Receiver served its motion record returnable on October 1, 2024 to approve a transaction in respect of the property in respect of the York Estates Project (the "**Sale Approval Motion**");

(t) On September 27, 2024, the Respondents obtained an updated commitment letter from Co-Capital which would have provided take-out financing for the York Estates Project (the "**Co-Capital Refinancing Transaction**");

(u) The principals of Co-Capital repeatedly assured the Respondents that they were in funds and were ready to close the transaction as soon as the Co-Capital Conditions had been satisfied;

(v) The principals of Co-Capital also repeatedly advised the Respondents that the closing funds were in Gowling WLG's trust account and were being transferred to Co-Capital's new counsel at Miller Thomson LLP;

(w) The principals of Co-Capital also repeatedly advised that they were in frequent communication with MZ and the Receiver;

(x) Prior to the Sale Approval Motion. discussions took place among the Receiver, its counsel and MZ and its counsel about providing the Respondents with an opportunity to redeem the mortgage and satisfy the amounts due to MZ and the Receiver;

(y) The parties agreed that the Respondents would have until November 12, 2024 at 5:00 pm to redeem the Mortgage;

(z) On October 1, 2024, Justice Black of the Ontario Superior Court of Justice (Commercial List) granted the AVO and the DDO;

(aa) In connection with the AVO, the Court approved the Proposed Transaction and terminated the Pre-Construction Agreements (as defined in the AVO) with the purchasers;

(bb) Notwithstanding the AVO, the DDO suspended the operation of the AVO until November 13, 2024 in order to give time to the debtors to complete the Co-Capital Refinancing Transaction;

(cc) Under the terms of the DDO the Respondents were required to satisfy all amounts lawfully owing to the Receiver and the Applicant by 5:00 pm on November 12, 2024;

(dd) The Respondents satisfied the Co-Capital Conditions on October 24, 2024. Notwithstanding that the conditions were all satisfied, the principals of Co-Capital went radio silent and failed to provide financing for the Co-Capital Refinancing Transaction;

(ee) Shortly after the Respondents grew concerned that Co-Capital would not close the Co-Capital Refinancing Transaction, discussions about refinancing the York Estates Project were started with another lender, Francis D'Atri;

(ff) Mr. D'Atri manages a large portfolio of various assets for his family office. He is a man of significant means and wants to assist with the completion of the York Estates Project;

(gg) On November 8, 2024, a company controlled by Mr. D'Atri entered into a binding commitment letter with 255 (the "**DBNC Commitment Letter**") to provide take-out financing for the York Estates Project (the "**Proposed Refinancing Transaction**");

(hh) Other than Court approval, the only condition in respect of the Proposed Refinancing Transaction is that Mr. D'Atri must ensure a refinancing transaction in respect of another property, 85 Executive Court in Toronto, ON, closes first (the "**85 Executive Refinancing**");

(ii) The Respondents provided comfort to the Receiver and MZ that the Proposed Refinancing Transaction would proceed as long as the 85 Executive Refinancing closed;

(jj) In addition, the Respondents and Mr. D'Atri have provided the Receiver with a proposed pathway forward that would protect the interests of the purchasers and result in a much better outcome for the stakeholders;

(kk) If the requested relief is not granted it will result in significant prejudice to the Respondents, the purchasers and other stakeholders in the within proceeding, including the Applicant;

(ll) The principal of the Respondents has acted in good faith and with due diligence throughout the course of this Proceeding and in the best interests of all of the stakeholders;

(mm) It is in the interests of justice and the stakeholders in this proceeding that one last extension is granted to the Respondents to redeem the Mortgage and save the York Estates Project;

(nn) 1,2,3, 37 and 59.06 of the Rules of Civil Procedure;

(oo) Section 187(11) of the Bankruptcy and Insolvency Act;

(pp) Such further and other grounds as the lawyers may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

(a) The affidavit of Mike Bettiol sworn November 10, 2024;

(b) The affidavit of Francis D'Atri sworn November 11, 2024;

(c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

November 10, 2024

RORY MCGOVERN PC
Lawyer
25 Adelaide St. East Suite 1910
Toronto, ON, M5C 3A1

Rory McGovern LSO# 65633H
rory@rorymcgovernpc.com
Tel: (416) 938-7679

Lawyer for the Respondents,
2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes

TO: **THE SERVICE LIST**

RCP-E 37B (January 2, 2024)

MARSHALLZEHRGROUP INC.
Applicant

-and-

2557386 ONTARIO INC. et al.
Respondents

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

RORY MCGOVERN PC
Lawyer
25 Adelaide St. East Suite 1910
Toronto, ON, M5C 3A1

Rory McGovern LSO# 65633H
rory@rorymcgovernpc.com
Tel: (416) 938-7679

Lawyer for the Respondents,
2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes

Email for party served:
The Service List

File Number:

RCP-F 4C (September 1, 2020)

TAB 2

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

MARSHALLZEHRGROUP INC.

Applicant

and

2557386 ONTARIO INC. and 2363823 ONTARIO INC. O/A MARIMAN HOMES

Respondents

AFFIDAVIT OF MIKE BETTIOL SWORN NOVEMBER 10, 2024

I, Mike Bettiol, of the City of Hamilton, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the President of 2557386 Ontario Inc. and 2363823 Ontario Inc., the Respondents in this proceeding, and, as such, have knowledge of the matters contained in this Affidavit. Where I do not have direct knowledge of the facts deposed to in this affidavit or where I have received information from others, I have stated the source of my information and verily believe that information to be true.

2. I am swearing this affidavit as part of the within motion to vary the Order of Justice Black dated October 1, 2024. Copies of the endorsement of Justice Black dated October 1, 2024 and the October 8 Order are attached as Exhibit "**A**".

Background of the Proceeding

3. While I appreciate the issue on this motion is narrow, I think it is important for the Court to have an appreciation of the background of the dealings between the Respondents and the Applicant, the MarshallZehrGroup Inc. ("**MZ**").

4. Prior to the Commitment Letter (as defined below), I had received letters of intent from several lenders who were interested in funding the York Estates Project (as defined below). At the time I was negotiating financing with various lenders a representative from the MZ, Josh Thiessen ("**Mr. Thiessen**") approached me and stated that MZ had heard of the development project known as the "**York Estates Project**" in Haldimand, that was being developed by the Respondents.

5. Mr. Thiessen (and later Mr. Hayes) advised me that MZ really liked the York Estates Project and gave me comfort that MZ understood the complexities of large-scale residential construction projects as well as the delays that often arise in connection with same. He assured me that MZ would work with 255 to ensure that financing was available to complete each phase of the York Estates Project and that MZ would work cooperatively with me to ensure same (the "**MZ Representations**").

6. MZ was aggressive in pursuing a business relationship with me and I ultimately agreed to obtain financing from it.

7. Consistent with the MZ Representations, pursuant to a commitment letter dated June 23, 2022 (the "**Commitment Letter**"), MZ agreed to provide a multiple facility loan to in connection with the York Estates Project. A copy of the Commitment Letter (along with the amendment to same that was entered into in October of 2022 and discussed herein) is attached as Exhibit "**B**".

The Purpose of the Commitment Letter

8. The Commitment Letter was intended to ensure that financing for all stages of the York Estates Project was provided by MZ. Had MZ not represented that it was prepared to finance the York Estates Project through completion, I would not have used MZ as a lender for same. It was very important to me that financing was in place so that the York Estates Project could be completed and the purchasers' homes could be constructed.

9. At the time the Commitment Letter was entered into, Mr. Hayes was well aware that it would be a couple of years before any revenue was generated in connection with the York Estates Project. This is precisely why it was contemplated in Section 18 of the Commitment Letter that funds from the Facilities (including Facility 2A) could be used to fund the Reserves (as defined below) when advanced.

The Facilities and the Initial Advances

10. There were three facilities (collectively, the "**Facilities**") that were offered under the terms of the Commitment Letter:

Facility	Amount	Interest Rate	**Purpose of Facility**[1]
Facility 1 (Construction)	$8,000,000.00	Prime (BMO) + 5.3% per annum	This facility will provide funding for the construction of the 66 homes. Notability this facility will be administered as a Revolving funding source with a balance limit of **$8,000,000**.

[1] See Section 14 of the Commitment Letter.

			This facility will fund approximately **$33,702,000** in construction costs throughout the construction period of the Project (subject to limitations as described in Article 22.5 Advance Margin). Funds in this facility will be placed into a MarshallZehr trust in time for construction. Upon placement into the MarshallZehr trust, interest will begin to accrue interest on the entire amount of the facility.
Facility 2A (Land and Servicing)	$15,825,000.00	Prime (BMO) + 5.4% per annum	This facility will provide funding for the land and servicing (pre-construction) component of the Project.
Facility 2B (Mezzanine)	$3,024,000.00	Prime (BMO) + 11.05% per annum	This facility will provide funding for the land and servicing (pre-construction) component of the Project.

11. The Facilities were all subject to the same payment terms which required that interest was payable on the first day of each month. At all material times, it was understood that interest payments, when due, would be taken out of the Interest Reserve (as defined below). In addition,

at all material times, it was understood that for the pre-construction phase of the York Estates Project, that the interest was payable from the advances under Facility 2A.[2]

12. The transaction in respect of the Facilities was completed on or around June 30, 2022. As part of the Initial Advances, MZ advanced $11,276,000.00 under the terms of Facility 2A and $3,024,000.00 under the terms of the Facility 2B, for a total advance of $14,300,000.00 (the "**Initial Advance**").

13. At the time the Initial Advance was made, Facility 2B was fully drawn but there was still $4,057,499.50 available under Facility 2A (the "**Remaining 2A Facility**").

14. As part of the Initial Advance, MZ took an interest reserve of $907,000.00 (the "**Interest Reserve**") along with $700,000 for a lender's fee. Months prior to the Initial Advances, 255 provided a $75,000 deposit which was taken by MZ as part of its $775,000 lender fee (the "**Lender Fee**").

15. As alluded to above, the Interest Reserve and the Cost Reserve (the "**Reserves**") were established to ensure that 255 had flexibility under the terms of the Credit Facilities so that it could meet its obligations to MZ even if there was minimal revenue generated from the sale of any of the lots. Put another way, it was a term of the Facilities that any interest payments that came from the Reserves would be obtained from advances under the Facilities.

16. After the Interest Reserve and Lender Fee were paid, along with other costs, 255 was left with $2,154,370.93 to advance the York Estates Project, which was inadequate to complete the development of same. I understood that 255 had access to the Remaining 2A Facility. A copy of

[2] See Section 7 of the Commitment Letter.

the trust ledger statement from my counsel showing the allocation of funds in connection with the Initial Advance is attached as Exhibit "**C**".

The Term of the Facilities

17. The term of the Facilities was for a period of 37 Months commencing on the Interest Adjustment Date unless demand was made by MZ at an earlier date.[3] 255 was entitled to request an extension of one year for the Maturity Date of the Facilities. As such, my understanding was that the Facilities would be potentially available for the York Estates Project until at least June 30, 2026.

The Requests for Advances and the October 2022 Amendment

18. After obtaining the Credit Facilities, I worked diligently to advance the York Estates Project. In furtherance of same, I requested another advance under Facility 2A in or around July/August of 2022 (the "**August 2022 Advance**"). At that time, the terms of the Commitment Letter required that any request for an advance was supported by a report from a Quantity Surveyor (the "**QS**"). Correspondence in connection with the August 2022 Advance is attached as Exhibit "**D**".

19. In or around August, 2022, MZ advanced another $491,500.50 under Facility 2A (the "**August 2022 Advance**") after a request for the advance was provided by 255.

20. As such, as at August 31, 2022, the total amount advanced under the terms of the Commitment Letter was $14,791,500.50.

[3] See Section 9 of the Commitment Letter.

21. The involvement of the QS in connection with any requests for advances under Facility 2A was overly cumbersome and expensive for 255 and MZ. As such, in late October of 2022, MZ agreed to amend the terms of the Commitment Letter to remove the requirement that any request for an advance under Facility 2A was supported by a report from the QS. A copy of my correspondence with MZ in connection with the October 2022 Amendment is attached as part of Exhibit "**B**".

The Litigation Proceedings

22. In or around late December, 2022, MZ raised an issue with respect to a litigation search that they had conducted on the Respondents. Their counsel had conducted a litigation search and identified a number of proceedings which involved Mariman, myself and Angela Bettiol (the "**Proceedings**"). They also provided me with a copy of a judgment that had been entered in connection with a proceeding bearing Ontario Superior Court of Justice Court File Number CV-19-68676 (the "**Judgment**"). The Judgment did not affect either of the Respondents or me personally.

23. None of the Proceedings had any connection with the York Estates Project or 255 and the vast majority of the proceedings were settled or otherwise resolved. I provided comments on each of the Proceedings and their actual status to MZ. A copy of my correspondence with MZ in late December 2022 is attached as Exhibit "**E**" (the "**December Exchange Regarding the Proceedings**").

24. Further exchanges regarding the Proceedings took place between MZ, myself and my counsel in January and February of 2023. In each of the exchanges, my counsel made it clear that none of the concerns being raised by MZ could possibly have a Material Adverse Affect on the

York Estates Project. This correspondence was included in the Applicant's initial record and is attached hereto as Exhibit "**F**".

25. In any case, in my view, none of the Proceedings could have possibly had a Material Adverse Affect (as defined in Commitment Letter), on the York Estates Project,.

26. At the time the exchanges referred to above occurred, MZ did not indicate that it was considering making demand under the Credit Facilities.

The Second Advance Request

27. In or around late 2022 and early 2023, I requested another advance under Facility 2A (the "**Second Advance Request**"). As part of the Second Advance Request, I provided MZ with all of the documentation that we had agreed would be provided in connection with any request for an advance. A copy of my correspondence in connection with the Second Advance Request is attached as Exhibit "**G**".

28. To my surprise, MZ did not note that there were any problems with the Second Advance Request. Instead, in or around February, 2023, MZ started raising issues with the Proceedings again. In response, my counsel or I commented on all of the Proceedings and showed MZ that none of them would affect the York Estates Project or the Guarantors in any material adverse way.

29. While these discussions were ongoing, to my surprise, MZ sent me an invoice for interest that was purportedly due under the Mortgage on March 1, 2023. In response, I advised MZ, and I verily believe MZ was aware of this at all material times, that the interest payment for March 1, 2023 would come out of the advance for Facility 2A that had already been requested. A copy of my exchange regarding this issue is included as part of Exhibit "**G**".

30. In or around late February, 2023, I had a phone call with Mr. Hayes (the "**Phone Call**") regarding the Proceedings as well as the Second Advance Request, which was urgently needed to advance the York Estates Project.

31. During the Phone Call, Mr. Hayes told me that the "investors" (who I did not know) that had provided the financing for the York Estates Project were not comfortable advancing any more funds as a result of the Proceedings. In response, I advised Mr. Hayes that the concerns that had been raised with the Proceedings had been addressed and that in any case, none of the Proceedings had any potential to negatively impact either the York Estates Project or any of the purported guarantors. I reiterated to Mr. Hayes on the Phone Call that any further interest reserve could be created after an advance under Facility 2A was made.

32. In response, Mr. Hayes told me that the investors would not change their mind and would not be moving forward with the York Estates Project. Shortly thereafter, on March 6, 2023, MZ sent a notice of default in respect of the non-payment of interest that was purportedly due on March 1, 2023, and which the parties always understood would be paid out of Facility 2A. A copy of the Notice of Default is attached as Exhibit "**H**" (the "**Purported Notice of Default**").

33. Nowhere in the Purported Notice of Default does it state that 255 had committed any other default other than failing to make an interest payment on March 1, 2023.

34. On April 6, 2023, demands for payment (the "**Demands for Payment**") and notices of intention to enforce security under Section 244 of the *Bankruptcy and Insolvency Act* were served on the Respondents. Copies of the Demands for Payment are attached as Exhibit "**I**".

35. On June 5, 2023, MZ and the Respondents entered into a forbearance agreement dated June 5, 2023 (the "**Forbearance Agreement**"). A copy of the Forbearance Agreement is attached as Exhibit "**J**".

36. The term of the Forbearance Agreement expired on October 30, 2023 (the "**Expiration Date**").

37. As set out in the terms of the Forbearance Agreement, the indebtedness as of April 4, 2023 was $15,133,933.65 (the "**Total April 2023 Indebtedness**").

38. In any case, pursuant to the terms of the Forbearnce Agreement, I paid MZ a "Forbearance Fee" of $150,000 and provided MZ with $500,000 in payments towards the Total April 2023 Indebtedness.

39. In addition, an additional Interest Reserve in the amount of $711,000.00 (the "**AIR**") was established but it did not come from Facility 2A, rather the AIR was secured by a collateral mortgage for $1,000,000 on a property I held through a related corporation.

40. At the time the Forbearance Agreement was negotiated, I had no other choice other than to accept the terms as proposed by MZ.

41. Despite my continued and significant efforts to secure refinancing to save the York Estates Project, throughout 2023 and 2024 the lending environment for construction projects was not favourable to borrowers. With rising interest rates inflation and liquidity concerns for many industry participants, it was extremely difficult to obtain project financing.

42. As such, I could not secure a lender to refinance the York Estates Project prior to the end of the Expiration Date.

43. I late December, 2023, I reached out to MZ and proposed another pathway forward that would save the York Estates Project, provided MZ provided the financing that it was required to provide under the terms of the Commitment Letter. A copy of my email to Mr. Hayes proposing a resolution is attached as Exhibit "**K**".

44. MZ refused to accept any proposal that would save the York Estates Project.

45. On January 16, 2024, KSV Restructuring Inc. (the "**Receiver**") was appointed as the receiver over the assets, undertakings and properties of the Respondents pursuant to the Order of Justice Osborne dated January 16, 2024 (the "**Receivership Order**"). A copy of the Receivership Order is attached as Exhibit "**L**".

46. Notwithstanding the Receivership Order, I continued to work diligently to secure take-out financing from another lender to satisfy the amounts due to MZ.

The Co-Capital Financing

47. On January 21, 2024, a lender by the name of Co-Capital provided me with a letter of intent to proceed with the refinancing of the York Estates Project (the "**CC LOI**"). Copies of the CC LOI and a corporate profile report of Co-Capital are attached as Exhibit "**M**".

48. I provided a copy of the CC LOI to the Receiver at or around the time I received same.

49. Co-Capital was working with a broker named Donna Pratt, who I understand was in communication with Mr. Hayes and the other principals of MZ throughout this process.

50. I continued working with Co-Capital throughout the late Spring and early Summer of 2024 to secure financing for the York Estates Project.

51. On April 26, 2024, I provided Co-Capital with a "standby fee" of $100,000 in connection with the York Estates Project.

52. On July 24, 2024, Co-Capital provided me with a Commitment Letter for take-out financing in the amount of $25,000,000.00 (the "**July 24 Commitment**"). A copy of the July 24 Commitment is attached as Exhibit "**N**".

53. The July 24 Commitment was conditional on various due diligence related tasks but the primary conditions that Co-Capital advised were necessary in order for it to provide the refinancing were (collectively, the "**Co-Capital Conditions**"):

(a) securing of an agreement with a Tarion certified builder; and

(b) having my lawyer draft an acceptable form of construction management agreement (a "**CMA**").

54. I was repeatedly advised by Co-Capital's principals, Oliver Houghting and Felicia Bruni, that they were in constant communication with David Marshall and Greg Zehr regarding the proposed refinancing and that they were involved in the negotiation of other deals with MZ for other projects.

55. I was also advised that through Mr. Marshall and Mr. Zehr, Mr. Houghting was communicating with the Receiver about its concerns regarding any proposed refinancing transaction.

The October 1 Sale Approval Motion

56. I am advised by my counsel, Rory McGovern, that he was served with the Receiver's motion to approve the sale of the property in respect of the York Estates Project on or about September 24, 2024, one week before the motion was scheduled to be heard on October 1, 2024 (the "**Sale Approval Motion**"). At that time, Mr. McGovern was out of the country.

57. With little time to respond to the Sale Approval Motion, I had numerous discussions with Mr. Houghting and Ms. Bruni between September 24 and October 1, 2024. They reiterated their intention to proceed with the financing (subject to my satisfying the final conditions) and advised that funds in the amount of $137 million were in Gowling WLG's trust account and would be available to close the proposed transaction as soon as the Co-Capital Conditions were met.

58. Co-Capital provided an amended and restated commitment letter dated September 27, 2024, which was provided to the Receiver and MZ. A copy of the ARCL is attached as Exhibit "**O**".

59. Through counsel, Mr. Houghting also advised that in the period leading up to the Sale Approval Motion he had been in discussions with Mr. Marshall to agree to an extension of time to close the proposed refinancing transaction.

60. By mid to late October, 2024, 255 entered into an agreement with a Tarion Certified Builder and provided Oliver and Felicia with a copy of the CMA that they requested. My counsel provided both documents to Oliver and Felicia on October 24, 2024. A copy my counsel's email is attached as Exhibit "**P**" (the "**October 24 Email**").

61. I am advised by Mr. McGovern that Mr. Houghting called him after receiving the October 24 Email and confirmed that all conditions had been waived and that Co-Capital would close the proposed refinancing transaction as soon as the funds were in their new lawyers' trust account. Mr. McGovern was further advised by Mr. Houghting that the funds would likely be available on February 25, 2024 or the following Monday.

62. I am advised by Mr. McGovern that Mr. Houghting called him on Friday, October 25, 2024 (the "**October 25 Call**") and advised that the funds had been wired to Miller Thomson from Gowlings in Vancouver. My counsel followed up with Mr. Houghting and Ms. Bruni regarding the October 25 Call by way of email on October 27, 2024. A copy of my counsel's email following up from the October 25 Call is attached as Exhibit "**Q**".

63. Neither Mr. Houghting nor Felicia responded in writing to my counsel's emails.

64. At this point, I got seriously concerned that the refinancing transaction would not close and began looking to secure another refinancing option.

Mr. D'Atri Comes to the Rescue

65. On or around October 30, 2024, I began discussing my concerns with Francis D'Atri who I had been engaged in various business transactions with.

66. After I told him about the York Estates Project and my need for urgent refinancing, Mr. D'Atri was interested in pursuing same. Over the course of the next ten (10) days, Mr. D'Atri and I went through the particulars of the potential commitment letter and had numerous calls with our counsel. We also spent a large amount of time resolving any due diligence related inquiries that Mr. D'Atri had.

67. On November 7, 2024, Mr. D'Atri confirmed that he wished to proceed with refinancing the York Estates Project. That day, counsel for the parties had a phone call to discuss next steps after my counsel sent a note to the Receiver and MZ's counsel. A copy of the email my counsel sent is attached as Exhibit "**R**".

68. Mr. D'Atri provided me with a firm commitment letter November 8, 2024 (the "**DBNC Commitment Letter**") from DBNC Group Inc. ("**DBNC**") and package of documents on November 8, 2024 (the "**Lender's Package**"). A copy of the corporate profile report of DBNC is attached as Exhibit "**S**".

69. The only material conditions in the DBNC Commitment Letter are: (a) obtaining court approval; and (b) closing the refinancing transaction in respect of 85 Executive Court in Toronto, ON (the "**Executive Court Property**").

70. The Lender's Package contains information intended to satisfy the Receiver and MZ that Mr. D'Atri has the financial means and ability to close the refinancing transaction (the "**Proposed Refinancing Transaction**") by December 30, 2024. The Lender's Package also contains information indicating the Mr. D'atri's company has in excess of $45 million in equity in the Executive Court Property. A copy of the Lender's Package, which includes a copy of the Commitment Letter, a draft appraisal of the Executive Court Property from Colliers, a parcel register, and a statutory declaration from Mr. D'Atri regarding the amount owed on the current mortgage for 85 Executive Court is attached as Exhibit "**T**".

71. In addition, to further allay the Receiver's concerns about the fact that I no longer have a Tarion license, a package containing an opinion from my lawyer, a final form of CMA as well as an advisory guide from the Home Construction Regulatory Authority was provided (the "**HCRA**

Comfort Package"). A copy of my counsel's email to counsel for MZ and the Receiver along with the HCRA Comfort Package is attached as Exhibit "**U**".

72. In addition to providing the Lender's Package and the HCRA Package, I also offered to provide MZ or the Receiver with an extension fee of $500,000 (the "**Extension Fee**"), which would be non-refundable if the Proposed Refinancing Transaction does not close on or before December 30, 2024. If the Proposed Refinancing Transaction does close, the Extension Fee would be used to set off amounts due to MZ and the Receiver, when those are determined by a Court.

The Pending Fee Motion

73. I note that I have served a motion record in connection with the amounts being charged by MZ under the terms of the Commitment Letter (the "**Fee Motion Record**") but the motion has not been scheduled yet as the status of the refinancing of the York Estates Project has been uncertain. In any case, I have attached a copy of the Fee Motion Record as Exhibit "**V**".

74. If the Court approves the extension to allow time for the Proposed Refinancing Transaction to close, I intend to schedule the motion forthwith.

The Tentative Structure of the Proposed Refinancing Transaction

75. In addition to providing secured debt to refinance the York Estates Project, Mr. D'Atri and I also intend to proceed with the development of the York Estates Project by way of a joint venture agreement. The effect of this would be that the agreements of purchase and sale with the current purchasers, subject to certain necessary and reasonable amendments that will be discussed with the purchasers, will remain intact and construction on the homes (for the purchasers the want their

homes) will commence as soon as possible, likely in the late Summer of 2025 after the construction of the roads is completed.

What About the Purchasers?

76. During the pre-sale phase of the York Esates Project, a total of 55 homes were sold to various purchasers. That leaves a total of ten (10) lots remaining that have not been sold and one lot which has been reserved for the model home and sales/administration office.

77. During this Proceeding, I reached out to the purchasers who had bought homes to assess their interest in continuing with the York Estates Project under a CMA. In total, 32 of the purchasers confirmed that they would be fine to proceed with the construction of their homes under a CMA.

78. 17 of the purchasers indicated that they wanted their deposits back and a mutual termination of their agreements of purchase and sale. The total amount of the deposits for these purchasers is approximately $3.0 million.

79. Six of the 55 purchasers did not respond to my inquiries.

80. For the purchasers that indicated they wanted their deposits returned, we will facilitate this, subject to further discussions with this group after the Proposed Refinancing Transaction closes.

81. For the 32 purchasers that indicated they wanted their homes built, Mr. D'Atri and I intend to deliver them their homes as soon as possible.

The Intentions of the Lender

82. I am advised that Mr. D'Atri has every intention to close the Proposed Refinancing Transaction but he needs some more time to close the refinancing transaction in respect of 85 Executive Court as discussed with the Receiver and MZ and as set out in the Affidavit of Francis D'Atri sworn November 11, 2024.

83. I am further advised by Mr. D'Atri that he has made inquiries regarding obtaining a license with HCRA and that be believes that he would be able to obtain a license within the next four to five months. In any case, I have made arrangements with Tarion certified builders to assist with the York Estates Project in the interim.

The Benefits to the Stakeholders of the Proposed Refinancing Transaction

84. If the Court allows the Proposed Refinancing Transaction to proceed, it will result in a materially greater benefit to all of the stakeholders. MZ will be paid all amounts lawfully owed to it under the terms of the Commitment Letter, subject to the Fee Motion. Any purchasers who wish to have their homes constructed will have their homes constructed, and, certain purchasers will have their deposits returned to them, as discussed above.

85. Under the terms of the Proposed Refinancing Transaction, Van Rooyen Construction Ltd. ("**Van Rooyen**") will be paid the entire amount of the lien that is currently registered as against the property.

Prejudice to the Parties

86. It is important to note that it is the principals of MZ, David Marshall and Greg Zehr, who have an agreement to purchase the York Estates Project (for approximately the exact amount of principal advances that were provided to the Respondents under the Commitment Letter) through the proposed purchaser, Sunray Estates GP Inc. (the "**Proposed Purchaser**").

87. This transaction (the "**Proposed Sale Transaction**") will result in prejudice to all of the parties who have an interest in the project.

88. If the Proposed Refinancing Transaction is not allowed to close and the Proposed Sale Transaction moves forward, **all of the purchasers will certainly lose substantial portions of their deposits.**

89. There is no prejudice to the Applicant if the requested extension to the close the Proposed Refinancing Transaction is granted. In fact, if the extension requested on this motion is not granted and the Proposed Sale Transaction proceeds, it will be the Applicant who suffers prejudice as it would not be paid the various amounts lawfully due to it under the terms of the Commitment Letter.

90. I also note that if the Proposed Sale Transaction is finalized as a result of the October 1 Order coming into force on November 13, 2024, the only distribution to Van Rooyen will be for the holdback in the amount of $171,909.00. The total amount owed to Van Rooyen under the lien is more than $1.7 million.

My Last Stand

91. I understand that I am coming to Court asking it to exercise its discretion to give me one more chance to save the York Estates Project.

92. I have done everything in my power to comply with the October 1 Order and try and save the York Estates Project. I believe that I may have been the victim of a fraud with respect to the financing proposed by Co-Capital. Notwithstanding this, there is still an opportunity and an even brighter ray of hope than there was on October 1, 2024.

93. Notwithstanding the incredible difficulties that I have had throughout this process, I have worked tirelessly to try and save the York Estates Project and am willing to literally buy time for one more extension until December 30, 2024.

94. At this stage, I have confidence that DBNC or its nominee will be able to close the Proposed Refinancing Transaction by December 30, 2024. I humbly ask the Court to give me this one last chance.

95. I swear this affidavit in support of the within motion and for no other or improper purpose.

SWORN BEFORE ME by Mike Bettiol at the City of Hamilton in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits
(or as may be)

RORY MCGOVERN

MIKE BETTIOL

RCP-E 4D (February 1, 2021)

MARSHALLZEHRGROUP INC.
Applicant

-and-

2557386 ONTARIO INC. et al.
Respondents

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF MIKE BETTIOL SWORN NOVEMBER 10, 2024

RORY MCGOVERN PC
Lawyer
25 Adelaide St. East Suite 1910
Toronto, ON, M5C 3A1

Rory McGovern LSO# 65633H
rory@rorymcgovernpc.com
Tel: (416) 938-7679

Lawyer for the Respondents,
2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes

Email for party served:
The Service List

File Number:

RCP-F 4C (September 1, 2020)

This is Exhibit "A" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

SUPERIOR COURT OF JUSTICE

COUNSEL SLIP/ ENDORSEMENT FORM

COURT FILE NO.: **CV-23-00699432-00CL** **DATE:** **OCTOBER 1, 2024**

NO. ON LIST: **2**

TITLE OF PROCEEDING: **MARSHALLZEHR GROUP INC. et al v. 2557386 ONTARIO INC et al**

BEFORE JUSTICE: **JUSTICE W.D. BLACK**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Maya Poliak	Marshallzehr Group Inc.	Maya@chaitons.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Rory McGovern	Mariman Receivership Respondents	rory@rorymcgovernpc.com
Brendan Bissell	Receiver	bbissell@reconllp.com
Mitch Vininsky, KSV Restructuring	Receiver	mvininsky@ksvadvisory.com
Robert Trifts Counsel	Omer Arshed Bhatti	ronaldflom@gmail.com
Jasmine Landau	Reconstruct LLP, the Receiver KSV	Jlandau@reconllp.com 416.613.4880

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Andrew Colautti	Ana Pereira and Tiago Pereira	andrew@clplaw.net 519-966-1300 ext. 498
Darrell Paul	Bobby James Mukkadan and Siji Anthony, buyers from Mariman Homes	dpaul5859@yahoo.com 416-559-1249
Paulo Ribeiro and Julie Parkinson	Observe the York Estate Receivership proceedings	(905) 928-1150 - Cell jvestate.pr@gmail.com
Gurminder Kandola	Unsecured Creditor	n/a

ENDORSEMENT OF JUSTICE W.D. BLACK:

[1] The "main" matter before me this morning was the motion by KSV Restructuring Inc. ("KSV") in its capacity as court-appointed receiver and manager (the "Receiver") of all of the assets, undertakings, and properties of 2557386 Ontario Inc. ("255") and 2363823 Ontario Inc. ("236") operating as Mariman Homes ("Mariman", and together with 255 and 236 the "Companies").

[2] In that capacity, the Receiver carried out a Sale Process for the Grand York Estates property (the "York Property"), the Companies' largest intended development. Although the Sale Process appears to have been appropriately robust and wide-ranging, it did not result in any bids. As such, the Receiver's evidence is that the only viable prospect of selling the York Property was through a credit bid by one of the applicant's affiliates, as set out in an agreement of purchase and sale dated August 6, 2024.

[3] It is apparent that there are a number of parties with pre-construction agreements, many of whom were in attendance before me today, who assert that their interests supersede that of the applicant's interest as the registered secured creditor and mortgagee. One or more of those would-be homebuyers also complain about the fact that the only bidder for the York Property is affiliated to the applicant, suggesting that this represents a conflict of interest that should, as I understand it, preclude the proposed transaction from proceeding.

[4] The position of these would-be homebuyers is no doubt influenced by the fact that, if the proposed transaction proceeds, it would result in the termination of the pre-construction sale agreements. While this would have the benefit, for the homebuyers, of allowing them to begin steps to recover from Tarion (under the Ontario New Home Warranty Plan Act), the evidence indicates that many of the homebuyers have made deposits in excess of the $100,000 maximum payment potentially available from Tarion.

[5] While I agree with the Receiver's observation that these circumstances are unfortunate for the homebuyers, I also agree with the Receiver that the law in this area is settled (see in particular the decision of Morawetz J., as he then was, in Firm Capital Mortgage Fund Inc. v. 2012241 Ontario Ltd., 2012 ONSC 4816). I see no basis on which the homebuyers' interests would in fact outrank those of the secured lender.

[6] I am also not persuaded by the suggestion of a conflict of interest. It is not unusual, for example in the setting of a "stalking horse" bid, for a party with affiliation to one of the principals involved in the underlying relationship, to become involved in a subsequent transaction relative to the assets at issue. The applicants have been transparent about the affiliation of the potential buyer, and the Sale Process, which as noted appears to have been robust, wide-ranging and appropriate, yielded no other bidders.

[7] There was a small ray of hope today for the homebuyers.

[8] That is, Receiver's counsel advised that the respondent Debtors (the "Debtors") remain confident that, if given some additional time, they will be in a position to redeem their debt(s), will pay out the applicant and will pay out the Lien Claimant VanRooyen Earthmoving Ltd. (the lien claim of which, in the amount of $171,909.00, appears to be accepted by all concerned as fairly representing its priority interest for construction holdback). In that scenario, the Debtors would not terminate the pre-construction agreements.

[9] The Receiver is prepared to allow until November 12, 2024, as requested by the Debtors, to permit the Debtors to redeem.

[10] Independent counsel for the Receiver expressed some uncertainty about whether or not the Debtors will in fact be able to redeem, but to the Receiver's credit, it is prepared to allow the opportunity.

[11] The Receiver's willingness to do so is in part predicated on my making the order sought today, but deferring its effect and operation until November 13, 2024 (i.e. a day following the date by which the Debtors have indicated they will redeem the debt(s)).

[12] This approach makes sense to me. One of the homebuyers, Mr. Kandola, requested (in an articulate and respectful fashion) that I defer my decision on the Receiver's motion until after November 12, building in an opportunity for a further hearing after November 12 at which point Mr. Kandola and presumably other homebuyers could make further submissions.

[13] With due respect to Mr. Kandola, I do not see any real utility in doing so. As noted, in my view the law strongly supports the Receiver's position on the merits of this matter. In the circumstances, the Receiver's willingness to wait until November 13 for its relief is reasonable and generous. While all concerned hope that the Debtors will come through and redeem, there is no basis, in the absence of the Debtors doing so, to prolong the matter further.

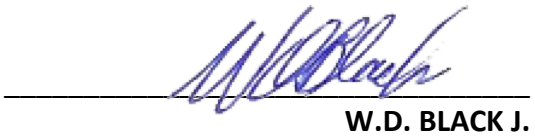
[14] Accordingly, on the main motion, I grant the relief sought by the Receiver, but with the additional proviso that that relief will be suspended until November 13, and will take effect that day if the Debtors' effort to redeem does not succeed. Mr. Bissel of independent counsel for the Receiver noted that the proposed form of order that had been uploaded will have to be updated, depending on my decision, to reflect recent developments. I will review the order whenever it is ready for me to do so.

[15] In addition to the main matter discussed above, there were materials recently uploaded to Case Center concerning a dispute about responsibility for water damage, and the cost of repairs, to a home on Vickery Drive in Oakville (as I understand it in a development not within the York Property).

[16] It emerged during the discussion of that matter that the Receiver had made a proposal for consideration by the relevant homebuyer (with respect to potential assignment of an insurance claim).

[17] Counsel for the homebuyer, Mr. Bhatti, advised that he had just received the proposal, and had not had time to review it or to discuss it with his client.

[18] As such, counsel are to confer, and to report to me by the end of the week concerning the status of the matter, and whether or not a deal has been reached. If not, I will consider how that matter should proceed.



W.D. BLACK J.

DATE: OCTOBER 1, 2024

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	TUESDAY, THE 1ST
	)	
JUSTICE BLACK	)	DAY OF OCTOBER, 2024

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

2557386 ONTARIO INC. and 2363823 ONTARIO INC. o/a MARIMAN HOMES

Respondents

IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, RSO 1990, c C. 43, AS AMENDED

DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by KSV Restructuring Inc. ("**KSV**") in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of 2557386 Ontario Inc. ("**255**") and 2363823 Ontario Inc. o/a Mariman Homes ("**Mariman**", and collectively, the "**Debtors**"):

1. An order approving the sale of the real property owned by 255 located in Haldimand, Ontario (the "**York Property**") pursuant to an agreement of purchase and sale between 1000961999 Ontario Inc. (the "**Purchaser**") and the Receiver

(the "**Transaction**") and vesting title in and to the York Property in the purchaser (the "**AVO**"); and

2. an order:

    a. approving the activities of the Receiver as set out in the third report of the Receiver dated September 23, 2024 (the "**Third Report**");

    b. approving the fees and disbursements of the Receiver and its counsel;

    c. approving a distribution to VanRooyen Earthmoving Ltd. ("**VRE**") of $171,909 for its holdback claim, and a distribution of the remaining proceeds available in the estate of the Debtor to MarshallZehr Group Inc. ("**MZ**"); and

    d. discharging KSV as Receiver of the undertaking, property and assets of the Debtors (the "**Discharge Order**"),

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report, the Supplement to the Third Report dated September 27, 2024, the Second Supplement to the Third Report dated September 29, 2024, the Affidavit of Mitch Vininsky, sworn September 23, 2024, the Affidavit of Laura Culleton, sworn September 20, 2024 and the Affidavit of Christel Paul, sworn September 23, 2024 (collectively, the "**Fee Affidavits**"), and

ON HEARING the submissions of independent counsel for the Receiver, MZ, the Debtors and such other parties as appear on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Christel Paul sworn September 24, 2024 filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and Motion Record herein is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

AVO SHALL NOT TAKE IMMEDIATE EFFECT

2. **THIS COURT ORDERS** that the AVO shall take effect on November 13, 2024 unless the Receiver files a certificate that the entirety of the amounts owing by the Debtors to the Applicant, together with all amounts owing having priority over the Applicants' mortgage, were paid in full to the Receiver by the Debtors by 5:00 pm on November 12, 2024.

DISTRIBUTION

3. **THIS COURT ORDERS** that, in the event the Debtors do not pay the amounts set out in paragraph 2 hereof, by 5:00 pm on November 12, 2024, the Receiver be and hereby is authorized to pay $171,909.00 of the Transaction proceeds to VanRooyen Earthmoving Ltd. on account of its priority holdback claim against proceeds from the York Property.

APPROVALS

4. **THIS COURT ORDERS** that the Third Report, and the actions, conduct and activities of the Receiver as set out therein, be and are hereby approved provided, however, that only the Receiver in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, as set out in the Report and the Fee Affidavits, as well as a further amount of up to $125,000 plus HST to address matters arising after this motion and up to discharge of the Receiver, be and are hereby approved.

DISCHARGE AND RELEASE OTHER THAN FOR THE YORK PROPERTY

6. **THIS COURT ORDERS** that KSV be and hereby is immediately discharged as Receiver over all the undertaking, property and assets of the Debtors, including the real property listed in Schedule "A" hereto (collectively the "**Mariman Properties**"), but excluding the real property as described in Schedule "B," (the "**York Property**") provided that, notwithstanding its discharge herein, the Receiver shall continue to have the benefit of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of KSV in its capacity as Receiver.

7. **THIS COURT ORDERS AND DECLARES** that KSV is hereby released and discharged from any and all liability that KSV now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of KSV while acting in its capacity as Receiver over the Mariman Properties, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, KSV is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings relating to the Mariman Properties, save and except for any gross negligence or wilful misconduct on the Receiver's part.

DISCHARGE AND RELEASE FOR THE YORK PROPERTY

8. **THIS COURT ORDERS** that upon either:

a) payment of the amount set out in paragraph 2 hereof and upon the Receiver filing a certificate certifying that it has completed the Transaction contemplated in the AVO and the other activities described in the Third Report, or

b) the Receiver filing a certificate that the Debtors have fully paid the amounts set out in paragraph 2 hereof by 5:00 pm on November 12, 2024,

KSV shall be discharged as Receiver of the York Property as described in Schedule “B,” provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of KSV in its capacity as Receiver.

9. **THIS COURT ORDERS AND DECLARES** that KSV is hereby released and discharged from any and all liability that KSV now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of KSV while acting in its capacity as Receiver over the York Property herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, KSV is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings as pertaining to the York Property, save and except for any gross negligence or wilful misconduct on the Receiver's part.

GENERAL

10. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order.

_____

Schedule A

1. Real property municipally known as 178 Moores Road, York, Ontario and legally described as PIN: 38147-0005 (LT)

   Legal Description: PT LT 19 CON 4 SE STONEY CREEK RD SENECA AS IN HC68736; HALDIMAND COUNTY

2. Real property municipally known as 38-46, 48, 53 and 55 Augustus Street, Scotland Ontario and legally described as:

32015-0218 (LT)	LT 9, PL 1759 ; S/T A454071,A454072,A454073 BURFORD
32015-0219 (LT)	LT 10, PL 1759 ; BURFORD; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 1, 2, 3 AND 4 ON PLAN 2R8156 AS IN BC333417
32015-0220 (LT)	LT 11, PL 1759 ; BURFORD
32015-0221 (LT)	LT 12, PL 1759 ; BURFORD
32015-0225 (LT)	LT 16, PL 1759 ; S/T A454071,A454072,A454073 BURFORD; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 1, 2, 3 AND 4 ON PLAN 2R8156 AS IN BC333417
32015-0226 (LT)	LT 17, PL 1759 ; BURFORD; S/T A21389
32015-0233 (LT)	LT 21, PL 1759 ; S/T A453281 BURFORD
32015-0234 (LT)	LT 22, PL 1759; S/T A453281 ; BURFORD
32015-0235 (LT)	LT 23, PL 1759 ; BURFORD
32015-0236 (LT)	LT 24, PL 1759 ; BURFORD
32015-0237 (LT)	LT 25, PL 1759 ; BURFORD
32015-0238 (LT)	LT 26, PL 1759 ; S/T EASEMENT IN GROSS AS IN BC146999; BURFORD

3. Any interest of 2363823 Ontario Inc. o/a Mariman ("**Mariman**") in the the real properties owned or formerly owned by Mariman, located in in Pelham, Ontario and marketed as "Mariman Estates Project".

Schedule B

PIN 38148-0128 (LT) PART WARNER NELLES TRACT DESIGNATED AS PART 1, 18R-7058; SAVE & EXCEPT PART 1, 18R-7281; T/W EASEMENT OVER PART 2, 18R-7058 AS IN HC252899; TOWNSHIP OF SENECA; HALDIMAND COUNTY

Court File No. 23-00699432-00CL

MARSHALLZEHR GROUP INC. **and** **2557386 ONTARIO INC. and 2363823 ONTARIO INC. O/A MARIMAN HOMES**

Applicant | Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

DISTRIBUTION AND DISCHARGE ORDER

RECONSTRUCT LLP
Richmond-Adelaide Centre
120 Adelaide Street West, Suite 2500
Toronto, ON M5H 1T1

R. Brendan Bissell LSO No. 40354V
bbissell@reconllp.com
Tel: 416.613.0066

Jasmine Landau LSO No. 74316K
jlandau@reconllp.com
Tel: 416.613.4880

Fax: 416.613.8290

Independent counsel for KSV Restructuring Inc.

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	TUESDAY, THE 1ST DAY
	)	
JUSTICE W.D. BLACK	)	OF OCTOBER, 2024

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

2557386 ONTARIO INC. and 2363823 ONTARIO INC. o/a MARIMAN HOMES

Respondents

IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, RSO 1990 c C. 43, AS AMENDED

APPROVAL AND VESTING ORDER

THIS MOTION, made by KSV Restructuring Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of 2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes (collectively, the "**Debtors**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and 1000961999 Ontario Inc. (the "**Purchaser**") and Sunray Estates Limited Partnership, by its general partner, Sunray Estates GP Inc. dated August 6, 2024 and appended to the Third Report of the Receiver dated September 23, 2024 (the "**Third Report**"), and vesting in the Purchaser the Debtors' right, title and interest in and to the real property as described in the Sale Agreement, including the real property described in **Schedule A** hereto (the "**Purchased Lands**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report and on hearing the submissions of independent counsel for the Receiver, counsel for MarshallZehr Group Inc., and those other parties appearing on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Christel Paul, sworn September 24, 2024 filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and Motion Record herein is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL AND VESTING

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Lands to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule B** hereto (the "**Receiver's Certificate**"), all of the Debtor's rights, title and interests in and to the Purchased Lands described in the Sale Agreement and as listed in **Schedule A** hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, conditional sale contracts or other title retention agreements or similar instruments, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

(a) any encumbrances or charges created by the Order of the Honourable Justice Osborne dated January 16, 2024;

(b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system;

(c) those Claims listed on **Schedule C** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule D**) and, for greater certainty, this Court orders that all Encumbrances affecting or relating to the Purchased Lands are hereby expunged and discharged as against the Purchased Lands; and,

(d) all rights and claims of any purchasers arising pursuant to Pre-construction Agreements (as defined below) of purchase and sale between such purchasers and any of the Debtors in respect of the Purchased Lands.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Haldimand County (No. 18) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to:

(a) enter the Purchaser as the owner of the subject real property identified in **Schedule A** hereto (the "**Real Property**") in fee simple;

(b) delete and expunge from title to the Real Property all of the Claims listed in **Schedule C** hereto; and

(c) register this Order on title to the Real Property.

5. **THIS COURT ORDERS** that all of the agreements of purchase and sale between a purchaser and the Debtors in respect of the Purchased Lands (the "**Pre-construction Agreements**") shall be and are hereby deemed to be terminated, repudiated, and/or rejected by the Receiver effective on the Closing (as defined in the Receiver's Certificate in **Schedule B**), and such Pre-construction Agreements and any rights or claims thereunder or relating thereto are not continuing obligations effective against the Purchased Lands or binding on the Purchaser.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Lands shall stand in the place and stead of the Purchased Lands, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Lands with the same priority as they had with respect to the Purchased Lands immediately prior to the

sale, as if the Purchased Lands had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery.

8. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Lands in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Purchased Lands Description

PIN 38148-0128 (LT) PART WARNER NELLES TRACT DESIGNATED AS PART 1, 18R-7058; SAVE & EXCEPT PART 1, 18R-7281; T/W EASEMENT OVER PART 2, 18R-7058 AS IN HC252899; TOWNSHIP OF SENECA; HALDIMAND COUNTY

Schedule B – Form of Receiver's Certificate

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

2557386 ONTARIO INC. and 2363823 ONTARIO INC. o/a MARIMAN HOMES

Respondents

IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, RSO 1990, c C. 43, AS AMENDED

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice dated January 16, 2024, KSV Restructuring Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of 2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes (the "**Debtors**").

B. Pursuant to an Order of the Court dated October 1, 2024 the Court approved the agreement of purchase and sale made as of August 6, 2024 (the "Sale Agreement") between the Receiver and 1000961999 Ontario Inc. (the "**Purchaser**") and Sunray Estates Limited Partnership, by its general partner, Sunray Estates GP Inc. and provided for the vesting in the Purchaser of the Debtors' rights, title and interests in and to the Purchased Lands, which vesting is to be effective with respect to the Purchased Lands upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Lands; (ii) that the conditions to Closing as set out in sections 21 and 22 of the

Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Lands payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in sections 21 and 22 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

KSV RESTRUCTURING INC., in its capacity as Receiver of the undertaking, property and assets of 2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes, and not in its personal capacity

Per: _____

Name:

Title:

Schedule C – Claims to be deleted and expunged from title to Real Property

Registration Number	Date	Description
CH105714	2021/02/19	TRANSFER
CH118769	2022/06/30	CHARGE
CH118770	2022/06/30	NO ASSGN RENT GEN
CH118771	2022/06/30	RESTRICTION-LAND
CH128011	2023/08/17	CONSTRUCTION LIEN
CH129550	2023/10/31	CERTIFICATE
CH131051	2024/01/18	APL COURT ORDER

Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property

(unaffected by the Vesting Order)

Registration Number	Date	Description
HC252899	2000/07/28	TRANSFER – T/W EASEMENT
18R7058	2013/06/06	PLAN REFERENCE
CH46464	2013/06/06	APL ABSOLUTE TITLE
CH87614	2018/11/21	LR'S ORDER

Court File No. 23-00699432-00CL

MARSHALLZEHR GROUP INC. **and** **2557386 ONTARIO INC. and 2363823 ONTARIO INC. O/A MARIMAN HOMES**

Applicant Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

RECONSTRUCT LLP
Richmond-Adelaide Centre
120 Adelaide Street West, Suite 2500
Toronto, ON M5H 1T1

R. Brendan Bissell LSO No. 40354V
bbissell@reconllp.com
Tel: 416.613.0066

Jasmine Landau LSO No. 74316K
jlandau@reconllp.com
Tel: 416.613.4880

Fax: 416.613.8290

Independent counsel for KSV Restructuring Inc.

This is Exhibit "B" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

Thursday, June 23, 2022

This letter replaces and renders null and void the previous commitment letter dated 2022-06-13 under the project name York Estates - MZGI 452

2557386 Ontario Inc.
558 Upper Gage Ave #363
Hamilton, ON, L8V 4J6
Attention: Michael Bettiol, President

Dear Mr. Bettiol

RE: Land, Servicing, and Construction Financing for 30 Front Street, Haldimand, ON

Project Name: York Estates – MZGI 452

This commitment letter confirms that MarshallZehr Group Inc. is prepared to provide financing as detailed in the document herein, conditional on the terms and conditions contained in this letter agreement (this "**Commitment**"). Upon execution by the Lender and the Obligors, this Commitment will constitute an agreement which shall bind each of them, subject to and in accordance with the terms hereinafter set out. All capitalized terms not otherwise defined in this Commitment shall have the meanings ascribed thereto in Appendix B.

A. LOAN

1. **Borrower:** 2557386 Ontario Inc. (collectively, the "**Borrower**").

2. **Guarantors:** Michael Bettiol, 2363823 Ontario Inc. (o/a Mariman Homes), together with such other related parties as the Lender may deem advisable, in its sole discretion (collectively, the "**Guarantors**").

3. **Obligors:** Means, collectively, the Borrower and the Guarantors (collectively, the "**Obligors**" and each, an "**Obligor**").

4. **Lender:** MarshallZehr Group Inc. and/or such other assignees or lenders as MarshallZehr Group Inc. may arrange to participate in the Loan (the "**Lender**").

5. **Project Description** Those lands and premises together with all fixtures and improvements now or hereafter situate thereon municipally known as 30 Front Street, Haldimand, ON and legally described in Appendix A (the "**Property**").

   The Project is to consist of 66 detached custom estate homes on approximately 70 acres of land (currently vacant). Each lot will be 1+ acre in size (collectively, the "**Project**"). Additionally, the Lender understands that the Project is Draft Plan Approved and the land is appropriately zoned for the Project.

6. **Loan Amount** **$ 26,849,000** (the "**Loan**" or "**Loan Amount**") to be advanced through multiple facilities as follows:

Facility/Tranche	Amount
Facility 1 (Construction)	$ 8,000,000
Facility 2A (Land & Servicing)	$ 15,825,000
Facility 2B (Mezzanine)	$ 3,024,000
Total Loan Amount	**$ 26,849,000**

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Provided the Obligors are not in Default of the Loan or Security, Facility 2B shall be fully subordinate and postponed to Facility 1 and Facility 2A. Provided the Obligors are not in Default of the Loan or Security, Facility 2A shall be ranked pari-passu with Facility 1.

7. Interest Rate: The Loan shall bear interest at the following rates (collectively, the "**Interest Rate**"):

Facility/Tranche	Interest Rate	Floor Rate
Facility 1 (Construction)	Prime + 5.30% per annum	9.00%
Facility 2A (Land & Servicing)	Prime + 5.30% per annum	9.00%
Facility 2B (Mezzanine)	Prime + 11.05% per annum	13.75%

Interest shall accrue commencing on the date of each Advance to the Lender's trust account and shall be calculated daily (365 days/year), compounded and payable monthly, in arrears and due and payable on the first (1st) day of each month, both before and after the Maturity Date, Default, demand and judgment. Interest only payments in respect of the Loan shall be paid from the a) Interest Reserve, if applicable, or b) Borrower Draws up to the budgeted amount set out in the Sources and Uses of Funds herein. Once the budgeted amount has been utilized, interest payments shall be made from the Obligors' own cash resources.

Prime shall be defined as the Bank of Montreal Prime Business Rate of Interest (the "**Prime Rate**" or "**Prime**"). For the purpose of determining the Interest Rate, the Prime Rate on the first (1st) day of each month will be used as the rate for that entire month.

8. Fees: The Borrower shall pay the following fees (collectively, the "**Fees**") to the Lender and the transaction mortgage broker, to the extent applicable:

Fee:	Amount
Good Faith Deposit (*Received*)	$ 75,000
Lender Fee (inclusive of Good Faith Deposit)	$ 775,000
Administration Fee	$ 5,000
Draw Fee (per Borrower Draw)	$ 500
Partial Discharge Fee (per Unit)	$ 500
Final Discharge Fee	$ 1,000
Pre-Payment Fee (per pre-payment)	$ 1,000

The Lender Fee and Administration Fee shall each be deemed to be fully earned by the Lender and/or broker, as applicable, and non-refundable to the Borrower upon written notification by the Lender to the Borrower of the successful syndication as described in Section A. 22.1. The Lender Fee and Administration Fee, less the Good Faith Deposit, shall be deducted from the Initial Advance.

Notwithstanding Section A. 22.1, in the event that the Initial Advance does not occur on or prior to the Outside Date for any reason whatsoever, the (i) balance of the Lender Fee and Administration Fee shall immediately become due and payable by the Obligors to the Lender and (ii) Obligors shall be responsible for all expenses incurred by the Lender to date in connection with this Commitment, including, without limitation, the cost of any third party reports issued and/or in process and all legal fees and disbursements in connection with the Loan and/or the recovery of any portion of the balance of the unpaid Lender Fee and Administration Fee, to the extent applicable.

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All applicable Fees are further detailed in Appendix G. The Borrower hereby acknowledges and agrees that the Fees set out above and in Appendix G herein are a genuine pre-estimate of the value of the services performed by the Lender and/or its Affiliates for same and are not a penalty or additional interest under the Loan.

9. Term:

The Loan shall mature (the "**Term**") and any outstanding balance shall become due and payable in full on the date (the "**Maturity Date**") that is the earlier of a) **thirty-seven** (**37**) months commencing from the Interest Adjustment Date and b) the date on which the Lender demands repayment of the Loan.

10. Extension:

The Borrower may request **one (1)** extension of the Maturity Date for a period of **six (6)** months each (each, an "**Extension Term**"), which shall be at the sole discretion of the Lender and shall, at minimum, require:

a) that there has been no default under this Commitment or the Security;

b) the payment of a fully earned extension fee (the "**Extension Fee**") to the Lender in an amount equal to **zero-point-seven-five percent** (**0.75%**) of either of the (i) Loan Amount, or (ii) outstanding principal balance of the Loan if the Loan has been fully advanced and repayment by the Borrower has begun, in each case, on a per extension basis; and

c) 60 days prior written notice by the Borrower to the Lender prior to the Maturity Date.

The interest during the Extension Term shall be calculated and compounded at the same Interest Rate applicable during the Term. A title search of the Property will be conducted by the Lender's solicitor upon the request by the Borrower of an Extension Term and at the Borrower's expense. The Borrower will be responsible for any reasonable costs associated with each Extension Term.

11. Wrap-Up Period

Commencing the final month (the "**Wrap-Up Period**") of the Term, or the Extension Term, as applicable, interest shall accrue at twice the Interest Rate (the "**Wrap-Up Rate of Interest**"). If there are multiple facilities or tranches, interest shall accrue at the Wrap-Up Rate of Interest and be calculated, compounded, and payable in the same manner as prior to entering the Wrap-Up Period for each applicable facility or tranche.

12. Expenses

All reasonable expenses of the Lender and the Borrower shall be paid by the Borrower including (but not limited to), the cost of any third-party reports, all legal costs regardless of whether the Borrower proceeds with the Loan, and any cost recovery of unpaid amounts, if required. Upon request by the Borrower, the Lender shall provide an estimate of the legal fees to be incurred by the Lender in connection with the preparation of the Security and the Initial Advance. Upon execution by the Borrower of this Commitment, the Obligors shall be responsible for all reasonable legal fees actually incurred by the Lender in connection herewith.

13. Demand and Cancellation

The Lender may, on demand, require immediate payment of all amounts outstanding or accrued in connection with this Commitment and the Loan. The Lender may at any time, for any reason, and without notice, cancel the undrawn portion of the Loan.

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14. Purpose

The Loan shall at all times be used for the following purposes and for no other purpose without the prior written consent of the Lender:

Facility/Tranche	Description
Facility 1 (Construction)	This facility will provide funding for the construction of the 66 homes. Notability this facility will be administered as a Revolving funding source with a balance limit of **$8,000,000**. This facility will fund approximately **$33,702,000** in construction costs throughout the construction period of the Project (subject to limitations as described in Article 22.5 Advance Margin). Funds in this facility will be placed into a MarshallZehr trust in time for construction. Upon placement into the MarshallZehr trust, interest will begin to accrue interest on the entire amount of the facility.
Facility 2A (Land & Servicing)	This facility will provide funding for the land and servicing (pre-construction) component of the Project.
Facility 2B (Mezzanine)	This facility will provide funding for the land and servicing (pre-construction) component of the Project.

15. Sources and Uses of Funds

Uses	
Land Costs	$ 22,000,000
Development Charges	$ 725,000
Servicing Costs	$ 6,420,000
Construction Costs	$ 39,039,000
Soft Costs	$ 4,888,000
Contingency	$ 3,097,000
Financing Costs	$ 5,126,000
Total	**$ 81,440,000**

Sources	
Facility 1 (Construction)	$ 33,702,000
Facility 2A (Land & Servicing)	$ 15,825,000
Facility 2B (Mezzanine)	$ 3,024,000
Deferred Trade Carry	$ 9,760,000
Borrower Equity	$ 12,043,000
Deferred Costs	$ 5,497,000
Deposits	$ 1,589,000
Total	**$ 81,440,000**

Marshall Zehr

The above Sources and Uses of Funds are further detailed in the Project Pro Forma contained in Appendix D.

16. Initial Advance and Draw

The first advance and draw (the "**Initial Advance**" and "**Draw 1**", respectively) shall be advanced upon satisfaction of the conditions contained herein, including without limitation, Sections B. 1. and B. 2. thereof. The Initial Advance and Draw 1 is expected to be advanced as follows:

Use of Funds	Amount
Existing 1st Mortgages	$ 8,125,000
Existing 2nd Mortgages	$ 2,000,000
Lender Fee	$ 775,000
Administration Fee	$ 5,000
Legal Costs	$ 50,000
Interest Reserve	$ 907,000
Working Capital	$ 2,438,000
Initial Advance Amount	**$ 14,300,000**

Further Advances shall be advanced in accordance with Section B. 2. hereof.

17. Order of Advances

The Loan shall be advanced in the following order, until each facility has been fully advanced:

a) Facility 2B (Mezzanine);
b) Facility 2A (Land & Servicing); then
c) Facility 1 (Construction)

18. Interest Reserve and Cost Reserve

At the time of an Advance, the Lender may, at its sole discretion while acting reasonably, hold back sufficient funds to fund ongoing interest (the "**Interest Reserve**") and/or Project Costs (the "**Cost Reserve**"), in each case, during the Term, .

The Interest Reserve and the Cost Reserve (collectively, the "**Reserves**") shall be held in the Lender's trust account and shall be deemed to be principal advanced. Interest shall accrue at the Interest Rate on those funds held in the Reserves as if they had been paid directly to the Borrower. The Reserves, together with any interest earned thereon will be pledged by the Borrower to the Lender as security for the Loan. In the Event of Default under this Commitment and/or the Security, the Lender may apply, in its sole discretion, all or any part of the Reserves for payment of any principal, interest, fees, costs or other amounts payable under the Security.

In consideration of each Advance by the Lender to the Borrower, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Borrower, the Borrower hereby irrevocably authorizes and directs the Lender to:

a) hold back sufficient funds from each Advance, as it may determine in its sole discretion, to fund the Reserves;

b) automatically debit the Interest Reserve for all payments of interest required hereunder; and

c) automatically debit the Cost Reserve for all payments of Project Costs required hereunder, including without limitation, payment of due and owing realty taxes in respect of the Property,

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and this shall be the Lender's good, sufficient and irrevocable authority for so doing.

19. Partial Discharges and Mandatory Repayment

Provided that the Borrower is not in Default under this Commitment and/or the Security, the Lender shall provide partial discharges of the Security on a per Unit basis to the Borrower upon receipt of the greater of the following amounts (the "**Net Sale Proceeds**"):

a) the Gross Sale Price less the Permitted Deductions in respect of the sale of any such Unit; and

b) the Lender's minimum discharge amount set forth in Appendix E, less the Permitted Deductions in respect of the sale of any such Unit.

A Partial Discharge Fee shall be paid by the Borrower to the Lender on a per Unit basis together with the Lender's solicitors legal fees incurred in connection with any such partial discharge.

Any payments received by the Lender pursuant to this Section A. 19 shall be applied towards repayment of the Loan in the order set out in Section A. 21 below.

20. Voluntary Pre-Payment

The Loan may be prepaid in whole or in part at any time or times on the following terms:

a) upon at least 60 days' prior written notice by the Borrower to the Lender;

b) in an amount not less than $100,000 (the "**Pre-Payment Proceeds**") or, if a lesser amount, upon the Lender's prior written consent; and

c) payment by the Borrower to the Lender of the Pre-Payment Fee together with its solicitors' reasonable legal fees in respect thereof.

Any payments received by the Lender pursuant to this Section A. 20 shall be applied towards repayment of the Loan in the order set out in Section A. 21 below.

21. Allocation of Proceeds

The Net Sale Proceeds and/or Pre-Payment Proceeds, as the case may be, shall be applied in the following order:

a) as repayment of all accrued and unpaid interest due under the Loan;

b) as repayment of the outstanding Facility 1 – Construction principal balance, as a minimum, by the amount funded from the Facility to complete the unit being discharged as determined by the Project's Quantity Surveyor;

c) as repayment of the outstanding Facility 2A – Land & Servicing principal balance, in an amount which will *average* $344,000 per unit for the first 55 closed units. Refer to Appendix E for further information. Further, on the closing of a unit and in the event of shortfall, the borrower will provide funding sufficient where deemed necessary by the Quantity Surveyor to maintain of an average paydown of $344,000 per units on the closing of the first 55 units.

d) if no balance remains on Facility 2A – Land & Servicing, as repayment of the outstanding Facility 2B – Land & Servicing principal balance, in an amount averaging $344,000 per unit for the first 55 closed units. Refer to Appendix E for further information. Further, on the closing of a unit and in the event of shortfall, the borrower will provide funding sufficient where deemed necessary by the Quantity Surveyor to maintain of an average paydown of $344,000 per unit on the closing of the first 55 units.

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e) If no unit is being discharged, such Pre-Payment Proceeds shall be applied as repayment of the outstanding principal balance due under Facility 1 – Construction and Facility 2A – Land & Servicing, on a proportional basis;

f) If no unit is being discharged, and no balance remains on Facility 1 – Construction and Facility 2A – Land & Servicing, such Pre-Payment Proceeds shall be applied as repayment of the outstanding principal balance due under Facility 2B – Land & Servicing;

g) All remaining proceeds will be available to the Borrower to fund deferred trades payable, as confirmed by the Quantity Surveyor;

h) All remaining proceeds will be available to the Borrower.

22. Special Provisions

The following special provisions shall apply to the Loan:

22.1. Servicing or Syndication of the Loan

It is the Lender's intention to syndicate all or a portion the Loan on the terms and conditions satisfactory to it, in its sole discretion. All obligations of the Lender in connection with any such servicing or syndication aforesaid are conditional to the Lender. The Obligors hereby acknowledge and agree that the Lender may disclose confidential information relating to each of them, the Loan and/or the Security, including without limitation, any financial information provided by any of the Obligors to the Lender at any time or otherwise relating to the Property and the Project together with any and all plans, drawings or other documentation or information regarding the Property and the Project, including without limitation the Project Documents and the Project Plans. The Lender shall notify the Borrower in writing once all Initial Funding Conditions as specified in Section B. 1., excluding B 1.1. Security to Be Delivered, have been met, in the Lender's sole discretion. Upon receipt of notification that the Initial Funding Conditions have been met, the Lender shall, within fifteen (15) Business Days, notify the Borrower that the Loan has been successfully syndicated.

Notwithstanding anything contained in this Commitment to the contrary, in the event that the Lender is unable to syndicate the Loan:

a) on the terms and conditions satisfactory to it, in its sole discretion, then this Commitment shall be null and void and the Lender shall have no obligation to advance the Loan to the Borrower. In such event, the Lender shall return to the Borrower all Fees, less the Good Faith Deposit and due diligence costs and legal fees incurred by the Lender up to such date as the Lender determines that it is unable to syndicate the Loan; or

b) as a result of the Borrower's Default, then this Commitment shall be null and void and the Lender shall have no obligation to advance the Loan to the Borrower. In such event, the Lender shall retain the Good Faith Deposit and the (i) balance of the Lender Fee and Administration Fee shall immediately become due and payable by the Obligors to the Lender and (ii) Obligors shall be responsible for all expenses incurred by the Lender to date in connection with this Commitment, including, without limitation, the cost of any third party reports issued and/or in process and all legal fees and disbursements in connection with the Loan and/or the recovery of any portion of the balance of the unpaid Lender Fee and Administration Fee, to the extent applicable.

22.2. Permitted Encumbrances

The Borrower shall not enter into any further financing of the Property and/or the Project subsequent to the Loan, secured or unsecured, without the prior written consent of the Lender, which consent shall be in the Lender's sole discretion.

Marshall Zehr

22.3. Standby Interest

The Initial Advance and Draw 1 shall be completed on the date (the "**Standby Date**") that is not less than three (3) business days following the later of:

a) notification by the Lender to the Borrower that the Loan has been successfully syndicated; or

b) Receipt by the Lender of the Borrower's executed advance requests in the forms provided by the Lender.

In the event that the Initial Advance and Draw 1 has not been fully advanced to the Borrower by the Standby Date, for any reason other than a default by the Lender, interest will commence on the Standby Date (the "**Standby Interest**") on any unadvanced portion of Draw 1 and will become due and payable monthly at a rate equal to the applicable Interest Rate set out herein until the earlier of Draw 1 being fully advanced and the termination of this Commitment without Draw 1 having been made. Any accrued and unpaid Standby Interest shall be payable at the time that Draw 1 is fully advanced by the Lender to the Borrower and shall be deducted therefrom.

In the event that this Commitment is terminated prior to the advance of Draw 1, the amount of Standby Interest shall immediately become due and payable by the Obligors in addition to any other rights and/or remedies which the Lender may have against the Obligors hereunder, at law or otherwise. The Obligors hereby acknowledge and agree that the Standby Interest is a reasonable estimate of the fees to be incurred by the Lender, which amount is deemed not to be a penalty.

22.4. Other Terms

The definitions, terms and conditions set out in Appendices attached to this Commitment shall form a part hereof as if incorporated herein.

22.5. Advance Margin

Loan advances from Facility 1 – Construction for the construction of residential units will be permitted on a unit-by-unit basis upon receipt of an Eligible Pre-sale. The following requirements must be met for Facility 1 – Construction advances to occur:

a) No more than 2 speculative units can be under construction throughout the entire project at any given time; these speculative units will not be required to be presold.

b) No more than 18 units can be under construction throughout the entire project at any given time.

c) Loan advances from Facility 1 – Construction, on a per unit basis, shall be drawn to fund the vertical construction costs, limited to the lesser of 75% Loan-to-Vertical Costs, or 85% Loan-to-Net Sales Proceeds.

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B. TERMS AND CONDITIONS

The Loan terms and conditions shall be such terms and conditions as the Lender may from time to time require and shall include, but not be limited, to the following:

1. Initial Funding Conditions

The Lender shall not be required to advance any funds prior to the Borrower having fulfilled, to the Lender's satisfaction, the following conditions:

1.1. Security to Be Delivered

All the Security, ancillary loan agreements and documents, and opinions shall have been executed and delivered to the Lender or its solicitors and registered where and as required. Please refer to Article C herein.

1.2. Financial Performance

The Lender, in its sole discretion, shall have satisfied itself with the financial performance and condition of each of the Obligors. The Obligors shall provide within ten (10) Business Days of the date of execution of this Commitment, at a minimum, the following deliverables:

a) Corporate Obligors shall provide externally accountant prepared Notice to Reader annual financial statements for its two most recently ended fiscal years, or alternatives acceptable to the Lender.

b) Corporate Obligors shall provide corporate Notice of Assessments for its two most recently ended fiscal years, or alternatives acceptable to the Lender.

c) Personal Obligors shall provide Notice of Assessments received from the Canada Revenue Agency for their two most recently ended taxation years, with respect to their income tax filings.

d) Personal Obligors shall provide the Lender's form of Personal Net Worth Statement with supporting documentation.

e) All Obligors shall complete the Lender's form of Mortgage Application. To facilitate the Lender's due diligence regarding the creditworthiness of the Obligors, each of the Obligors shall authorize the Lender to conduct credit checks and authorize each of the financial institutions with which the Obligors deal to release any and all information reasonably required and requested by the Lender to adequately assess the credit worthiness of each Obligor.

1.3. Project Conditions

The Borrower shall deliver the following to the Lender within ten (10) Business Days of the acceptance of this Commitment for the Lender's satisfactory review and acceptance:

a) A copy of the agreement of purchase and sale (and any subsequent amendments or side letters related thereto) and statement of adjustments for the purchase by the Borrower of the Property, confirming a purchase price of not less than $13,250,000.

b) An appraisal(s), satisfactory to the Lender, of the Project confirming the fair market value in the following states:

Appraisal or Letter Type	
"As Is" Appraisal	$ 22,000,000
"As Serviced" Appraisal	$ 33,000,000
"As Complete" Appraisal / Letter of Value*	$ 96,130,000

to be prepared at the Borrower's expense. All appraisal reports are to be prepared by a Lender approved appraiser.

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Such appraisal reports must be addressed to the Lender or be accompanied by reliance letters from the appraiser(s) to the Lender and shall confirm that the Lender can rely upon such appraisals for lending purposes.

*Regarding an indication of "as Complete" value, the Lender understands that value will be confirmed with the combination of Contractual Pre-Sales at the time of commitment ($74,870,000) and an Appraised Value of the remaining units to be built ($21,260,000).

c) Evidence that the Borrower has entered into Eligible Pre-Sales of not less than 55 Units and totaling gross proceeds of not less than $74,870,000. All Eligible Pre-Sales shall include a contracted Purchaser Deposit averaging not less than 10.00% of the applicable Unit's Gross Sale Price. The Borrower hereby acknowledges and agrees as follows:

   i. all agreements of purchase and sale relating to the Units shall be to the satisfaction of the Lender as to Gross Sale Price, contracted Purchaser Deposits, form, and content. The Borrower will provide the Lender with an electronic copy of all agreements of purchase and sale within five (5) Business Days of an offer being received;

   ii. the Lender must be provided with the full contact details (name, mailing address, e-mail address and telephone number) for each purchaser of a Unit;

   iii. [Intentionally deleted – N/A]

   iv. The Lender understands that, to-date, approximately $5,497,000 of costs included in the Sources & Uses have been funded with Purchaser Deposits. The lender further understands that Purchaser Deposit not exceeding $3,400,000 have been used for costs outside of those contemplated in the Sources & Uses.

   v. [Intentionally deleted – N/A]

d) [Intentionally Deleted – N/A]

e) Evidence that the Borrower is licensed by the HCRA, or such other requirements as the Lender may determine, in its sole discretion.

f) A soils-test/geotechnical report (load bearing capacity) by a professional engineer as is acceptable to the Lender that the proposed construction and site improvements of the Project are feasible under existing soil conditions, together with evidence that the construction specifications for the Project provide for construction in compliance with such conditions and recommendations, if any, which may be contained in such soils-test/geotechnical report. If deemed necessary by the Lender in their sole discretion, this report and the Project will be reviewed by a separate engineering professional engaged by the Lender at the Borrower's expense.

   Such soils-test/geotechnical report must be addressed to the Lender or be accompanied by a reliance letter, or notice/report satisfactory to the Lender, from the engineer or third party consultant to the Lender and shall confirm that the Lender can rely upon such report for lending purposes.

g) A satisfactory Phase I environmental site assessment report conducted and prepared by a Lender approved engineer (and any further environmental site assessment reports, environmental remediation plans, environmental risk assessments and/or Record of Site Condition, as may be required by the Lender or the approved engineer, in their respective and sole discretion). If

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deemed necessary by the Lender in their sole discretion, these reports and the Project will be reviewed by a separate environmental professional engaged by the Lender at the Borrower's expense and the Borrower will provide an appropriate emergency response plan for the Project and related activities.

Any reports, both Phase I and supplemental reports, are to be accompanied by a reliance letter, or notice/report satisfactory to the Lender, from the engineer or third party consultant permitting the Lender to rely on the reports.

h) All architectural and engineering plans, drawings and specifications upon which construction of the Project is based, including without limitation, all structural, architectural, mechanical, electrical, landscape and interior design and specifications (collectively, the "**Project Plans**").

i) A survey of the Project by and Ontario licensed land surveyor showing access to the Property from public thoroughfares and indicating no encroachments, easements or rights of way, except those that do not encroach or hinder the Borrower's ability to construct the Project in accordance with the proposed Project Plans. If no survey is available at the time of the Initial Advance, the Lender, in its sole discretion, may rely upon the title insurance policy to be obtained in connection with the Loan.

j) Evidence confirming zoning approval, development permit and partial/full building permit availability to construct and develop the Project, together with evidence satisfactory to the Lender, in its sole discretion, that the full building permit will be issued by the applicable Governmental Authority in time to meet the Project Schedule.

k) A detailed planning letter from a third-party planner outlining the timeline for, and probability associated with, approval of the various stages and phases of the Project in accordance with the Project Plans, acceptable to the Lender. If deemed necessary by the Lender in their sole discretion, these reports and the Project will be reviewed by a separate planning professional engaged by the Lender at the Borrower's expense.

l) Discharge statement from Current Mortgagee(s), if any, confirming the outstanding principal balance does not exceed $10,250,000 and is in good standing.

m) [Intentionally Deleted – N/A]

n) A detailed pro forma budget prepared by the Borrower showing all sources of revenue and a breakdown of the estimated cost to complete the Project, to the extent that such information is not contained in the Project Budget or Quantity Surveyor's report, as may be determined by the Lender, in its sole discretion.

o) An executed engagement letter among the Quantity Surveyor, the Borrower and the Lender formally engaging such Quantity Surveyor as the Lender's quantity surveyor for the Project. The Quantity Surveyor shall be retained at the sole cost and expense of the Borrower. The engagement letter shall be in a form as provided by the Lender and subject to satisfactory review by the Lender, it its sole discretion.

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p) A detailed Project Budget prepared by the Borrower in conjunction with the Quantity Surveyor, to the extent applicable, satisfactory to the Lender. The Lender and the Quantity Surveyor, in their sole discretion, shall be satisfied:

   i. that the budgeted Hard Costs and Soft Costs (including financing and contingency costs) shall be sufficient to complete the Project as planned;

   ii. that the sources and uses of funds are acceptable;

   iii. with the terms of all construction contracts relating to the Project;

   iv. with the reputation, qualification and capabilities of the general contractor/project manager; and

q) Prior to advance of Facility 1 – Construction, evidence of $12,043,000, in invested capital in the Project and means to cover any potential closing costs, if required, satisfactory to the Lender and the Quantity Surveyor, to the extent applicable. Such invested capital shall include land equity up to $8,750,000 and cash contributions from the Borrower and/or Gaurantor.

r) The initial Loan to Value ratio at the time of the Initial Advance, as determined in the Lender's sole discretion, shall not be greater than 65%. For the purpose of calculating the Loan to Value ratio in the absence of current market values:

   i. The Loan amount shall include all outstanding debt obligations including the Permitted Encumbrances, unapproved subordinate debt, and outstanding Project accounts payable.

   ii. The Value shall be calculated by utilizing the appraised value at the time of the Initial Advance as per the appraisal provided per the initial transaction underwriting unless otherwise agreed to by the Lender. In the case of unsold Units, the value shall be calculated as per the methodology used by the appraisal. For Units under construction, the appraised value shall be the estimated value of the Units upon completion, less the cost to complete including financing costs as per the methodology used by the appraisal, less the expected profit margin.

s) The initial Loan to Cost ratio at the time of the Initial Advance, as determined in the Lender's sole discretion, shall not be greater than 56%. For the purpose of calculating the Loan to Cost ratio:

   i. The Loan amount shall include all advanced debt obligations including the Permitted Encumbrances, unapproved subordinate debt, and outstanding Project accounts payable, regardless of repayment.

   ii. The Cost shall be determined by utilizing the net Project Costs incurred to date as set out in the Quantity Surveyor's report unless otherwise determined by the Lender, in its sole discretion.

t) Evidence of the existence, details, and signing authorities related to a Project bank account, through which, all Project related transactions will flow. The Borrower and/or the Corporate Guarantor (as such term is defined in Section C.4.) shall execute the Lender's form of pre-authorized debit form, which shall authorize the Lender to automatically debit the Borrower's and/or the Corporate Guarantor's respective accounts with the Lender for all interest payments required in connection with the Loan.

u) Confirmation satisfactory to the Lender that all property taxes for the Property are current and have been paid.

v) Evidence of appropriate insurance coverage in accordance with the requirements contained in Appendix C, subject to satisfactory review by the Lender and the Lender's insurance consultant.

w) Applicable Advance Requests in the forms provided by the Lender.

x) MarshallZehr Group Inc., or a related party, may post two MarshallZehr Group Inc. signs on the Property (on each main street).

y) Receipt by the Lender's solicitors of completed Agent Examination of Identification Forms for each of the Obligors and any other due diligence materials required in connection therewith to permit the Lender to comply with its obligations under the *Proceeds of Crime Money Laundering and Terrorist Financing Act* (Canada).

z) Receipt by the Lender's solicitors of the corporate documentation for all corporate Obligors which shall include, without limitation, an up to date organizational chart for each of the corporate Obligors together with copies of the articles of incorporation, by-laws and corporate minute book registers.

aa) Such other matters as the Lender may deem appropriate and necessary to satisfy itself of the Project's viability, the Borrower's creditworthiness and the ability of the Borrower and Guarantors to fulfil their obligations herein.

1.4. Special Conditions

The Borrower shall deliver the following to the Lender within five (5) Business Days of the acceptance of this Commitment for the Lender's satisfactory review and acceptance:

a) *[Intentionally Deleted]*

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2. Progress Funding Conditions

The Borrower shall adhere to the following conditions when requesting Lender Advances or Borrower Draws, as the case may be:

2.1. Lender Advance Conditions

The following conditions must be fulfilled by the Borrower, to the Lender's satisfaction, in its sole discretion, prior to the Lender calling for funds to its trust account (each, a "**Lender Advance**"), in anticipation of a Borrower Draw:

a) Each Lender Advance shall be requested in writing and in the form (each, an "**Advance Request**") provided to the Borrower by the Lender;

b) The Lender shall have not less than five (5) Business Days following receipt of an Advance Request to fund the applicable Lender Advance into its trust account;

c) Each Lender Advance shall be in an amount not less than $100,000;

d) A title search will be conducted by the Lender's solicitors for 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. In the event a Lender Advance is occurring simultaneously with a Borrower Draw, only one title search will be conducted;

e) There shall be no more than one Lender Advance per month, unless otherwise agreed to by the Lender, in its sole discretion; and

f) The Lender Advances in the aggregate (plus the Initial Advance) shall not be greater than the Loan Amount.

The Borrower hereby acknowledges and agrees that interest shall accrue as of the date that the Lender Advance is deposited into the Lender's trust account, regardless of whether the Borrower has met the conditions of a Borrower Draw as set out below.

2.2. Borrower Draw Conditions

The following conditions must be fulfilled by the Borrower, to the Lender's satisfaction, in its sole discretion, prior to the Lender releasing a Lender Advance from its trust account to the Borrower (each, a "**Borrower Draw**"):

a) Each Borrower Draw shall be requested in writing through an Advance Request in the form provided to the Borrower by the Lender. In the event a Lender Advance is occurring simultaneously with a Borrower Draw, only one Advance Request is required;

b) Each of the conditions required in respect of a Lender Advance shall have been satisfied by the Borrower, to the Lender's satisfaction, in its sole discretion;

c) The Borrower has satisfied all Initial Funding Conditions and Special Conditions, to the extent applicable, as set out in this Commitment and is compliance with the provisions set out herein;

d) Each Borrower Draw shall set out the Project Budget (together with any revisions thereto, as approved by the Lender, in its sole discretion) and the Project Costs paid to date;

e) Each Borrower Draw shall only be used to pay for Project Costs as set out in the Project Budget;

f) The Borrower shall deliver an executed statutory declaration, in the form provided by the Lender, indicating it is in compliance with the requirements of the Construction Act, if applicable, and that all Borrower Draws shall be used to pay for the applicable Project Costs outlined in the Advance Request;

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g) The undrawn portion of the Loan shall not exceed the Borrower's cost to complete, including Holdbacks and expected financing costs;

h) **Hard Cost Draw Conditions** – The following conditions must be fulfilled for each and every Borrower Draw used to pay for Hard Costs:

   i. Each Borrower Draw request will be supported by a report of the Quantity Surveyor, which report shall indicate the amount of work in place, the cost to complete, and confirm that the work in place is in accordance with the Project Budget and the Project Plans. The Lender shall deduct an amount from each Borrower Draw equal to the Quantity Surveyor's invoiced amount associated with preparing the report for the Borrower Draw;

   ii. The Borrower shall ensure compliance with all Applicable Laws, including without limitation, the Construction Act; and

   iii. The Lender shall make the required Holdbacks.

i) **Soft Cost Draw Conditions** – The following conditions must be fulfilled for each and every Borrower Draw used to pay for Soft Costs:

   i. Each Borrower Draw request shall be supported by a monthly summary of Project Costs incurred to date;

   ii. The Lender, at its sole discretion, shall request additional support for the summary of Soft Costs incurred to date including, but not limited to: invoices, bank statements, and cancelled cheques; and

   iii. The Lender reserves the right to require an Advance Request in this regard to be supported by the Quantity Surveyor's report, which report shall indicate the amount of work in place, the cost to complete, and that the work in place is in accordance with the Project Budget and the Project Plans. The Lender shall deduct an amount for each Borrower Draw equal to the Quantity Surveyor's invoiced amount associated with preparing the report for the Borrower Draw.

The Lender will be under no obligation to conduct further Advances if any of the foregoing funding conditions and timelines outlined in this Section B. 2 are not met. The foregoing conditions may be waived by the Lender, in whole or in part (with or without terms or conditions), in respect of an Advance without prejudicing the right of the Lender at any time to assert such conditions in respect of any subsequent Advances.

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C. SECURITY TO BE DELIVERED

The Borrower shall deliver the following security (the "**Security**") duly registered where appliable subject only to the Permitted Encumbrances, if any, and all in the form and on the terms acceptable to the Lender's solicitor:

1.	**Mortgage**	A 1st mortgage registered on the York Estates – MZGI 452 Project Property in the amount of 35,000,000, plus any accrued contingent payments. The mortgage will be registered at the Wrap-Up Rate of Interest, being two times the Prime Rate plus 22.10% (Floor Rate: 27.5%).
2.	**Collateral Mortgage**	[Intentionally Deleted – N/A]
3.	**General Security Agreement of the Borrower**	A General Security Agreement of the Borrower providing a first (1st) priority security interest over all of the present and future assets and undertaking of the Borrower.
4.	**General Security Agreement of the Guarantors**	A General Security Agreement of the Guarantors providing a security interest over all of the present and future assets and undertaking of the Guarantors. The General Security Agreement of 2363823 Ontario Inc. (the "Corporate Guarantor") shall provide a second (2nd) priority security interest over all of the present and future assets and undertaking of the Corporate Guarantor relating to the Property and/or the Project including, without limitation, all bank accounts in the name of the Corporate Guarantor relating thereto.
5.	**Assignment of Insurance**	An assignment of the Borrower's insurance policies relating to the Property.
6.	**Assignment of Material Contracts**	An assignment of the Borrower's construction contracts, including without limitation all the Project Documents and the Project Plans.
7.	**Assignment and Pledge of Securities**	An assignment and pledge of, *inter alia*, all term deposits, guaranteed investment certificates, cash collateral in respect of any Letters of Credit issued and/or the Reserves from the Borrower and the Corporate Guarantor.
8.	**Assignment of Leases**	A general assignment of leases and rents registered on title to the Property.
9.	**Assignment of Agreements of Purchase and Sale**	A general assignment of all third-party purchase and sale agreements for the Units together with any other rights, interests and obligations of any kind respecting the Project and reasonably necessary for the completion of the Project as contemplated by the Lender, upon default oy the Borrower.
10.	**Assignment of Purchaser Deposits**	An assignment of all Purchaser Deposits subject only to any prior security interest of the Deposit Insurer, to the extent applicable.
11.	**Assignment of Cash Security**	An assignment and pledge of all securities posted in relation to the Project and Property, including, but not limited to, cash security posted (i) directly with Tarion (ii) directly with a Governmental Authority, and/or (iii) with a financial institution as security for letters of credit for the Project. The Borrower covenants to deliver the Lender's form of executed direction to the party holding the cash security accordingly (i.e. Tarion, City/Municipality, Financial Institution, etc.) directing that all releases/reductions in the cash security are delivered to the Lender.
12.	**Letter of Credit Indemnity**	An indemnification agreement from the Borrower in favour of the Lender in respect of any Letter of Credit issued, to the extent applicable;
13.	**Guarantees**	An unlimited joint and several guarantees from each of the Guarantors.

14. Deficiency Agreement	A joint and several cost overrun and deficiency agreement executed by the Obligors agreeing to fund costs not included or in excess of the Project Budget. This Deficiency Agreement is in addition to the Guarantee.
15. Environmental	An unlimited Environmental Undertaking and Indemnity from the Obligors and Environmental Review Checklist from the Borrower. The Environmental Undertaking and Indemnity is in addition to the Guarantee.
16. Security Opinion	A favourable letter of opinion from the Borrower's solicitors containing the usual corporate opinions relating to the corporate Obligors, including, without limitation as to the enforceability of the Security.
17. Insurance	Proof of appropriate insurance satisfactory to the Lender's insurance consultant and in accordance with the requirements set out in Appendix C.
18. Title Insurance	A policy of title insurance satisfactory to the Lender and its solicitors.
19. Taxes	Evidence that the realty taxes relating to the Property have been paid to date.
20. Postponement	A postponement, subrogation and assignment from each of the shareholders of the Borrower (and such other creditors as the Lender may require upon completion of its due diligence) of all indebtedness owed by and claims against the Borrower to and by the shareholders to the indebtedness and claims of the Lender.
21. Priorities Agreements	If required, a priorities agreement in connection with any Permitted Encumbrances, satisfactory to the Lender and the Lender's solicitors.
22. PPSA Priorities Agreement	A priorities agreement between the Lender and Scotland Real Estate Venture Limited Partnership. The form and content of the priorities agreement shall be satisfactory to the Lender and the Lender's solicitors.
23. Restriction on Register	An authorization from the Borrower to the Lender and its solicitors directing the Lender's solicitors to register a notice pursuant to Section 118 of the *Land Titles Act* (Ontario) on title to the Property restricting the Borrower from further charging the Property without the prior consent of the Lender.
24. Further Security	Such further security, guarantors and ancillary documents and agreements as the Lender or its solicitors may, acting reasonably, deem necessary to adequately secure the Loan obligations and complete and perfect the Security.

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D. BORROWERS COVENANTS

The Obligors hereby covenant and agree as follows:

1. Affirmative Covenants So long as any amount under the Loan is outstanding or available, the Borrower covenants and agrees with the Lender that unless the Lender otherwise consents in writing:

1.1. Punctual Payment The Borrower shall duly and punctually pay the principal of all Advances made to it under the Loan, all interest thereon, and all fees and other amounts required to be paid by the Borrower hereunder in the manner specified hereunder.

1.2. Corporate Existence and Conduct of Business The Borrower shall, and the Borrower shall cause the corporate Guarantors to, maintain their respective corporate existences in good standing and do or cause to be done all things necessary to keep in full force and effect all properties, rights, franchises, licenses and qualifications to carry on business in any jurisdiction in which it or they carry on business and the Borrowers shall, and the Borrower shall cause the corporate Guarantors to, maintain all of its or their respective properties and assets consistent with industry standards.

1.3. Compliance with Legislation The Borrower shall do or cause to be done, and the Borrower shall cause the Guarantors to do or cause to be done, all acts necessary or desirable to comply with all material Applicable Laws, including, without limitation, all requirements of all Environmental Laws and to preserve and keep in full force and effect all franchises, licenses, rights, privileges and permits necessary to enable each of the Obligors to operate and conduct their respective businesses in accordance with standard industry practice and to advise the Lender of any anticipated changes, loss or sale of such franchises, licenses, rights, privileges and permits.

1.4. Litigation The Borrower shall promptly give written notice to the Lender of any litigation, proceeding, or dispute affecting it or an of the other Obligors if the result might, in such Borrower's bona fide opinion, have a Material Adverse Effect on the financial condition or operations of any of the Obligors or any of their respective Affiliates and from time to time furnish to the Lender all reasonable information requested by the Lender concerning the status of any such litigation, proceeding, or dispute.

1.5. Reporting Requirements The Borrower shall deliver, or cause to be delivered, to the Lender all items specified in Appendix F in the form and at the time specified therein.

The Lender, acting reasonably, may request such other financial information, reporting, certificates, projections of income and cash flow, and any information affecting the financial condition of the Project, the Property and/or the Obligors' business that are not directly specified in Appendix F. This list and the reporting items stated in this Commitment are not exhaustive and the Lender, acting reasonably, may also request such other qualitative information including expected pre-sales, expected closings and associated timing, closed transactions, and editorial updates including Project status, and photos showing progress at a reporting frequency prescribed at the time of request.

1.6. Rights of Inspection At any reasonable time and from time to time upon reasonable prior notice, the Borrower shall permit and cause each of the other Obligors to permit, the Lender or any representative(s) thereof, at the expense and risk of the Borrower, to examine and make copies of and abstracts from the records and its physical and computer books of account with respect to the Project and to visit and inspect the Project and to discuss the affairs, finances and accounts of it with any of its officers, senior employees or managers (but not tenants, if applicable).

1.7. Project Specific The Borrower shall:

a) comply in all relevant aspects with the provisions of the Construction Act;

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b) as and when requested by the Lender, provide the Lender complete records relating to all holdbacks, including cancelled cheques, bank statements, WSIB certificates, statutory declarations, and completion certificates, as the Lender my reasonably require;

c) provide a covenant that the Borrower will supply to the Lender a statutory declaration in conjunction with each Borrower Draw, confirming the status of the Holdbacks as at the date of the statutory declaration;

d) substantially complete the Project in accordance with the approved Project Plans, the Project Budget and Project Schedule;

e) pay its taxes, protect its properties by contest of adverse claims, maintain required insurance, perform its obligations under all contracts and agreements relating to the Project, obtain all necessary approvals for construction and use of the Project, comply with all governmental rules and regulations, permit reasonable inspections, by the Lender and its agents of the Project and all records pertaining to the Project;

f) make and ensure that all payments due to the architect, general contractor, all contractors, sub-contractors, and all other suppliers of materials and services of any kind to the Project are made when and as they become due in compliance with the terms of their respective contracts and the provisions of the Construction Act;

g) fund all Project Costs in excess of the Project Budget from cash resources derived from outside the Loan and the Project. In this regard, the Obligors shall be jointly and severally liable to immediately cover any such excesses as soon as same arise and/or are identified by the Lender;

h) ensure that no liens are registered against the Property or its assets. In the event that a lien aforesaid is registered, the Borrower shall cause such lien to be vacated or discharged within ten (10) days of the earlier of the date (i) of registration (ii) that the Borrower has received written notice thereof and (iii) that the Borrower has been provided written notice thereof by the Lender, with any payment being made from financial resources derived from outside of the Loan; and

i) grant the Lender the right to approve professional services involved in the Project. Such professional reports and services include, but are not limited to, appraisals, environmental reports, geotechnical reports, quantity surveyors, and auditors.

1.8. Insurance

The Borrower shall maintain, or shall cause to be maintained, appropriate insurance coverage as agreed with the Lender or any insurance consultant engaged by the Lender to assess the required coverage during the Project. All insurance shall be in accordance with the requirements contained within Appendix C.

1.9. Notices

The Borrower shall promptly give notice to the Lender of:

a) Any fire or other casualty or any notice of expropriation, action or proceeding materially affecting any Project;

b) All claims, proceedings, suits, actions. or litigation in respect of any Obligor or the Project (whether or not any such claim, proceeding, suit, action, or litigation is covered by insurance) which, if determined adversely could have a Material Adverse Effect;

c) the occurrence of any Default or Event of Default; and

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d) any other matter or event that has a Material Adverse Effect.

1.10. Use of Advances

The Borrower shall use all Borrower Draws in accordance with the specific purposes set out herein and in the applicable Advance Request.

1.11. Payment of Taxes, etc.

The Borrower shall, and the Borrower shall cause each of the Guarantors to, from time to time:

a) Pay or cause to be paid all rents, taxes, rates, levies or assessments, ordinary or extraordinary, governmental fees or dues, lawfully levied, assessed or imposed upon any Obligor or any of the assets of any Obligor, as and when the same become due and payable;

b) Withhold, deduct and collect all taxes required to be withheld, deducted and collected by it, and remit such taxes to the appropriate Governmental Authority at the time and in the manner required; and

c) Pay and discharge all obligations incidental to any trust imposed upon it, by statute which, if unpaid, might become an encumbrance upon any of the Property, except when and so long as any such rents, taxes, rates, levies, assessments, fees, dues or obligations constitute a Permitted Encumbrance and the validity thereof is in good faith being contested by such Obligor.

1.12. Project Documents, Leases, and Permitted Encumbrances

The Borrower shall ensure that all Project Documents and Permitted Encumbrances are kept in good standing in all material respects and will advise the Lender forthwith after being so notified of a material breach or alleged material breach of any material documents or Permitted Encumbrances. The Borrower shall not default under any Lease related to any Property and shall advise the Lender immediately following being so notified of any breach thereof.

1.13. New Project Documents

The Borrower will promptly advise the Lender if any Obligor enters into any agreement which could reasonably be expected to be a Project Document and shall provide a copy of such agreement to the Lender.

1.14. Security

The Borrower shall, and the Borrower shall cause each of the Guarantors to, provide the Security contemplated hereunder, perfected to the satisfaction of the Lender and its solicitors, in their sole discretion.

1.15. Maintain Security

The Borrower will fully and effectually maintain and keep the Security valid and effective at all times during the continuance of this Agreement, and it will not permit or suffer the registration of any debt, lien, privilege or encumbrance whatsoever other than Permitted Encumbrances and the Security, whether of workmen, builders, contractors, engineers, architects or suppliers of material, on or in respect of any Property (except such liens which only affect or purport to affect a tenant's interest in the Property, if applicable).

1.16. Environmental Law

The Borrower shall, and the Borrower shall cause each of the Guarantors to, with respect to each Project:

a) notify the Lender promptly of any event or occurrence that will, or is likely to, give rise to an inquiry or investigation, or any legal proceeding, relating to, or a violation of, the Requirements of Environmental Law;

b) provide the Lender, on request, such information, certificates or statutory declarations, and shall conduct such environmental audits or site assessments, as may be reasonably necessary to ensure the compliance with all Requirements of Environmental Law; and

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c) execute, and cause each of the Guarantors to execute, all consents, authorizations and directions to appropriate Governmental Authorities that are required to permit the inspections mandated by Applicable Laws of the Property and the release to the Lender, or its representatives, of information relating to the assets or undertakings of each Obligor. The Obligors hereby irrevocably constitute and appoint the Lender the true and lawful attorney of each of them, with full power of substitution, to execute any of the foregoing consents, authorizations and directions; provided however that such power of attorney shall only be exercised during the continuance of an Event of Default.

1.17. Operation and Repair

Except as otherwise permitted herein, the Borrower will ensure the diligent management and operation of the Property and repair and keep in repair and good order and condition, or cause to be so repaired and kept in repair and good order and condition, all buildings, structures, plant, machinery and equipment used in or in connection with the Property and which are necessary in connection with the efficient operation of such business and undertaking up to a modern standard of usage and, subject to the provisions of this Commitment, renew and replace, or cause to be renewed or replaced all and any of the same which may be worn, dilapidated, unserviceable, inconvenient or destroyed, even by a fortuitous event, fire or other cause, and at all reasonable times allow, and cause the Guarantors to allow, the Lender or its representative access to the Property in order to review the state and condition the same are in.

1.18. Maintain and Operate

The Borrower will diligently maintain, use and operate or will cause to be maintained, used and operated the Project, in a proper and efficient manner so as to preserve and protect the Property.

1.19. Payment of Preferred Claims

The Borrower shall, and the Borrower shall cause each of the Guarantors to, from time to time pay or cause to be paid, all amounts related to taxes, wages, workers' compensation obligations, government royalties or pension fund obligations and any other amount which may result in an encumbrance against the assets of any Obligor arising under Applicable Law.

1.20. HST Filings

The Borrower shall file on a monthly basis all returns and other documents necessary to obtain the refund of HST in respect of the Project and apply the amount of any such refund to payment of Project Costs.

1.21. Lease Attornment

Subject to the requirements, if any, within any Leases for the Lender to execute and deliver non-disturbance agreements, the Borrower agrees, at the written request of the Lender, to use all reasonable commercial efforts to obtain from the tenants under such Leases and deliver to the Lender such instruments of attornment, postponement or subordination as the tenants under such Leases are required to provide and as the Lender may reasonably request in a form acceptable to the Lender, acting reasonably, and which is otherwise consistent with the terms of such Leases.

1.22. Expropriation

Any awards or payments received by an Obligor for expropriation of any portion of the Property, which are, in respect of any single payment or award, equal to or greater than $1,000 shall, unless the Lender otherwise agrees, be forthwith paid to the Lender to repay the Loan.

1.23. Condominium Registration

To the extent applicable, the Borrower shall pursue registration of the Project under the Condominium Act for registration as a condominium thereunder to ensure that the Units may be delivered in a timely basis in accordance with the planned schedule of closings of the Units.

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2. Financial Covenants

So long as any amount payable hereunder is outstanding or the Loan is available hereunder, the Obligors covenant and agree with the Lender that:

2.1. Project Net Equity

Prior to construction, the Obligors shall maintain a minimum combined net equity in the Project equal to $10,042,000; Upon time of construction, the Obligors shall maintain a minimum combined net equity in the Project equal to $12,043,000. For the purposes of this paragraph "**Project Net Equity**" shall be equal to:

	cost of the Property, as determined by the Lender or the Quantity Surveyor (to a maximum value of $ 22,000,000)
+	cost of the Project completed to date (exclusive of Property value) as determined by the Lender or the Quantity Surveyor
-	project payables
-	Purchaser Deposits paid into the Project
-	Holdbacks
-	unsubordinated Project financing
-	the aggregate amount of Lender Advances to date under the Loan
-	all recaptured Project expenses, including HST, previously funded by the proceeds of the Loan herein
=	**Project Net Equity**

2.2. Project Loan to Value Ratio (LTV)

The Borrower shall, at all times, maintain a LTV ratio of less than 85%; notwithstanding the foregoing, for the purposes of calculating this ratio each Fiscal Quarter as required pursuant to the compliance certificate contemplated in **Appendix F** the LTV ratio shall be calculated in accordance with the parameters defined in **Section B. 1.3(r)**.

2.3. Project Loan to Cost Ratio (LTC)

The Borrower shall, at all times, maintain an LTC ratio of less than 90%; notwithstanding the foregoing, for the purposes of calculating this ratio each Fiscal Quarter as required pursuant to the compliance certificate contemplated in **Appendix F**, the LTC ratio shall be calculated in accordance with the parameters defined in **Section B. 1.3(s)**.

2.4. Maximum Borrowing

The Borrower shall ensure that Advances under this Commitment do not exceed the most current calculation of the Maximum Borrowing. "**Maximum Borrowing**" shall be equal to:

	Loan Amount (as defined in **Section 1.6**)
-	cost to complete Project
-	Holdbacks
+	unadvanced approved Purchaser Deposits to be used in the Project
+	deferred costs as approved by the Lender
+	unadvanced additional approved Project financing
=	**Maximum Borrowing**

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3. Negative Covenants

So long as any amount payable hereunder is outstanding or the Loan is available hereunder, the Obligors covenant and agree with the Lender that, unless the Lender otherwise consents in writing:

3.1. Sale of Guarantors

The Borrower shall not, and shall cause every other Person with an ownership interest in a Guarantor (other than the Borrower) not to, sell, transfer, assign, convey or otherwise dispose of its ownership interest in any of the Guarantors (other than the Borrower) to any Person except another Affiliate of the Borrower (but only if such Guarantor remains a direct or indirect wholly-owned Subsidiary of the Borrower) or except with the prior written consent of the Lender, such consent not to be unreasonably withheld or delayed.

3.2. No Merger, Amalgamation, Etc.

Except as otherwise permitted hereunder, no Obligor shall enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other Person (whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise).

3.3. No Sale, etc. of Property Interests

No Obligor shall sell, transfer, assign or otherwise dispose of all or any portion of its respective interest in the Property except pursuant to a Permitted Encumbrance.

3.4. No Additional Encumbrances or Financing

No additional encumbrances or financing, subject to **Section A. 1.22**, will be permitted without the prior written consent of the Lender, which consent shall be in its sole discretion. In the event that the foregoing covenant is not complied with, the entire amount of outstanding principal, interest, fees and all other amounts due under the Commitment and the Security shall become immediately due and payable by the Borrower.

In the event that the Lender consents to any such additional subordinate financing aforesaid, such consent shall be conditional upon the subordinate lender entering into an unconditional postponement, subordination and permanent standstill agreement whereby, *inter alia*, the subordinate lender shall agree to a) issue zero dollar discharges on a per Unit basis and b) execute all postponements and consents as may be required to development the Project, in each case, within two (2) Business Days immediately following request therefor by the Borrower and/or the Lender.

3.5. No Dissolution

No Obligor shall liquidate, dissolve or wind-up or take any steps or proceedings in connection therewith, provided, however, that a Guarantor may enter into a transaction designed to wind-up or dissolve such Guarantor into the Borrower upon the Lender's prior written consent, such consent not to be unreasonably withheld or delayed. The parties agree that the Lender's consent will not have been unreasonably withheld if, in the Lender's sole discretion, the Lender's credit risk or the Security will be adversely affected by the proposed transaction.

3.6. Non-Arm's Length Transactions

No Obligor shall enter into any contract relating in any manner to the Property with an Affiliate for the sale, purchase, lease or other dealing in any property other than at a consideration which is no more than the fair market value of such property or other than at a fair market rental as regards leased property.

3.7. Negative Pledge

Except for the Permitted Encumbrances, no Obligor shall create, issue, incur, assume or permit to exist any mortgage, charge, lien or other encumbrance against the Property without the Lender's prior written consent.

3.8. No Changes to Project Documents

No Obligor shall amend, surrender or terminate any Project Document without the prior written consent of the Lender, which consent is not to be unreasonably withheld or delayed.

3.9. No Changes to Leases

No Obligor shall terminate or accept a surrender of, or agree to any material amendment to, any Lease, without the consent of the Lender which consent is not to be unreasonably withheld or delayed. For

the sake of clarification, amendments related to the term, rent or premises to be rented shall be considered material.

3.10. Dealing with Leases

Notwithstanding the immediately preceding paragraph above, no Obligor shall enter into any new Leases or amend, renew, terminate, forfeit or cancel any existing Leases, in each case, in respect of all of portion of the Property unless:

a) such Lease and/or amendment, extension, termination, forfeiture or cancellation are made on arm's length terms and in good faith; and

b) such Leases and/or amendment, extension, termination, forfeiture or cancellation reflects good business practice, as determined by the Lender, in its sole discretion.

3.11. Concerning Leases Generally

Except in the ordinary course of business and provided such action is prudent in the circumstances, none of the Obligors shall accept or require payment of rent or other moneys payable by a tenant under any Lease that would result in more than three months of such rent or other moneys being prepaid under such Lease other than:

a) prepaid rent or deposits on account of rent which represent the portion of the cost of construction of the relevant demised premises which exceeds the portion of such cost which was used as the basis for determining the basic rental otherwise payable under such Lease;

b) amounts representing a bona fide pre-calculation of any amount (which is required to be paid under such Lease) in addition to basic rent, including amounts payable with respect to taxes and maintenance of the applicable Property and overage and percentage rents; or

c) Lease surrender payments made by the tenant under such Lease; and/or

d) except for any renewals or extensions of existing Leases pursuant to the terms thereof, each of the Obligors shall not hereafter enter or purport to enter into or suffer to exist any Lease in respect of any Project except if the Security shall have priority over such Lease and such Lease shall provide that it is subordinated to the Security and contain a covenant of the tenant thereunder obligating such tenant if and whenever required by the Lender to attorn to and become the tenant of the Lender or any purchaser from the Lender, for the then unexpired residue of the term of, and upon all of the terms and conditions of such Lease.

3.12. No Waiver

Except as otherwise provided pursuant to **Article F**, no Obligor shall waive, or agree to waive, any failure of any party to any Permitted Encumbrance, Project Document or Lease to perform any material obligation thereunder or suffer or permit anything allowing any party thereto to terminate any such agreement or consent to any assignment thereof by any party thereto unless the same is in the ordinary course of business, is in accordance with good business practice and the same would not have a Material Adverse Effect.

3.13. No Name Change

No Obligor shall change its name without first giving notice to the Lender of its new name and the date when such new name is to become effective.

3.14. No Change of Chief Executive Officer

No Obligor shall change its chief executive office or the location of the offices where it keeps its records respecting receivables and rents or move any of the inventory, securities or equipment from the present locations thereof without prior written notice to the Lender.

The Obligors hereby acknowledge and agree that a breach of any of the foregoing covenants contained in this Article D shall constitute an Event of Default, entitling the Lender to terminate this Commitment subject to and in accordance with the provisions of Article F hereof.

E. TERMINATION PROVISIONS

The Lender shall have the right to terminate this Commitment and its obligation to provide the Loan to the Borrower in the event that any of the following should occur:

1.	**Non-Compliance with Terms**	The Obligors fail or are unable or unwilling for any reason whatsoever to comply with any of the terms and conditions set out in this Commitment and/or the Security within the time indicated for such compliance.
2.	**Non-Execution of Documents**	The Obligors fail or refuse to execute any documentation requested by the Lender's solicitors or to deliver such documentation to them.
3.	**Outside Date**	The Initial Advance has not been fully advanced on or before **April 10**, **2022** (the "**Outside Date**").
4.	**Non-Acceptance of Borrower Draw**	The Borrower refuses to accept either the Initial Advance or a Borrower Draw when so advanced by the Lender.
5.	**Default**	The Borrower and/or the Guarantors commit a Default that remains uncured in accordance with Article F hereof.
6.	**Non-Compliance with Construction Act**	The Borrower has not complied with all the provisions of the Construction Act to the satisfaction of the Lender's solicitors.
7.	**Non-Satisfaction of Due Diligence**	The Lender's solicitors, acting reasonably, are not satisfied with the title to the Property.

If, in accordance with the foregoing, the Lender elects to terminate this Commitment prior to the advance of the entire Loan, the amounts so advanced, if any, together with interest and fees thereon shall become immediately due and payable.

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F. DEFAULT PROVISIONS

The content of this Default Provisions section shall be subject to the restrictions of any priority agreement(s) between the Lender and any other Permitted Encumbrance holders.

1. Events of Default

The occurrence of any one or more of the following events shall constitute an Event of Default under this Commitment (an "**Event of Default**" or "**Default**"):

1.1. Payment of Principal

If the Borrower defaults in the payment of the principal of any Lender Advance made under the Loan when due and payable, without any requirement by the Lender to provide notice of the same;

1.2. Payment of Interest and Fees

If the Borrower defaults in the payment of:

a) any interest (including, if applicable, default interest) due on any Advance under this Commitment;

b) any Fees with respect to this Commitment; or

c) any other amount not specifically referred to herein payable by the Borrower to the Lender hereunder when due and payable;

and such default continues for three (3) Business Days after notice of such default has been given by the Lender to the Borrower;

1.3. Covenants or Obligations

If any Obligor neglects to observe or perform any covenant or obligation contained in any Document on its part to be observed or performed (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this **Section F.1**) and, such Obligor shall fail (in the case of those defaults which can be rectified by such Obligor) to remedy such default within a period of **thirty (30)** days after the giving of notice, unless the Lender (having regard to the subject matter of the default) shall have agreed to a longer period and, in such event, within the period agreed to by the Lender;

1.4. Cross Default

If a default or an event of default as defined in any indenture or instrument evidencing, or under which, any indebtedness for borrowed money of any Obligor or of any Affiliate (as that term is defined in the Business Corporations Act (Ontario)) of any Obligor has occurred and is continuing; provided, however, that if such default or event of default under such indenture or instrument shall be remedied or cured by such Obligor or Affiliate of such Obligor or be waived by the holders of such indebtedness before any judgment or decree for the payment of the money due shall have been obtained or entered, then the Event of Default hereunder by reason thereof shall be deemed likewise to have been thereupon remedied, cured or waived without further action on the part of the Lender;

1.5. Priority Encumbrance Cross Default

If an event of default as defined in any indenture or instrument which is a Permitted Encumbrance on any Property in priority to the Security shall have occurred and be continuing and all applicable cure periods have expired;

1.6. Bankruptcy or Insolvency Order

If a decree or order of a court of competent jurisdiction is entered adjudging any Obligor a bankrupt or insolvent, or approving as properly filed a petition seeking the winding-up of such Obligor, under the Companies' Creditors Arrangement Act (Canada), the Bankruptcy and Insolvency Act (Canada) or the Winding Up and Restructuring Act (Canada) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against, or against any substantial part of the assets of any Obligor or material subsidiary or ordering the winding up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of **ten (10) Business Days**;

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1.7. Insolvency	If any Obligor becomes insolvent, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the Bankruptcy and Insolvency Act (Canada) or any comparable law, seeks relief under the Companies' Creditors Arrangement Act (Canada), the Winding Up and Restructuring Act (Canada) or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency;
1.8. Trustee or Receiver Appointed	If any proceedings are commenced against, or steps are taken by, any Obligor for the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of such Obligor or of all or any substantial portion of its assets, or seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights and in the case of any such proceedings commenced against such Obligor, such proceedings are not stayed or dismissed within **ten (10) days** after the commencement thereof;
1.9. Dissolution, Liquidation or Wind-Up Proceedings	If proceedings are commenced for the dissolution, liquidation or winding-up of any Obligor, or for the suspension of the operations of any Obligor, unless such proceedings are stayed or dismissed within **thirty (30) days** of the commencement thereof;
1.10. Material Provision or Agreement Null and Void	If any material provision of this Agreement or of any Material Document ceases to be in full force and effect (other than through the normal expiration of the stated term of such Material Document pursuant to the terms thereof) or is declared null and void or invalid or any breach or default shall occur under any Material Document that has a Material Adverse Effect and such breach or default is not remedied within **ten (10) Business Days** of such occurrence or such longer or shorter cure period as may be allowed the applicable Obligor pursuant to the terms of such Material Document;
1.11. Judgements	If a judgment or decree for payment of money due in an amount of $5,000 or more (in any single instance or in the aggregate for all such judgments and decrees against each of the Obligors) shall have been obtained or entered against any Obligor (except in the case of any such judgment or decree in respect of which recourse is limited to property which is not subject to the Security hereunder) and such judgment or decree shall not have been, and remain, vacated, discharged or stayed pending appeal within the applicable appeal period;
1.12. Incorrect Representation or Warranty	If any representation or warranty made or deemed to be made by any Obligor in any Document or in any certificate or other document at any time delivered in connection with this Commitment to the Lender shall prove to have been incorrect or misleading in any material respect on and as of the date thereof and with respect to any such incorrect or misleading representation or warranty that is capable of being cured, such incorrectness or misleading aspect continues for a period of **ten (10) Business Days** or more;
1.13. Invalid Security	If any of the Security shall cease to be a valid and perfected first priority security interest as against third parties subject only to Permitted Encumbrances and such state continues for more than **two (2) Business Days**;
1.14. Material Adverse Effect	If the Lender determines, in their sole discretion acting reasonably, that there has been a material change in the business, assets, properties, liabilities, operations, condition (financial or otherwise) of the Obligors, individually, or its subsidiaries taken as a whole or the ability to perform its obligations under the Commitment (a "**Material Adverse Effect**");
1.15. Creditor Seized Property	If the property of any Obligor or a part thereof which is, in the opinion of the Lender, a substantial portion thereof, is seized or otherwise attached by creditors pursuant to any legal process, the enforcement of a secured claim or otherwise or if a distress, execution or any similar process is levied

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or enforced against any Obligor and the same is not released, bonded, satisfied, discharged, vacated or stayed within the shorter of a period of **thirty (30) days** or such shorter period as would permit any property or any part thereof to be sold thereunder;

1.16. Assignment, Disposition or Conveyance — If any Obligor makes or agrees to make an assignment, disposition or conveyance, whether by sale or otherwise, of all its assets (or a material portion thereof) in bulk;

1.17. Default Under Permitted Encumbrance or Material Document — If there is a default by any Obligor under any Permitted Encumbrance, or Material Document in respect of the Project and such default has a Material Adverse Effect and is not rectified within **five (5) Business Days**; or

1.18. Financial Covenant Default — If there is a default by the Borrower of any of the Financial Covenants outlined in **Section 4.2**;

1.19. Merger or Amalgamation — If any transaction occurs (whether by reconstruction, reorganization, consolidation, amalgamation, merger, transfer, sale or otherwise) whereby all or substantially all of an Obligor's undertaking, property and assets, or any interest therein becomes the property of any other person, or in the case of any amalgamation, of the continuing company resulting therefrom, or if any Obligor is dissolved; or

1.20. Environmental — If any Obligor violates or breaches any requirements of Environmental Law applicable to the Project (or, in the case of the Guarantor, applicable to all or any material part of its property and assets) or if any Obligor violates or breaches any other Applicable Law and such breach or violation of Applicable Law has or could reasonably be expected to have a Material Adverse Effect and continues for the shorter of a period of **thirty (30) days** or **ten** (**10) Business Days** less than any such period as would permit the property in question to escheat to the Crown or be sold or otherwise forfeited.

For greater certainty, none of the foregoing events shall constitute an Event of Default hereunder if the default is cured or remedied within the time limited therefor pursuant to the applicable provision of this **Section F.1**.

2. Acceleration and Demand

Upon the occurrence of any Event of Default that has not been cured within the timelines set out herein, the Lender by written notice to the Borrower (an "**Acceleration Notice**") shall be entitled to:

a) declare the Loan and the right of the Borrower to apply for further Lender Advances and Borrower Draws to be terminated;

b) declare all Obligations (whether matured or unmatured, drawn or undrawn) of the Borrower to the Lender (including, without limitation, all unpaid fees whether or not deemed earned) to be immediately due and payable (or to be due and payable at such later time as may be stated in such notice) without further demand, presentation, protest or other notice of any kind, all of which are expressly waived by Borrower;

Upon the occurrence of an Event of Default specified in **Section F.1.1**, the Loan shall automatically terminate and all Obligations specified in **Section 1** shall automatically become due and payable, in each case without any requirement that notice be given to the Borrower;

Immediately upon the occurrence of an Event of Default specified in Section F.1 or at the time stated in an Acceleration Notice, the Borrower shall pay to the Lender all amounts owing or payable in respect of all Obligations of such Borrower specified in Section 1, failing which all rights and remedies

of the Lender under the Documents, at law, in equity or otherwise shall thereupon become enforceable and shall be enforced by the Lender.

3. Appointment of Receiver

Upon any default under this Commitment or the Security, that is not cured within the time frames set out herein, the Lender may proceed to realize the Security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Lender or not, and the Lender may remove any receiver or receivers so appointed and appoint another or others in his or their instead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Project or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Borrower. Any such receiver or receivers so appointed shall have power to take possession of the Project or any part thereof and to carry on the business of the Borrower, and to borrow money required for the maintenance, preservation or protection of the Project or any part thereof, and to further charge the Project in priority to the Security constituted by this Commitment as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Project on such terms and conditions and in such manner as he shall determine. In exercising any powers, any such receiver or receivers shall act as agent or agents for the Borrower and the Lender shall not be responsible for his or their actions.

In addition, the Lender may enter upon the applicable premises and lease or sell the whole or any part or parts of the Project. The Borrower agrees that it will be commercially reasonable to sell such part of the Project:

a) as a whole or in various units;
b) by a public sale or call for tenders by advertising such sale; and
c) by private sale.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Lender in its sole discretion may seem advantageous and such sale may take place whether or not the Lender has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this letter includes a receiver and manager.

4. Application of Payments Following Demand and Acceleration

Except as otherwise agreed to by the Lender in its' sole discretion, any sum received by the Lender at any time after the delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section F.1, which the Lender is obliged to apply in or towards the satisfaction of sums due from the Borrower under any Document shall be applied by the Lender in accordance with amounts owed to the Lender by the Borrower in respect of each category of amounts set forth below, each such application to be made in the following order with the balance remaining after application in respect of each category to be applied to the next succeeding category:

a) in or towards payment of any expenses and fees then due and payable to the Lender hereunder and owing by the Borrower (including, without limitation, in the case of the Borrower, any such fees and expenses owing whether or not deferred or contingent);

b) in respect of amounts due and payable by such Borrower to the Lender by way of interest and fees (including, without limitation, in the case of the Borrower, any such interest and fees owing whether or not deferred or contingent);

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c) in respect of any other amount (other than Loan) not hereinbefore referred to in this Section F.4 which are then due and payable by the Borrower hereunder such Borrower under any Document (including, without limitation, in the case of the Borrower, any such other amounts owing whether deferred or contingent);

d) in or towards repayment to the Lender of the principal advanced to such Borrower then outstanding hereunder; and

e) any remaining amounts to be released to the Borrower or as required by the loan.

For certainty, unless otherwise agreed by the Lender, all amounts owing by the Borrower in each of the above-noted categories (whether directly or indirectly by virtue of Guarantees) shall, within each category, rank pari passu and be applied pro rata to the Obligations owing by the Borrower within such category based on the respective outstanding amounts.

5. Remedies Cumulative

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lender under the Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law; any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement therein contained shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled for the same default or breach, and any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or agreement therein contained, and any indulgence granted thereby, shall be deemed not to be a waiver of any subsequent default. The Lender may, to the extent permitted by Applicable Law, bring suit at law, in equity or otherwise for any available relief or purpose including but not limited to:

a) the specific performance of any covenant or agreement contained in the Documents;

b) enjoining a violation of any of the terms of the Documents;

c) aiding in the exercise of any power granted by the Documents or by law; or

d) obtaining and recovering judgment for any and all amounts due in respect of the Advances or amounts otherwise due hereunder or under the Documents.

To the extent permitted by Applicable Law, Borrower hereby waives any rights now or hereafter conferred by statute or otherwise which may limit or modify any of the Lender's rights or remedies under the Documents.

6. Set-Off

In addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, the Lender is authorized at any time after the delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section F.1 which has not theretofore been waived or rescinded by the Lender and from time to time thereafter without notice to Borrower or to any other person, any such notice being expressly waived by the Borrower, to set-off and to appropriate and to apply any and all deposits (general and special) and any other indebtedness at any time held by or owing to the Lender for the account of the Borrower against and on account of the obligations and liabilities of the such Borrower to the Lender or such Lender under this Commitment, including, without limitation, contingent or deferred obligations of the Lender.

7. Cash Collateral Accounts

Upon delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section F.1 and in addition to any other rights or remedies of the Lender hereunder, the Lender shall thereafter be entitled to deposit and retain in an account to be maintained by the Lender, and which for the

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purposes hereof shall be considered to be the Lender's account and not the Borrower's account bearing interest for the Borrower at the rates of interest of the Lender as may be applicable in respect of other deposits of similar amounts for similar terms, amounts which are received by the Lender from the Borrower to the extent that and for so long as such amounts either may be required to satisfy any Obligations of such Borrower or are actually used to satisfy any such Obligations; provided that if such amounts are no longer required or not so used, the Lender shall forthwith return the same together with interest accrued thereon to the Borrower.

8. Lender May Perform Covenants

If the Borrower shall fail to perform any covenant on its part herein contained, the Lender may, upon prior notice to the Borrower, perform any of the said covenants capable of being performed by the Lender and, if any such covenant requires the payment or expenditure of money, it may make such payment or expenditure with its own funds and shall be entitled to reimbursement of any such expenditure. All amounts so paid by the Lender hereunder shall be repaid by the Borrower on demand and therefore, shall bear interest at the rate set forth in Section 1.8 from the date paid by the Lender hereunder to and including the date such amounts are repaid in full by the Borrower.

9. Administration Fee Payable in Default

In the event of a default by the Borrower or any Guarantor in their respective obligations under this Commitment, Loan or Security that is not cured within the timeframes set out herein, the Lender shall, notwithstanding anything contained herein to the contrary, be entitled to receive in addition to all other fees, charges and disbursements, an administration and management fee in the amount of $5,000 for each month or part thereof that the Borrower and/or any Guarantor is in default of its obligations under the Commitment, Loan or Security. The said sum or sums are agreed to be liquidated damages to cover the Lender's administration and management costs and are not intended nor shall they be construed as a penalty. All such sums payable to the Lender shall be a charge upon the Project and its assets and interest shall accrue thereon as if they were Loan principal.

10. Priority of Loan in Default

In the event of a default by the Borrower or any Guarantor in their respective obligations under this Commitment, Loan or Security that is not cured within the timeframes set out herein, the Loan priority shall change to be as follows:

a) Facility 1 – Construction shall remain in 1st position on all project lands

b) Facility 2A – Land & Servicing shall be in 2nd position on lands of which have not been discharged by Pre-Payment or Net Sales Proceeds; then

c) Facility 2B – Land & Servicing shall be in 3rd position on lands of which have not been discharged by Pre-Payment or Net Sales Proceeds.

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G. GENERAL PROVISIONS

1. The Lender shall have no obligation to advance funds unless and until all of the above terms and conditions have been deemed by the Lender to be complete, true and otherwise in all respects satisfactory, in the Lender's sole discretion.

2. No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantors.

3. The Lender's solicitors shall be:

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9
Attention: Robert Miller

4. The Borrower's solicitors shall be:

Grechi Carter, Hamilton Barristers & Soliciters
235 Highway 8
Stoney Creek, ON, L8G1E2
Attention: Michael Luppino
mluppino@gclaw.ca
(905) 930-9957

5. The Borrower shall bear any and all reasonable legal costs of the Lender.

6. Time is of the essence in this Commitment.

7. This Commitment shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

8. The Obligors agree that if any one or more of the provisions contained in this Commitment shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment and this Commitment shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

9. The waiver by the Lender of any breach or Default by the Obligors of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or Default by them. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.

10. Notwithstanding the registration of the Security or the advancement of funds, the terms of this Commitment shall not merge with the delivery and/or registration of the Security and shall remain in full force and effect. Any default under the terms of this Commitment shall be deemed a default under the Security and any default under the terms of the Security shall be deemed a default under the terms hereof. In the event of a conflict between the terms of the Security and the terms of this Commitment, the Lender, in its sole discretion may determine which shall take precedence and govern.

11. This Agreement may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. A facsimile or electronic copy of an executed counterpart shall be deemed to be an original.

12. From time to time, the Lender publishes advertisements or announcements of completed transactions. The advertisements or announcements include, but are not limited to, press releases, paid advertisements, internally displayed tombstones,

social media, investor brochures or information displayed on the internet and/or the Lender's intranet. The Obligors consent to the publication of an advertisement or announcement of the transaction contemplated by this Commitment. The Obligors covenant and agree to permit the Lender to photograph or utilize existing photographs or artistic renderings (for unfinished Projects) of the Property for the possible use in internal or external marketing programs.

13. Any word importing the singular or plural shall include the plural and singular, respectively. If any party is comprised of more than one entity, the obligations of each of such entities shall be joint and several. Any word incorporating persons of either gender, or firms, or corporations shall include persons of other gender, and firms, and corporations were the context so requires.

14. The headings and section numbering appearing in this Commitment are included only for convenience of reference and in no way define, limit, construe, or describe the scope or intent of any provision of this Commitment.

If you are in agreement with the above terms, please indicate such agreement by signing and forwarding to the undersigned a copy of this letter agreement. 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 at the sole discretion of the Lender and its solicitors.

By signing this Commitment, pertaining to **York Estates – MZGI 452** the Borrower and Guarantors agree that the Lender may obtain credit and other financially related information about the Borrower and the Guarantors, including reports from other credit grantors, consumer reporting agencies, and credit bureau.

Unless this Commitment is accepted by the Borrower and all required Guarantors within **five (5) Business Days** of the date hereof by delivery of a fully executed copy to the Lender, then, at the Lender's sole option, the Commitment shall be terminated.

This Commitment is not binding until it has been approved and signed back by an officer of the Lender, MarshallZehr Group Inc.

Yours truly,

DocuSigned by:
6697E6642B774AE...

Cecil Hayes CIM
Chief Operating Officer, Broker

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Acknowledged and agreed at _____this _____ day of _____, 2022.

Borrower:

2557386 Ontario Inc

Per: DocuSigned by: Mike Bettiol EFFC4443B3D54AA...
Name:
Title:

Per: _____
Name:
Title:

I/we have authority to bind the Corporation

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

Guarantors:

2363823 Ontario Inc. (o/a Mariman Homes)

Per: DocuSigned by: Mike Bettiol EFFC4443B3D54AA...
Name:
Title:

Per: _____
Name:
Title:

I/we have authority to bind the Corporation

DocuSigned by: Mike Bettiol EFFC4443B3D54AA... I/S
Michael Bettiol

_____
Witness:

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APPENDIX "A"
PROPERTY AND PERMITTED ENCUMBRANCES

1.	**Project Property**	a)	PART WARNER NELLES TRACT DESIGNATED AS PART 1, 18R-7058; SAVE & EXCEPT PART 1, 18R-7281; T/W EASEMENT OVER PART 2, 18R-7058 AS IN HC252899; TOWNSHIP OF SENECA HALDIMAND COUNTY
2.	**Permitted Encumbrances**	a)	Not Applicable

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APPENDIX "B"
DEFINITIONS

1. **"Advances"** means collectively, the Initial Advance, a Lender Advance and a Borrower Draw and "**Advance**" means any one (1) of them as the context so requires.

2. **"Affiliate"** means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate and "**Affiliates**" means more than one (1) of them. A Person shall be deemed to control a Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the term "controlled" shall have a similar meaning.

3. **"Applicable Laws"** means all statutes, laws, by laws, regulations, ordinances, orders, codes, rules and requirements of governmental or other public authorities having jurisdiction in force from time to time and includes all Environmental Law.

4. **"Business Day"** means any day which is not a Saturday, Sunday, or day observed as a holiday under the Applicable Laws in the province in which the Project is located.

5. **"Condominium Act"** means the *Condominium Act, 1998* (Ontario).

6. **"Condominium Documents"** means the declaration, condominium corporation by-laws, shared facilities agreements, insurance trust agreement (if any) and/or other documents relating to the creation and operation of the Project as a condominium.

7. **"Construction Act"** means the *Construction Act* (Ontario).

8. **"Project Schedule"** means the schedule Project activities provided to and approved by the Lender and the Quantity Surveyor, to the extent applicable, as same may be amended from time to time with the consent of the Lender, in its sole discretion.

9. **"Deposit Insurer"** means a deposit bonding and deposit insurance company acceptable to the Lender as the surety for bonds and/or excess deposit insurance issued to Tarion and/or purchasers of Units pursuant to the terms of the agreements of purchase and sale made between the Borrower and such purchasers thereunder.

10. **"Eligible Pre-sales"** means the sale of a Unit in which:

    a) such sale is made pursuant to a binding and unconditional agreement of purchase and sale, a copy of which has been provided to the Lender and which is in the form satisfactory to the Lender;

    b) the period in which any right of rescission or right to claim a return of a Purchaser Deposit by the applicable purchasers under such agreement of purchase and sale is expired;

    c) the purchasers under such agreement of purchase and sale must:

        (i) be *bona fide*;

        (ii) be arm's length from the Borrower and the Guarantors;

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(iii) be obligated to make a Purchaser Deposit of not less than 8.00% of the Gross Sale Price to be received prior to occupancy; and

(iv) not be in default of its payment obligations (including payments on account of the relevant Purchaser Deposit) under the agreement of purchase and sale or in respect of any mortgage commitment;

d) the Lender may, in its sole discretion, exclude foreign purchasers and purchasers who are not natural Persons from Eligible Pre-Sales;

e) if the purchaser either individually or in conjunction with a spouse or child (or, in the case of Persons that are not individuals, together with affiliates thereof within the meaning of the *Business Corporations Act* (Ontario)) is purchasing more than three (3) Units, the sale of such Units will not be designated Eligible Pre-Sales unless approved in writing by the Lender in its sole discretion; and

f) all Purchaser Deposits are held in trust by designated solicitors acceptable to the Lender in accordance with the agreement of purchase and sale (except those Purchaser Deposits that have been released for application towards Project Costs) at an account with the Lender.

11. "Environmental Law" means the statutes, regulations, policies, directives, orders, approvals, and other legal requirements of any Governmental Authority or the common law which affect the Project, the Property, the Borrower's and/or Guarantors' respective business, and which impose any obligations relating to protection, conservation, or restoration of the environment.

12. "Fiscal Quarter" means the four (4), three (3) month financial accounting periods for the Borrower, commencing on the first day immediately following the Borrower's year end, in each year.

13. "Governmental Authority" means any government, parliament, legislature, municipal council, or other regulatory or legislative authority, agency, commission, department or board of any government, parliament, legislature, municipal council or any political subdivision thereof, or any court or any other law, by-law, regulation or rule-making entity (including self-regulating and industry boards, associations and entities of all kinds empowered by legislation, by-law, proclamation, order, the exercise of prerogative power or regulation charged with the administration, regulation or enforcement of Applicable Laws or such board's, association's or entity's own codes, ordinances, orders, decrees, edicts, rules, by-laws, regulations policies, voluntary restraints, practices or guidelines), having jurisdiction in the relevant circumstances, or any Person acting under the authority of any of the foregoing (including any arbitrator with the authority to bind the parties at law) or any other authority, agency, commission, department, association or board charged with the administration, regulation or enforcement of Applicable Laws.

14. "Gross Sale Price" means the gross sale price (inclusive of HST) set out in an agreement of purchase and sale relating to the sale of a Unit (and any related parking, locker and other ancillary units), net of any pricing incentives.

15. "Hard Costs" means the amounts expended or to be expended for work, services or materials done, performed, placed or furnished in connection with the construction of the Project, all as more particularly set out in the Project Budget.

16. "Hazardous Substance" means any substance or material that is prohibited, controlled or regulated by any Governmental Authority pursuant to any Environmental Law, including pollutants, contaminants, dangerous goods or substances, toxic or hazardous substances or materials, wastes (including solid non-hazardous

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wastes and subject wastes), petroleum and its derivatives and by-products and other hydrocarbons, all as defined in or pursuant to any Environmental Law.

17. **"HCRA"** means the Home Construction Regulatory Authority and/or its successors and assigns.

18. **"Holdbacks"** means any amounts required to be retained by or on behalf of the Borrower in respect of the value of work, services and materials actually done, performed, placed or furnished on or in the Project in accordance with the Construction Act.

19. **"HST"** means any goods and services tax, harmonized sales tax or similar value added tax exigible or applicable in the Province of Ontario pursuant to the *Excise Tax Act* (Canada) as amended from time to time and/or any successor legislation.

20. **"Interest Adjustment Date" or "IAD"** means the date that is the first (1st) of the month following the date of the Initial Advance.

21. **"Lease"** means any lease, sublease, agreement to lease, offer to lease, licence or right of occupation granted from time to time by or on behalf of the Borrower entitling the lessee, sublessee or grantee thereunder to use or occupy all or any part of the Property.

22. **"Letter of Credit"** means a standby letter of credit, commercial or letter of guarantee, as applicable, issued by an Affiliate of the Lender under Facility 3, to the extent applicable.

23. **"Permitted Deductions"** means the following amounts, in the aggregate, Purchaser Deposits, reasonable closing costs such as approved legal fees, arm's length realty commissions, realty taxes, and any other closing adjustments acceptable to the Lender, in its sole discretion.

24. **"Person"** means any individual, partnership, corporation, trust, trustee or other entity or any combination of them.

25. **"Project Budget"** means the budget of all Project Costs, which has specified on a line-by-line basis, all Project Costs, as prepared by the Borrower, reviewed by the Quantity Surveyor, to the extent applicable, and approved by the Lender, and as may be amended from time to time with the consent of the Lender, which consent shall be in the Lender's sole discretion.

26. **"Project Costs"** means the aggregate of all Hard Costs and all Soft Costs expended or to be expended to construct the Project in accordance with the Project Documents and Project Schedule.

27. **"Project Documents"** Means the plans and specifications (including all structural, architectural, mechanical, electrical, landscape and interior design and specifications) pertaining to the development and construction of the Project prepared by or at the direction of the Borrower and as approved by the Lender in consultation with the Quantity Surveyor, to the extent applicable, as amended from time to time with the consent of the Lender, in its sole discretion.

28. **"Purchaser Deposits"** means the deposits paid by purchasers of Units under the agreements of purchase and sale.

29. **"Quantity Surveyor"** means a quantity surveyor, as approved by the Lender, in its sole direction, to assist the Lender with respect to the Borrower's construction of the Project.

30. **"Requirements of Environmental Law"** means all requirements of Applicable Laws and of any Governmental Authority relating to environmental or occupational health and safety matters (as they relate to exposure to a Hazardous Substance) and the assets and undertaking of such Person and the intended uses thereof in connection with such matters, including all such requirements relating to: (a) the protection,

preservation or remediation of the natural environment (the air, land, surface water or groundwater); (b) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation; (c) consumer, occupational or public safety and health (as they relate to exposure to a Hazardous Substance); and (d) Hazardous Substance or conditions.

31. "Soft Costs" means all amounts expended or to be expended in respect of the Project for consultants, architects, taxes, surveys, insurance, bonding costs, legal fees, promotions of the Project, financing, leasing, pre-operating costs and all other costs related to the Project, except Hard Costs and the cost of acquiring the Property.

32. "Tarion" means Tarion Warranty Corporation and/or its successors and assigns.

33. "Unit" means a "unit" (as defined in the Condominium Act) comprising part of the Project for use as a residence and/or ancillary uses together with the common elements and exclusive use interests appurtenant thereto, to the extent applicable.

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APPENDIX "C"
INSURANCE REQUIREMENTS

1. General

The following shall be provided with respect to insurance on the Project:

a) Proof of appropriate Commercial Liability insurance and an assignment of insurance. A certificate of insurance showing the Lender as additional insured and loss payee, and coverage of not less than the amount deemed adequate by the Lender's insurance consultant.

b) Proof of Builders' All Risks property insurance in connection with the Project, including rental loss insurance, if applicable, with responsible and reputable insurance companies in such amounts equal to 100% of projected Hard Costs and not less than 25% of all Soft Costs, plus 100% of finance charges.

c) If applicable, Boiler and Pressure Vessel insurance including rental loss, for such amount as may be acceptable to the Lender, all with such deductibles as are customary in the case of businesses of established reputation engaged in the same or similar businesses and, in an event, as are acceptable to the Lender. The Lender shall be added as an additional insured to the liability policies.

d) Other insurance including, but not limited to, Environmental Insurance, Pollution Insurance, and Key Persons Insurance, as the Lender's insurance consultant may deem necessary given the nature of the Project. The amount of coverage required shall be reasonably determined by the Lender's insurance consultant.

2. Insurance Policies

All such insurance policies shall:

a) Name the Lender as mortgagee thereunder as its interest may appear;

b) Name the Lender as additional insured and loss payee;

c) Have attached the Insurance Bureau of Canada standard mortgage clause;

d) Provide that no cancellation, termination, or adverse amendment thereof shall take effect unless the insurer concerned has given the Lender not less than thirty (30) days prior written notice of such proposed action;

e) Provide that proceeds of all insurance for physical damage and rental losses shall be payable to the Lender or as it may direct; and

f) Otherwise be in such form as the Lender and/or the Lender's insurance consultant shall reasonably require.

3. Application of Proceeds

So long as no Event of Default has occurred and is continuing, the proceeds of all insurance relating to physical damage and rental losses shall be, with the approval of the Lender:

a) Applied in reduction of amounts outstanding hereunder; or

b) Released to the Borrower subject to compliance with such conditions as the Lender may require.

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4. Other Conditions

a) If an Event of Default has occurred or is continuing, the proceeds of all insurance relating to physical damage and rental losses shall be payable to the Lender to be applied by it in reduction in the Loan Amount outstanding hereunder.

b) The proceeds of all insurance held by the Lender shall, unless and until the same are applied or released to the Borrower as aforesaid, constitute continuing collateral security for the Borrower's obligations and liabilities in respect of amounts outstanding hereunder.

c) In the event that the Lender shall not be obligated hereunder to apply the proceeds of insurance to pay for the cost of repairing the damage or destruction to or replacement of the Property in respect of which the insurance is payable and the Lender elects to apply the proceeds of insurance to the Loan Amount owing by the Borrower hereunder, each of the Borrower (on its own behalf and on behalf of each of the Guarantors), hereby irrevocably waives any and all statutory provisions which may require that proceeds of insurance be used to restore or rebuild the Property.

d) The Borrower shall deliver or cause to be delivered to the Lender, certificates of insurance signed by the insurers, or other evidence satisfactory to the Lender, acting reasonably, of the insurance coverage required hereunder, including certificates of renewal as soon as they are available.

5. Insurance Consultant The Borrower acknowledges that all policies of insurance shall be subject to review and approval by an insurance consultant acting on behalf of the Lender and the Borrower agrees to pay for the consultant's fees in connection with such review upon registration of the Security and for each insurance renewal throughout the Term.

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6. Broker Contact Information and Release

Please provide the following information for our records:

Insurance Broker	
Brokerage Name:	
Contact Name:	
Address:	
City:	
Phone #:	
Email Address:	

The Borrower and persons otherwise connected with this Commitment, hereby authorize the above noted insurance broker to release insurance information required by the Lender and their insurance consultant for this transaction.

The Borrower and persons otherwise connected with this Commitment, hereby authorize the Lender to release inforamtion necessary to determine insurance requirements, as needed, to the Lender's insurance consultant for the purposes of conducting an insurance review.

Borrower:

2557386 Ontario Inc

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

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APPENDIX "D"
PROJECT PRO FORMA

Project Revenue		
Gross Residential Revenue	$	96,143,825
Less: HST	$	(9,659,000)
Plus: Upgrades & Recoveries	$	1,848,000
Net Residential Revenue		**88,332,825**
Non-Land Costs		
Development Charges and Permits	$	725,000
Servicing Costs	$	6,420,000
Construction Costs	$	39,039,000
Consultant & Professional Costs	$	915,000
Marketing & Advertising Costs	$	3,973,000
Financing Costs	$	5,310,000
Contingency	$	3,058,000
Total non-land costs		**59,440,000**
Land Costs		
Land	$	13,250,000
Appraised Land Surplus	$	8,750,000
Total land-costs		**22,000,000**
Total Costs		**81,440,000**
Project Profit		**6,892,825**
Return of Gross Revenue		*7.2%*
Return on Project Costs		*8.5%*

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APPENDIX "E"
SUPPORTING MATERIAL REGARDING DISCHARGES

The following units have been identified and are anticipated to fall below the $344,000 payment requirement (as delineated in A.21 Partial Discharge Provisions). The Lender understands that it is the Borrower's objective to paydown the summation of Facility 2A – Land and Servicing and F2B – Mezzanine by the closing of the 55th unit. As such, the Borrower will be required to paydown these facilities, as delineated in A.21 Partial Discharge Provisions, in the average amount of $344,000.

The table below has been provided as guidance for anticipated paydown amounts associated with each unit, and each facility.

Purchaser	Purchase Price	Total Deposit	Lot #	Servicing	Construction	Total	HST	Deferred(s)	NSP	F1:	F2A&B:
Devine	870,000	87,000	**43**	*521,000*	723,906	1,244,906	-78,850	24,080	*680,070*	*573,743*	***0***
Grecia	870,000	87,000	**11**	*521,000*	627,385	1,148,385	-78,850	24,080	*680,070*	*497,244*	***52,000***
Bates	860,000	86,000	**8**	*521,000*	609,288	1,130,288	-77,699	24,080	*672,221*	*482,900*	***62,000***
Horvat	910,000	91,000	**64**	*521,000*	627,385	1,148,385	-83,451	24,080	*711,469*	*497,244*	***84,000***
Mabee	950,000	95,000	**9**	*521,000*	609,288	1,130,288	-88,053	24,080	*742,867*	*482,900*	***133,000***
Periera	945,000	90,000	**62**	*521,000*	609,288	1,130,288	-87,478	24,080	*743,442*	*482,900*	***134,000***
Philip	1,299,500	115,000	**20**	*521,000*	872,307	1,393,307	-128,261	24,080	*1,032,159*	*691,360*	***159,000***
Gray	1,200,000	180,000	**10**	*521,000*	699,776	1,220,776	-116,814	24,080	*879,106*	*554,618*	***179,000***
Manav	1,250,000	125,000	13	*521,000*	699,776	1,220,776	-122,566	24,080	*978,354*	*554,618*	*385,000*
Pooni	1,327,750	117,500	14	*521,000*	647,896	1,168,896	-131,511	24,080	*1,054,659*	*513,500*	*385,000*
Shah	1,327,750	117,500	15	*521,000*	647,896	1,168,896	-131,511	24,080	*1,054,659*	*513,500*	*385,000*
Arora	1,250,000	125,000	16	*521,000*	699,776	1,220,776	-122,566	24,080	*978,354*	*554,618*	*385,000*
Aestajada	1,412,000	211,800	17	*521,000*	609,288	1,130,288	-141,204	24,080	*1,034,916*	*482,900*	*385,000*
Mand	1,250,000	125,000	18	*521,000*	681,196	1,202,196	-122,566	24,080	*978,354*	*539,892*	*385,000*
Antony	1,327,750	117,500	19	*521,000*	647,896	1,168,896	-131,511	24,080	*1,054,659*	*513,500*	*385,000*
Prakash	1,327,750	117,500	21	*521,000*	681,196	1,202,196	-131,511	24,080	*1,054,659*	*539,892*	*385,000*
Mathura	1,327,750	117,500	22	*521,000*	647,896	1,168,896	-131,511	24,080	*1,054,659*	*513,500*	*385,000*
Shah	1,751,500	155,000	23	*521,000*	699,776	1,220,776	-180,261	24,080	*1,392,159*	*554,618*	*385,000*
Ding	1,700,000	255,000	24	*521,000*	872,307	1,393,307	-174,336	24,080	*1,246,584*	*691,360*	*385,000*
Xu	1,505,000	225,750	25	*521,000*	681,196	1,202,196	-151,903	24,080	*1,103,267*	*539,892*	*385,000*
Xin	1,519,500	227,100	26	*521,000*	699,776	1,220,776	-153,571	24,080	*1,114,749*	*554,618*	*385,000*
Fang	1,435,000	215,250	27	*521,000*	699,776	1,220,776	-143,850	24,080	*1,051,820*	*554,618*	*385,000*
Thambilipillai	1,299,500	115,000	28	*521,000*	627,385	1,148,385	-128,261	24,080	*1,032,159*	*497,244*	*385,000*
Healing Touch	1,327,750	117,500	30	*521,000*	647,896	1,168,896	-131,511	24,080	*1,054,659*	*513,500*	*385,000*
Liao	1,638,500	217,500	32	*521,000*	699,776	1,220,776	-167,261	24,080	*1,229,659*	*554,618*	*385,000*
Phan	1,460,000	219,000	33	*521,000*	681,196	1,202,196	-146,726	24,080	*1,070,194*	*539,892*	*385,000*
Shane George	1,500,000	225,000	34	*521,000*	681,196	1,202,196	-151,327	24,080	*1,099,593*	*539,892*	*385,000*
John George	1,500,000	225,000	35	*521,000*	681,196	1,202,196	-151,327	24,080	*1,099,593*	*539,892*	*385,000*
Bawa	1,250,000	125,000	36	*521,000*	699,776	1,220,776	-122,566	24,080	*978,354*	*554,618*	*385,000*
Manocha	1,250,000	125,000	37	*521,000*	699,776	1,220,776	-122,566	24,080	*978,354*	*554,618*	*385,000*
Pahuja	1,250,000	125,000	38	*521,000*	681,196	1,202,196	-122,566	24,080	*978,354*	*539,892*	*385,000*
Jakhu	1,550,000	155,000	39	*521,000*	947,834	1,468,834	-157,080	24,080	*1,213,840*	*751,221*	*385,000*
Singh	1,480,000	222,000	40	*521,000*	699,776	1,220,776	-149,027	24,080	*1,084,893*	*554,618*	*385,000*
406398 BC	1,480,000	222,000	41	*521,000*	699,776	1,220,776	-149,027	24,080	*1,084,893*	*554,618*	*385,000*
Kondola	1,480,000	222,000	42	*521,000*	681,196	1,202,196	-149,027	24,080	*1,084,893*	*539,892*	*385,000*

Thomas	2,498,000	360,000	**44**	*521,000*	1,085,859	1,606,859	-266,142	24,080	*1,847,778*	*860,614*	*385,000*
Mogridge	1,350,000	135,000	45	*521,000*	699,776	1,220,776	-134,071	24,080	*1,056,849*	*554,618*	*385,000*
Sheppard	1,491,500	223,725	46	*521,000*	681,196	1,202,196	-150,350	24,080	*1,093,345*	*539,892*	*385,000*
Thind	1,150,000	115,000	47	*521,000*	627,385	1,148,385	-111,062	24,080	*899,858*	*497,244*	*385,000*
Muddadan/Antony	1,150,000	115,000	48	*521,000*	627,385	1,148,385	-111,062	24,080	*899,858*	*497,244*	*385,000*
1386579 (Bajwa)	1,299,500	115,000	49	*521,000*	627,385	1,148,385	-128,261	24,080	*1,032,159*	*497,244*	*385,000*
Jose/Joy/George	1,327,750	117,500	50	*521,000*	872,307	1,393,307	-131,511	24,080	*1,054,659*	*691,360*	*385,000*
Camara	1,350,000	135,000	51	*521,000*	699,776	1,220,776	-134,071	24,080	*1,056,849*	*554,618*	*385,000*
Skariah	1,175,000	120,000	52	*521,000*	647,896	1,168,896	-113,938	24,080	*916,982*	*513,500*	*385,000*
Ribeiro	1,445,500	216,750	53	*521,000*	627,385	1,148,385	-145,058	24,080	*1,059,612*	*497,244*	*385,000*
Richardson	1,494,200	225,000	54	*521,000*	723,906	1,244,906	-150,660	24,080	*1,094,460*	*573,743*	*385,000*
Shi	1,425,000	20,000	55	*521,000*	699,776	1,220,776	-142,699	24,080	*1,238,221*	*554,618*	*385,000*
Liu	1,434,000	209,000	56	*521,000*	699,776	1,220,776	-143,735	24,080	*1,057,185*	*554,618*	*385,000*
Kumarasamy	1,327,750	117,500	57	*521,000*	723,906	1,244,906	-131,511	24,080	*1,054,659*	*573,743*	*385,000*
Cao	1,480,000	222,000	58	*521,000*	699,776	1,220,776	-149,027	24,080	*1,084,893*	*554,618*	*385,000*
Antony	1,327,750	117,500	59	*521,000*	681,196	1,202,196	-131,511	24,080	*1,054,659*	*539,892*	*385,000*
Crawford	1,440,000	215,250	60	*521,000*	699,776	1,220,776	-144,425	24,080	*1,056,245*	*554,618*	*385,000*
Ronbeck	1,600,000	240,000	61	*521,000*	872,307	1,393,307	-162,832	24,080	*1,173,088*	*691,360*	*385,000*
Fijomon	1,327,750	117,500	63	*521,000*	647,896	1,168,896	-131,511	24,080	*1,054,659*	*513,500*	*385,000*
Akbar	1,700,000	255,000	65	*521,000*	723,906	1,244,906	-174,336	24,080	*1,246,584*	*573,743*	*385,000*
[Purchaser]	*1,812,500*	*210,000*	*29*	*521,000*	*699,776*	*1,220,776*	*-187,279*	*24,080*	*1,391,141*	*554,618*	
[Purchaser]	*1,812,500*	*210,000*	*31*	*521,000*	*699,776*	*1,220,776*	*-187,279*	*24,080*	*1,391,141*	*554,618*	
[Purchaser]	*2,078,625*	*240,000*	*1*	*521,000*	*872,307*	*1,393,307*	*-217,895*	*24,080*	*1,596,650*	*691,360*	
[Purchaser]	*2,078,625*	*240,000*	*2*	*521,000*	*872,307*	*1,393,307*	*-217,895*	*24,080*	*1,596,650*	*691,360*	
[Purchaser]	*2,078,625*	*240,000*	*3*	*521,000*	*872,307*	*1,393,307*	*-217,895*	*24,080*	*1,596,650*	*691,360*	
[Purchaser]	*2,078,625*	*240,000*	*4*	*521,000*	*872,307*	*1,393,307*	*-217,895*	*24,080*	*1,596,650*	*691,360*	
[Purchaser]	*2,078,625*	*240,000*	*5*	*521,000*	*872,307*	*1,393,307*	*-217,895*	*24,080*	*1,596,650*	*691,360*	
[Purchaser]	*1,812,500*	*210,000*	*6*	*521,000*	*699,776*	*1,220,776*	*-187,279*	*24,080*	*1,391,141*	*554,618*	
[Purchaser]	*1,812,500*	*210,000*	*7*	*521,000*	*699,776*	*1,220,776*	*5*	*24,080*	*1,578,425*	*554,618*	
[Purchaser]	*1,812,500*	*210,000*	*12*	*521,000*	*699,776*	*1,220,776*	*-187,279*	*24,080*	*1,391,141*	*554,618*	
[Purchaser]	*1,812,500*	*210,000*	*66*	*521,000*	*699,776*	*1,220,776*	*-187,279*	*24,080*	*1,391,141*	*554,618*	

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APPENDIX "F"
REPORTING REQUIREMENTS

Annual	
1. Annual Financial Statements of the Corporate Obligor(s)	As soon as available and, in any event, within **ninety (90) days** after the end of each of the Corporate Obligors' fiscal years, copies of such Obligors' annual Notice to Reader financial statements prepared by an external professional accountant shall be provided to the Lender. Statements shall be prepared on a consolidated basis and, in each case, consisting of a balance sheet, statement of profit and loss, and statement of changes in financial position for each such year, together with the notes thereto, all prepared in accordance with generally accepted accounting principles consistently applied.
2. Annual Project Budget	As soon as available and, in any event, within **ninety (90) days** after the end of the Borrower's fiscal year, an updated Project Budget shall be provided to the Lender.
3. Annual Corporate Notice of Assessment	As soon as available and, in any event, within **sixty (60) days** after each of the Corporate Obligors' corporate tax deadline, copies of such Obligors' Notice of Assessment shall be provided to the Lender. If such Notice(s) of Assessment show a balance owing, such Obligor(s) shall provide proof of payment for the balance.
4. Annual Personal Notice of Assessment	As soon as available and, in any event, within **sixty (60) days** after each of the Personal Obligors' corporate tax deadline, copies of such Obligors' Notice of Assessment shall be provided to the Lender. If such Notice(s) of Assessment show a balance owing, such Obligor(s) shall provide proof of payment for the balance.
5. Annual Personal Net Worth Statement(s)	As soon as available and, in any event, after the anniversary of the previously received personal net worth statement, an updated personal net worth statement with supporting documentation for each of the Personal Obligors shall be provided to the Lender.
Quarterly	
1. Quarterly Compliance Certificates	As soon as available and, in any event, within **thirty (30) days** after the end of each of the Borrower's Fiscal Quarters, a loan compliance certificate, in a form and substance satisfactory to the Lender, shall be provided to the Lender.
Monthly	
1. Monthly Project Bank Account Statements	As soon as available and, in any event, within **seven (7) days** after the end of each calendar month, the bank statement detailing the activity in the bank account specifically designated for the Project (inclusive of future deposits) shall be provided to the Lender. Such bank account, and related statement, shall contain activity relating to the Project.

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Other	
1. Property Tax Information	As soon as available, the Borrower shall provide a copy of the property tax bill(s) for the Project to the Lender. On each tax instalment date, as specified on the property tax bill(s), the Borrower shall provide proof of property tax payment to the Lender.
2. Insurance	As soon as available and, in any event, no later than **thirty (30) days** prior to the insurance expiry date(s), the Borrower will provide a certificate of insurance and policy from its insurance broker indicating that all insurance required by the Lender, as specified in Appendix C, is adequate and still in effect.

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APPENDIX "G"
FEE DETAILS

The Obligors hereby acknowledge (i) having received and had explained to each of them all of the possible fees and charges set forth in this Commitment, including, without limitation, the Fees in this Appendix G, which would be in addition to the principal and interest due hereunder and (ii) that all such fees and charges are reasonable and reflect a reasonable pre-estimate of Lender's actual costs with respect to same.

1.	**Good Faith Deposit**	The Good Faith Deposit delivered by the Borrower to the Lender upon execution of the letter of intent shall be non-refundable to the Borrower and is deemed fully earned by the Lender upon delivery of this Commitment to the Obligors. The Obligors hereby acknowledge and agree that the Good Faith Deposit is a reasonable estimate of the fees to be incurred by the Lender in connection with the preparation of this Commitment, which amount is deemed not to be a penalty.
2.	**Lender Fee**	The Lender Fee shall be earned by the Lender upon notification of successful agreement on loan servicing or syndication. The Lender Fee less the Good Faith Deposit shall be deducted from the Initial Advance. Failing an Initial Advance, these funds are due and payable by the Obligors. The Obligors hereby acknowledge and agree that the Lender Fee is a reasonable estimate of the fees to be incurred by Lender in connection with the due diligence and underwriting required hereunder, which amount is deemed not to be a penalty.
3.	**Broker Fee**	*[Intentionally Deleted]*
4.	**Syndication Fee**	*[Intentionally Deleted]*
5.	**Deferred Lender Fee**	*[Intentionally Deleted]*
6.	**Administration Fee**	The Administration Fee shall be earned by the Lender upon notification of successful agreement of loan servicing or syndication as compensation for the setup of administration files and completion of all regulatory documentation. The Administration Fee shall be deducted from the Initial Advance. Failing an Initial Advance, these funds are due and payable by the Borrower.
7.	**Draw Fee**	The Draw shall be paid to the Lender upon each and every Advance Request as an administrative fee associated with preparing and administering such Borrower Draw request.
8.	**Partial Discharge Fee**	The Partial Discharge Fee shall be paid to the Lender upon discharge of the Lender's Security from each Unit as compensation for administering such partial discharge.
9.	**Final Discharge Fee**	The Final Discharge Fee shall be paid to the Lender upon final discharge of the Security from the Project as compensation for administering the final discharge.
10.	**Pre-Payment Fee**	The Pre-Payment Fee shall be paid to the Lender upon each and every pre-payment request.

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11. Letters of Credit Fee	The Letters of Credit Fee shall be paid to the lender upon the issuance of the Letters of Credit facility. The Letters of Credit Fee shall be calculated on the Letters of Credit facility value issued and active as at the date of issuance. The Letters of Credit Fee will be payable to the Lender on every subsequent anniversary from the date of issuance of the Letters of Credit facility. The Letters of Credit Fee will be recalculated and applied based on the Letters of Credit facility value remaining as at the anniversary date of its issuance. Any reductions, specific circumstances drawing down the facility value, or cancellations of said Letters of Credit will be reflected as reductions to the facility value of the Letters of Credit facility, upon receipt of adequate supporting documentation, and Lender approval.
12. Due Diligence Expenses and Fees	The Borrower shall be responsible for the Lender's legal and other, professional fees and out of pocket expenses in connection with the Loan.
13. Accrued Interest	The Obligors hereby acknowledge and agree that interest shall accrue as of the date that the Initial Advance and/or a Lender Advance is deposited into the Lender's trust account. In the event that this Commitment is terminated following the date of such deposit aforesaid, the Obligors hereby acknowledge and agree that such interest up to the date of termination shall immediately become due and payable hereunder, notwithstanding no Advance having been made to the Borrower.

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APPENDIX "H"
OTHER TERMS

1.	**Maximum Rate of Return**	The parties agree that notwithstanding any agreement to the contrary, no interest on the credit advanced will be payable in excess of Applicable Laws. If the effective annual rate of interest calculated in accordance with generally accepted actuarial practices and principles would exceed sixty (60%) percent (or such other rate as the Parliament of Canada may deem from time to time as The Criminal Rate) on the credit advance, then (1) the amount of any fees, bonus, commissions or like charges payable in connection therewith will be reduced to the extent necessary to eliminate such excess; (2) any remaining excess that has been paid will be credited toward prepayment of the credit advanced; and (3) any overpayment that may remain after such crediting will be returned forthwith upon demand. In this paragraph the terms "interest", "Criminal Rate" and "credit advanced" have the meaning ascribed to them in Section 347 of The Criminal Code; and "credit advanced" has the same meaning as "Loan" referred to elsewhere in this Commitment.
2.	**Right of First Opportunity**	The Borrower shall grant to the Lender a right of first opportunity (the "**Right of First Opportunity**") with respect to providing any further financing required for the Project, including, without limitation, arranging replacement or additional financing for the Project as contemplated herein, and financing for any further development of the Project or of any improvements thereon (the "**Further Financing**"). Prior to consulting with any other lender with respect to any Further Financing, the Borrower shall provide to the Lender in writing a request for such Further Financing with all information necessary for the Lender to process the request and the Lender shall have a period of **sixty (60) days** after receipt of same (the "**Opportunity Period**") to provide to the Borrower a mortgage commitment letter to provide the Further Financing. The Borrower hereby undertakes not to communicate with any other lender with respect to provision of the Further Financing during the Opportunity Period, and to fully cooperate with the Lender in good faith during the Opportunity Period to provide such further information as the Lender may require in pursuit of its Right of First Opportunity.
3.	**Right of First Refusal**	[intentionally Deleted – N/A]

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4. Time and Place of Payments

Payments due by the Borrower under the Commitment are to be made to the Lender by way of:

a) pre-authorized debit payment;
b) wire payment;
c) electronic fund transfer (EFT);
d) bank draft; and/or
e) certified cheque.

Payments shall be made no later than 1:00 P.M. (Eastern Daylight Time) on the date scheduled for payment. Payments made after such time shall be treated as having been received on the next Business Day. Whenever any payment is due on a day that is not a Business Day, then such payment will be due on the next Business Day, and interest will accrue to such Business Day.

Payments made in person shall be made at the Lender's offices at 206-465 Phillip Street, Waterloo, Ontario.

5. Principal Payments

There shall be no regularly scheduled principal repayments and the entire outstanding principal amount shall become due and payable at the Maturity Date.

6. Beneficial Owner

In the event that the Borrower holds title to the Property as nominee and bare trustee for the sole use, benefit and advantage of another Person (the "**Beneficial Owner**"), the Borrower and Beneficial Owner shall grant to the Lender a trustee and beneficial owner agreement (in form and content satisfactory to the Lender and its solicitors, in their sole discretion) prior to the Initial Advance, and all the covenants, agreements, rights, obligations, representations, warranties and other provisions set out in this Commitment relating to the Borrower shall apply, *mutatis mutandis*, to the Beneficial Owner.

7. Assignment by the Lender

The Obligors acknowledge and agree that the Lender may transfer and assign, without their consent and without prior notice to them, the Lender's rights and obligations under this Commitment and the Security to any other Person.

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Thursday, October 27, 2022

PRIVATE AND CONFIDENTIAL

2557386 Ontario Inc.
558 Upper Gage Ave #363
Hamilton, ON, L8V 4J6
Attention: Michael Bettiol, President

Dear Michael Bettiol,

RE:	**Project:**	York Estates – MZGI 452
	Purpose:	First (1st) Amendment
	Borrower:	2557386 Ontario Inc. (Attn: Mariman Homes)
	Property Address:	30 Front Street, Haldimand, ON
	Current Maturity Date:	2025-08-01

MarshallZehr Group Inc. (the "Lender") is pleased to advise we have approved the following amendment (the "1st Amendment") to the above noted mortgage and Commitment Letter dated Thursday, June 23, 2022:

Delete (Original):

B-2.2 (h) Hard Cost Draw Conditions

Hard Cost Draw Conditions – The following conditions must be fulfilled for each and every Borrower Draw used to pay for Hard Costs:

i. Each Borrower Draw request will be supported by a report of the Quantity Surveyor, which report shall indicate the amount of work in place, the cost to complete, and confirm that the work in place is in accordance with the Project Budget and the Project Plans. The Lender shall deduct an amount from each Borrower Draw equal to the Quantity Surveyor's invoiced amount associated with preparing the report for the Borrower Draw;
ii. The Borrower shall ensure compliance with all Applicable Laws, including without limitation, the Construction Act; and
iii. The Lender shall make the required Holdbacks.

Insert (New):

B-2.2 (h) Hard Cost Draw Conditions

Hard Cost Draw Conditions – The following conditions must be fulfilled for each and every Borrower Draw used to pay for Hard Costs:

i. Each Borrower Draw request from Facility 2A will be supported by a monthly summary of Project Costs incurred to date, invoices verified by a third-party engineer, and a monthly site visit by the Lender. The Lender, at its sole discretion, shall determine that the work in place is in accordance with the Project Budget and Project Plans, and that the funds remaining under Facility 2A (Land & Servicing) are sufficient to complete site servicing;
ii. Each Borrower Draw request from Facility 1 will be supported by a report of the Quantity Surveyor, which report shall indicate the amount of work in place, the cost to complete, and confirm that the work in place is in accordance with the Project Budget and the Project Plans. The Lender shall deduct an amount from each Borrower Draw equal to the Quantity Surveyor's invoiced amount associated with preparing the report for the Borrower Draw
iii. The Borrower shall ensure compliance with all Applicable Laws, including without limitation, the Construction Act; and
iv. The Lender shall make the required Holdbacks.

Delete (Original):

Marshall Zehr

A-15 Sources and Uses of Funds:

Uses	
Land Costs	$ 22,000,000
Development Charges	$ 725,000
Servicing Costs	$ 6,420,000
Construction Costs	$ 39,039,000
Soft Costs	$ 4,888,000
Contingency	$ 3,097,000
Financing Costs	$ 5,126,000
Total	**$ 81,440,000**
Sources	
Facility 1 (Construction)	$ 33,702,000
Facility 2A (Land & Servicing)	$ 15,825,000
Facility 2B (Mezzanine)	$ 3,024,000
Deferred Trade Carry	$ 9,760,000
Borrower Equity	$ 12,043,000
Deferred Costs	$ 5,497,000
Deposits	$ 1,589,000
Total	**$ 81,440,000**

Insert (New):
A-15 Sources and Uses of Funds:

Uses	
Land Costs	$ 22,000,000
Development Charges	$ 725,000
Servicing Costs	$ 6,420,000
Construction Costs	$ 39,039,000
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Deferred Trade Carry	$ 9,760,000
Borrower Equity	$ 12,043,000
Deposits	$ 5,497,000
Deferred Costs	$ 1,589,000
Total	**$ 81,440,000**

Insert (New):

A-8 Fees:

Fee:	Amount
Facility 2A (Land & Servicing) Draw Fee (per Borrower Draw)	$ 4,950

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

1st Amendment Fee: Upon execution of this 1st Amendment, the Borrower shall pay a fee of $5,000 to the Lender (the "1st Amendment Fee"). This 1st Amendment shall not be effective until such time as the Lender has received the 1st Amendment Fee in full.

Sub-search: A sub-search will be completed by the Lender's solicitor upon acceptance this 1st Amendment at the Borrower's expense.

Minimum F2A Draw Amount: Each Borrower Draw from Facility 2A shall be in a minimum amount of $250,000.

All other terms of the Commitment shall survive, unamended.

This 1st 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, along with the 1st Amendment Fee, by November 4th, 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:

Per: 6697E6642B774AF...

Name:
Title:

I have the authority to bind the Corporation

Acknowledged and agreed at _____this _____ day of _____, 202__.

Borrower:

2557386 Ontario Inc

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/we have authority to bind the Corporation

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

Guarantors:

2363823 Ontario Inc. (o/a Mariman Homes)

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/we have authority to bind the Corporation

_____I/S
Michael Bettiol

_____
Witness:

From:	Mike Bettiol
To:	Rory McGovern
Subject:	FW: York Estates - MZGI 452 (1st Amendment)
Date:	Sunday, November 10, 2024 11:38:44 AM
Attachments:	image001.png 2022-10-27 - York Estates - Commitment Letter - 1st Ammendment (MZ Signed).pdf

---

From: Brenner Smith <bsmith@marshallzehr.com>
Sent: October 31, 2022 10:28 AM
To: Mike Bettiol <mikeb@marimanhomes.com>
Cc: Jason Simon <jsimon@marshallzehr.com>; Lisa Evans <levans@marshallzehr.com>
Subject: York Estates - MZGI 452 (1st Amendment)

Hi Mike,

I hope all is well!

Good news – we've received consent from our Lenders to amend the Commitment Letter which removes the involvement of the Glynn Group / Quantity Surveyor for servicing. Our next step is to obtain your signature/sign-off on this amendment by/before November 4th.

Are you available tomorrow for a call to walk through the document?

Kindest,
Brenner

Marshall Zehr

Brenner Smith
Business Development Analyst
T 519 342 1000 **X** 804
C 519 240 9806
marshallzehr.com | email
Agent
MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453

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Marshall Zehr

Thursday, October 27, 2022

PRIVATE AND CONFIDENTIAL

2557386 Ontario Inc.
558 Upper Gage Ave #363
Hamilton, ON, L8V 4J6
Attention: Michael Bettiol, President

Dear Michael Bettiol,

RE:	**Project:**	York Estates – MZGI 452
	Purpose:	First (1st) Amendment
	Borrower:	2557386 Ontario Inc. (Attn: Mariman Homes)
	Property Address:	30 Front Street, Haldimand, ON
	Current Maturity Date:	2025-08-01

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B-2.2 (h) Hard Cost Draw Conditions

Hard Cost Draw Conditions – The following conditions must be fulfilled for each and every Borrower Draw used to pay for Hard Costs:

i. Each Borrower Draw request from Facility 2A will be supported by a monthly summary of Project Costs incurred to date, invoices verified by a third-party engineer, and a monthly site visit by the Lender. The Lender, at its sole discretion, shall determine that the work in place is in accordance with the Project Budget and Project Plans, and that the funds remaining under Facility 2A (Land & Servicing) are sufficient to complete site servicing;
ii. Each Borrower Draw request from Facility 1 will be supported by a report of the Quantity Surveyor, which report shall indicate the amount of work in place, the cost to complete, and confirm that the work in place is in accordance with the Project Budget and the Project Plans. The Lender shall deduct an amount from each Borrower Draw equal to the Quantity **Surveyor's invoiced amount associated with preparing the report for the Borrower Draw**
iii. The Borrower shall ensure compliance with all Applicable Laws, including without limitation, the Construction Act; and
iv. The Lender shall make the required Holdbacks.

Delete (Original):

Marshall Zehr

A-15 Sources and Uses of Funds:

Uses	
Land Costs	$ 22,000,000
Development Charges	$ 725,000
Servicing Costs	$ 6,420,000
Construction Costs	$ 39,039,000
Soft Costs	$ 4,888,000
Contingency	$ 3,097,000
Financing Costs	$ 5,126,000
Total	**$ 81,440,000**
Sources	
Facility 1 (Construction)	$ 33,702,000
Facility 2A (Land & Servicing)	$ 15,825,000
Facility 2B (Mezzanine)	$ 3,024,000
Deferred Trade Carry	$ 9,760,000
Borrower Equity	$ 12,043,000
Deferred Costs	$ 5,497,000
Deposits	$ 1,589,000
Total	**$ 81,440,000**

Insert (New):
A-15 Sources and Uses of Funds:

Uses	
Land Costs	$ 22,000,000
Development Charges	$ 725,000
Servicing Costs	$ 6,420,000
Construction Costs	$ 39,039,000
Soft Costs	$ 4,888,000
Contingency	$ 3,097,000
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Borrower Equity	$ 12,043,000
Deposits	$ 5,497,000
Deferred Costs	$ 1,589,000
Total	**$ 81,440,000**

Insert (New):

Marshall Zehr

A-8 Fees:

Fee:	Amount
Facility 2A (Land & Servicing) Draw Fee (per Borrower Draw)	$ 4,950

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

1st Amendment Fee: Upon execution of this 1st Amendment, the Borrower shall pay a fee of $5,000 to the Lender (the "1st Amendment Fee"). This 1st Amendment shall not be effective until such time as the Lender has received the 1st Amendment Fee in full.

Sub-search: A sub-search will be completed by the Lender's solicitor upon acceptance this 1st Amendment at the Borrower's expense.

Minimum F2A Draw Amount: Each Borrower Draw from Facility 2A shall be in a minimum amount of $250,000.

All other terms of the Commitment shall survive, unamended.

This 1st 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, along with the 1st Amendment Fee, by November 4th, 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:

Per: 6697E6642B774AF

Name:
Title:

I have the authority to bind the Corporation

Marshall Zehr

Acknowledged and agreed at Hamilton this 2nd day of NOV, 2022

Borrower:

2557386 Ontario Inc.

Per: _____
Name: Mike Bettiol
Title: President

Per: _____
Name:
Title:

I/we have authority to bind the Corporation

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

Guarantors:

2363823 Ontario Inc. (o/a Mariman Homes)

Per: _____
Name: Mike Bettiol
Title: President

Per: _____
Name:
Title:

I/we have authority to bind the Corporation

_____ I/S
Michael Bettiol

Witness: _____

This is Exhibit "C" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

GRECHI CARTER
HAMILTON

July 7, 2022

2557386 Ontario Inc.
314 Rexford Drive
Hamilton, ON
L8W 1P5

-and-

2363823 Ontario Inc.
314 Rexford Drive
Hamilton, ON
L8W 1P5

Attn: Michael Bettiol

Re: Your first mortgage to
30 front street haldimaid,
My File No.: 22-215

TRUST LEDGER STATEMENT

Received from new 1st mortgage	
Received from MarshallZehr re Facility 2A	11,276,000.00
Received from MarshallZehr re Facility 2B	3,024,000.00
Paid to First Mortgage - First Source	-8,209,380.30
Paid to First Mortgage - First Source re legal fees	-5,426.12
Paid to Second Mortgage - Grand York Properties	-2,125,581.14
Paid to FCT re title insurance	-21,918.60
Paid to MA Main Street Mortgages	-124,000.00
Paid to Insurance Review	-2,627.25
Paid to Environmental Review	-768.40
Paid to Haldimand Taxes	-73.74
Paid to MarshallZehr Group in Trust	-700,000.00
Paid to Admin Fee	-5,000.00

Interest Reserve	-907,000.00		
Held by Chaitons re Legal Fees	-34,750.00		
less wire fee	-17.50		$2,163,456.95
Paid legal fees and disbursements - Grechi Carter Hamilton		$9,086.02	
Paid to you following closing - 2557386 Ontario Inc.		2,154,370.93	
		$2,163,456.95	$2,163,456.95

THIS IS MY STATEMENT HEREIN

GRECHI CARTER HAMILTON
BARRISTERS & SOLICITORS
Per.

Michael Luppino (P.C.)
ML:mf

E. & O. E.

This is Exhibit "D" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

privileged

From: Martin Glynn <mglynn@glynngroup.ca>
Sent: August 11, 2022 12:33 PM
To: Mike Bettiol <mikeb@marimanhomes.com>; Brenner Smith <bsmith@marshallzehr.com>
Cc: Lisa Evans <levans@marshallzehr.com>; Jason Simon <jsimon@marshallzehr.com>; Freddie Sayers <FSayers@glynngroup.ca>
Subject: RE: York Estates: Glynn Quantity Surveying

Mike,

We have attached a draft of the spreadsheets for the current draw. Do you have any additional invoices other than those already included?

Happy to jump on a call to run through the figures.

Please let us know if you have any questions.

Regards,

Martin Glynn, MRICS
President

GLYNN GROUP Incorporated

1300 Cornwall Road
Unit 104
Oakville, Ontario
L6J 7W5

T: 905.815.0102 Ext 21
F: 905.815.0105
E:

This email and any files transmitted within it may be privileged and/or confidential. If you are not the intended recipient, do not disseminate, disclose or copy this email. Instead, please notify the sender of the error in transmission and delete this email from your system.

Thank you in advance for your assistance and support in this regard.

Visit us online at www.glynngroup.ca

From: Mike Bettiol [mailto:mikeb@marimanhomes.com]

Sent: Thursday, August 11, 2022 11:55 AM
To: Brenner Smith <bsmith@marshallzehr.com>; Martin Glynn <mglynn@glynngroup.ca>
Cc: Lisa Evans <levans@marshallzehr.com>; Jason Simon <jsimon@marshallzehr.com>
Subject: RE: York Estates: Glynn Quantity Surveying

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

INVOICES RECEIVED TO DATE

Description		Invoice #	Gross	Holdback	Net	HST	Total	Paid	Payable
Landtek Limited	Geotechnical	I21504-111	$ 10,200.00	$ -	$ 10,200.00	$ 1,326.00	$ 11,526.00	$ -	$ 11,526.00
A.J. Clarke	Engineering / Project Management	7006192	$ 19,650.00	$ -	$ 19,650.00	$ 2,554.50	$ 22,204.50	$ -	$ 22,204.50
A.J. Clarke	Engineering / Project Management	7006350	$ 24,670.00	$ -	$ 24,670.00	$ 3,207.10	$ 27,877.10	$ -	$ 27,877.10
A.J. Clarke	Engineering / Project Management	7006483	$ 17,137.50	$ -	$ 17,137.50	$ 2,227.88	$ 19,365.38	$ -	$ 19,365.38
A.J. Clarke	Engineering / Project Management	7006272	$ 1,085.00	$ -	$ 1,085.00	$ -	$ 1,085.00	$ -	$ 1,085.00
Razor Edge Tree Service	Site clearing		$ 71,291.00	$ 7,129.10	$ 64,161.90	$ 8,341.05	$ 72,502.95	$ -	$ 72,502.95
Antec Appraisal Group	Appraisal	12797a	$ 3,800.00	$ -	$ 3,800.00	$ 494.00	$ 4,294.00	$ -	$ 4,294.00
Antec Appraisal Group	Appraisal	12797	$ 5,500.00	$ -	$ 5,500.00	$ 715.00	$ 6,215.00	$ -	$ 6,215.00
Chaitons LLP	First Source Legal (land lender legal)		$ 4,801.88	$ -	$ 4,801.88	$ 624.24	$ 5,426.12	$ -	$ 5,426.12
First Canadian Title	Title insurance		$ 21,918.60	$ -	$ 21,918.60	$ -	$ 21,918.60	$ -	$ 21,918.60
Intech Risk Management	Insurance review	57031	$ 2,325.00	$ -	$ 2,325.00	$ 302.25	$ 2,627.25	$ -	$ 2,627.25
Merko Nicholson Inc	Environmental Review	05-03-2022-04	$ 680.00	$ -	$ 680.00	$ 88.40	$ 768.40	$ -	$ 768.40
Haldimand County	Tax Arrears		$ 73.74	$ -	$ 73.74	$ -	$ 73.74	$ -	$ 73.74
Chaitons LLP	Legal fees + disbursements for closing		$ 34,750.00	$ -	$ 34,750.00	$ -	$ 34,750.00	$ -	$ 34,750.00
MarshallZehr	Good Faith Deposit		$ 75,000.00	$ -	$ 75,000.00	$ -	$ 75,000.00	$ -	$ 75,000.00
ACCRUALS									
Commitment Fee	Commitment Fee		$ 700,000.00	$ -	$ 700,000.00	$ -	$ 700,000.00	$ -	$ 700,000.00
Lenders Administration Fee	Admin Fee		$ 5,500.00	$ -	$ 5,500.00	$ -	$ 5,500.00	$ -	$ 5,500.00
Lenders Legal Fees	Lenders Legal Fees		$ 5,000.00	$ -	$ 5,000.00	$ -	$ 5,000.00	$ -	$ 5,000.00
Lenders Interest Reserve	Lenders Interest Reserve		$ 907,000.00	$ -	$ 907,000.00	$ -	$ 907,000.00	$ -	$ 907,000.00
Glynn Group fee	Project Monitor			$ -	$ -	$ -	$ -	$ -	$ -
Land Value			$ 21,995,198.12	$ -	$ 21,995,198.12	$ -	$ 21,995,198.12	$ -	$ 21,995,198.12
				$ -	$ -	$ -	$ -	$ -	$ -
Sub Total			**$ 23,905,580.84**	**$ 7,129.10**	**$ 23,898,451.74**	**$ 19,880.42**	**$ 23,918,332.16**	**$ -**	**$ 23,918,332.16**
Overall Total			**$ 23,905,580.84**	**$ 7,129.10**	**$ 23,898,451.74**	**$ 19,880.42**	**$ 23,918,332.16**	**$ -**	**$ 23,918,332.16**
Check			$ 23,905,580.84	$ 7,129.10	$ 23,898,451.74	$ 19,880.42	$ 23,918,332.16		$ 23,918,332.16

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

PROJECT SUMMARY
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

Description	Servicing Budget	Construction Budget	PROPOSED BUDGET	Servicing Costs Per Lot 66	Servicing Costs Per FF 7,102	Construction Costs Per Unit 66	Construction Costs Per S.F 194,988
TOTAL LAND COSTS (1)	$ 22,075,000	$ -	$ 22,075,000	$ 334,470	$ 3,108	$ -	$ -
TOTAL HARD COSTS - SERVICING (2)	$ 6,441,291	$ -	$ 6,441,291	$ 97,595	$ 907	$ -	$ -
TOTAL HARD COSTS - CONSTRUCTION (3)	$ -	$ 41,178,480	$ 41,178,480	$ -	$ -	$ 623,916	$ 211
TOTAL DEVELOPMENT (4)	$ 1,045,942	$ 389,976	$ 1,435,918	$ 15,848	$ 147	$ 5,909	$ 2
TOTAL CONSULTANTS (5)	$ 610,503	$ 306,000	$ 916,503	$ 9,250	$ 86	$ 4,636	$ 2
TOTAL ADMIN / MARKETING (6)	$ 287,000	$ 3,571,405	$ 3,858,405	$ 4,348	$ 40	$ 54,112	$ 18
TOTAL FINANCE CHARGES (7)	$ 4,868,970	$ 849,300	$ 5,718,270	$ 73,772	$ 686	$ 12,868	$ 4
TOTAL HST (8)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL CONTINGENCY (9)	$ 1,060,294	$ 2,404,839	$ 3,465,133	$ 16,065	$ 149	$ 36,437	$ 12
TOTAL PROJECTED COSTS (A)	**$ 36,389,000**	**$ 48,700,000**	**$ 85,088,999**	**$ 551,348**	**$ 5,124**	**$ 737,879**	**$ 250**
	$ 36,389,000	$ 48,700,000	$ 85,088,999				
TOTAL PROJECTED REVENUE							
SINGLES	$ 45,408,000	$ 50,735,825	$ 96,143,825	$ 688,000	$ 6,394	$ 768,725	$ 260.20
	$ -	$ -	$ -	$ -	$ -	$ -	$ -
HST	$ -	$ (9,659,024)	$ (9,659,024)	$ -	$ -	$ (146,349)	$ (49.54)
				$ -	$ -	$ -	$ -
CLOSING RECOVERY - HYDRO	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CLOSING RECOVERY - WATER METER	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CLOSING RECOVERY - TREE	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CLOSING RECOVERY - ENGINEERING	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CLOSING RECOVERY - FENCE	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CLOSING RECOVERY - DC	$ 198,000	$ -	$ 198,000	$ 3,000	$ 28	$ -	$ -
LC RECOVERY	$ -	$ -	$ -	$ -	$ -	$ -	$ -
LAND LIFT	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		$ -					
PROJECT TOTAL REVENUE (B)	**$ 45,606,000**	**$ 41,076,801**	**$ 86,682,801**	**$ 691,000**	**$ 6,422**	**$ 622,376**	**$ 210.66**
PROJECT SURPLUS (B-A)	**$ 9,217,000**	**$ (7,623,199)**	**$ 1,593,802**	**$ 139,652**	**$ 1,298**	**$ (115,503)**	**$ (39.10)**
Check	$ 9,217,001	$ (7,623,199)	$ 1,593,802				
Profit Anticipated	**20.2%**	**-18.6%**	**1.8%**				

LAND LIFT	$ 8,650,198	$ -	$ 8,650,198	$ 131,064	$ 1,218	$ -	$ -
		$ -					
PROJECT TOTAL MISC. REVENUE	**$ 8,650,198**	**$ -**	**$ 8,650,198**	**$ 131,064**	**$ 1,218**	**$ -**	**$ -**
PROJECT SURPLUS (B-A)	**$ 17,867,199**	**$ (7,623,199)**	**$ 10,244,000**	**$ 270,715**	**$ 2,516**	**$ (115,503)**	**$ (39.10)**
Check	$ -	$ -	$ 10,244,000				
Profit Anticipated	**49.1%**	**-15.7%**	**12.0%**				

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

LAND COSTS & SITE SERVICING BUDGET

CAPITAL COST AND COST TO DATE SUMMARY
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

	Description	Finance Budget	Variance	Current Budget	%	Amount To Date	Amount Previous	This Draw	Cost To Complete	Holdback Retained	Holdback Released	Contracts Received	Letter of Intent	Quotes Received	Cost Per Lot	Cost Per Gross F.F
		A	D-A	D											66	7,102
1.00	**LAND**															
1.01	Land Purchase Actual	13,000,000	-	13,000,000	100%	13,000,000	-	13,000,000	-	-	-	-	-	-	196,970	1,831
1.02	Land Transfer Tax	325,000	-	325,000	100%	325,000	-	325,000	-	-	-	-	-	-	4,924	46
1.03	Land Legal Fees	20,000	-	20,000	100%	20,000	-	20,000	-	-	-	-	-	-	303	3
1.04	Land Misc. Closing Costs	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
1.05	VTB Mortgage Interest	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
1.06	Sales Commissions	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
1.07	Land Lift	8,655,000	(4,802)	8,650,198	100%	8,650,198	-	8,650,198	-	-	-	-	-	-	131,064	1,218
1.08	Land Other	-	4,802	4,802	0%	4,802	-	4,802	-	-	-	-	-	-	73	1
1.09	Property Taxes	-	75,000	75,000	0%	74	-	74	74,926	-	-	-	-	-	1,136	11
1.00	**TOTAL LAND COSTS (1)**	**22,000,000**	**75,000**	**22,075,000**	**100%**	**22,000,074**	**-**	**22,000,074**	**74,926**	**-**	**-**	**-**	**-**	**-**	**334,470**	**3,108**
2.00	**HARD COSTS - SERVICING**															
	Site Preparation	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.01	Site Preparation - Demolition/ Misc. Costs	50,000	21,291	71,291	100%	71,291	-	71,291	-	7,129	-	71,291	-	-	1,080	10
2.02	Site Preparation - Remediation	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.03	Site Preparation - Earthworks	300,000	-	300,000	0%	-	-	-	300,000	-	-	-	-	-	4,545	42
2.04	Site Preparation - Sediment & Erosion Controls	50,000	-	50,000	0%	-	-	-	50,000	-	-	-	-	-	758	7
	Servicing Works	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.05	Site Servicing - Site Prep Removals	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.06	Site Servicing - Earthworks	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.07	Site Servicing - Sanitary Sewers	1,320,000	-	1,320,000	0%	-	-	-	1,320,000	-	-	-	-	-	20,000	186
2.08	Site Servicing - Storm Sewers	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.09	Site Servicing - Water Distribution	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.10	Site Servicing - Storm Pond	750,000	-	750,000	0%	-	-	-	750,000	-	-	-	-	-	11,364	106
2.11	Site Servicing - Primary Roadworks	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.12	Site Servicing - Secondary Roadworks	250,000	-	250,000	0%	-	-	-	250,000	-	-	-	-	-	3,788	35
2.13	Site Servicing - Provisional	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.14	Site Servicing - Change Orders	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.15	Site Servicing - Well	1,188,000	-	1,188,000	0%	-	-	-	1,188,000	-	-	-	-	-	18,000	167
2.16	Site Servicing - Septic	1,518,000	-	1,518,000	0%	-	-	-	1,518,000	-	-	-	-	-	23,000	214
	Hydro & Streetlighting	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.17	Site Servicing - Hydro Distribution	429,000	-	429,000	0%	-	-	-	429,000	-	-	-	-	-	6,500	60
2.18	Site Servicing - Streetlighting	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.19	Site Servicing - Hydro Recovery	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
	External Works	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.20	External Servicing - External Works	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.21	External Servicing - External Works	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
	Cost Sharing Costs -	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.21	External Servicing - Gas	250,000	-	250,000	0%	-	-	-	250,000	-	-	-	-	-	3,788	35
2.22	External Servicing - Recovery	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
	Landscaping - Common Areas	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.23	Landscaping - Fencing	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.24	Landscaping - Common Areas	165,000	-	165,000	0%	-	-	-	165,000	-	-	-	-	-	2,500	23
2.25	Landscaping - Parkette	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.26	Landscaping - Fence	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.27	Landscaping - Accoustical Fence	150,000	-	150,000	0%	-	-	-	150,000	-	-	-	-	-	2,273	21
2.28	Landscaping - Neighbour Agreements	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
2.00	**TOTAL HARD COSTS - SERVICING (2)**	**6,420,000**	**21,291**	**6,441,291**		**71,291**	**-**	**71,291**	**6,370,000**	**7,129**	**-**	**71,291**	**-**	**-**	**97,595**	**907**
												1%	**0%**	**0%**		
3.00	**HARD COSTS - CONSTRUCTION**															
3.01	Construction - Hard Costs		-	-	0%	-	-	-	-	-	-	-	-	-	-	-
3.02	Construction - Site Overheads		-	-	0%	-	-	-	-	-	-	-	-	-	-	-
3.03	Construction - Appliances		-	-	0%	-	-	-	-	-	-	-	-	-	-	-
3.04	Construction - Purchaser Upgrades		-	-	0%	-	-	-	-	-	-	-	-	-	-	-
3.05	Construction - Landscpaing		-	-	0%	-	-	-	-	-	-	-	-	-	-	-
3.06	Construction - After Sales Service		-	-	0%	-	-	-	-	-	-	-	-	-	-	-
3.00	**TOTAL HARD COSTS - CONSTRUCTION (3)**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4.00	**SOFT COST - DEVELOPMENT**															
4.01	Demolition Permit Fees	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
4.02	Building Permit Fees	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
4.03	Building Permit Fees - Other	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
	Development Charges	-	-	-		-										
4.04	Development Charges - City	-	841,302	841,302	0%	-	-	-	841,302	-	-	-	-	-	12,747	118
4.05	Development Charges - Region	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
4.06	Development Charges - Front Ending Fee	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
4.07	Development Charges - Go	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
4.08	Development Charges - Education	-	92,928	92,928	0%	-	-	-	92,928	-	-	-	-	-	1,408	13
4.09	Development Charges - Area Specific	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
4.10	Development Charges - Credit	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
4.11	Development Charges - Escalation	-	46,712	46,712	0%	-	-	-	46,712	-	-	-	-	-	708	7
4.12	Parkland Dedication	-	-	Land dedicated	0%	-	-	-	-	-	-	-	-	-	-	-
4.13	Section 37 Fees	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

LAND COSTS & SITE SERVICING BUDGET

CAPITAL COST AND COST TO DATE SUMMARY
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

	Description	Finance Budget	Variance	Current Budget	%	Amount To Date	Amount Previous	This Draw	Cost To Complete	Holdback Retained	Holdback Released	Contracts Received	Letter of Intent	Quotes Received	Cost Per Lot	Cost Per Gross F.F
4.14	Heritage Program	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
4.15	City Engineering Fees	125,000	(125,000)	-	0%		-	-	-	-	-	-	-	-	-	-
4.16	Subdivision Agreement	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
4.17	City Legal Fee	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
4.18	Expenses & Allowances	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
4.19	Region	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
4.20	Planning Approval Fee	-	25,000	25,000	0%	-	-	-	25,000	-	-	-	-	-	379	4
4.21	Site Utility Connections	-	40,000	40,000	0%	-	-	-	40,000	-	-	-	-	-	606	6
4.22	Union Gas (Enbridge)	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
4.23	City Security	600,000	900,000	1,500,000	0%	-	-	-	1,500,000	-	-	-	-	-	22,727	211
4.24	City Security - Recovery	-	(1,500,000)	(1,500,000)	0%	-	-	-	(1,500,000)	-	-	-	-	-	(22,727)	(211)
4.25	Draft Plan Approval	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
4.24	Street Trees Fees	-	23,100	23,100	0%	-	-	-	23,100	-	-	-	-	-	350	3
4.25	Street Trees Fees - Recovery	-	(23,100)	(23,100)	0%	-	-	-	(23,100)	-	-	-	-	-	(350)	(3)
4.26	Water Meter Fees	-	23,100	23,100	0%	-	-	-	23,100	-	-	-	-	-	350	3
4.27	Water Meter Fees - Recovery	-	(23,100)	(23,100)	0%	-	-	-	(23,100)	-	-	-	-	-	(350)	(3)
4.28	Hydro Meter Fees	-	23,100	23,100	0%	-	-	-	23,100	-	-	-	-	-	350	3
4.29	Hydro Meter Fees - Recovery	-	(23,100)	(23,100)	0%	-	-	-	(23,100)	-	-	-	-	-	(350)	(3)
4.00	**TOTAL DEVELOPMENT (4)**	**725,000**	**320,942**	**1,045,942**		**-**	**-**	**-**	**1,045,942**	**-**	**-**	**-**	**-**	**-**	**15,848**	**147**
5.00	**SOFT COST - CONSULTANTS**															
	Approval Process		-			-	-	-	-	-	-	-	-	-	-	-
5.01	Planning Consultant	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.02	Civil Engineer	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.03	Legal Consultants	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.04	Surveyor	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.05	Other Consultants	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
	During Servicing / Construction	-	-	-		-	-									
5.06	Planning Consultant	-	40,000	40,000	0%	-	-	-	40,000	-	-	-	-	-	606	6
5.07	Acoustical Consultant	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.08	Traffic Consultant	-	7,500	7,500	0%	-	-	-	7,500	-	-	-	-	-	114	1
5.09	Code Consultant	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.10	Architect	-	25,000	25,000	0%	-	-	-	25,000	-	-	-	-	-	379	4
5.11	Landscape Architect	-	25,000	25,000	0%	-	-	-	25,000	-	-	-	-	-	379	4
5.12	Structural Engineer	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.13	Interior Designer	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.14	Hydro Engineer	-	37,500	37,500	0%	-	-	-	37,500	-	-	-	-	-	568	5
5.15	Urban Design	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.16	Shoring Consultant	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.17	Civil Engineer	-	294,503	294,503	21%	62,543	-	62,543	231,961	-	-	-	-	-	4,462	41
5.18	Geotechnical Study	-	30,000	30,000	34%	10,200	-	10,200	19,800	-	-	-	-	-	455	4
5.19	Building Inspection & Testing	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.20	Environmental Study	-	10,000	10,000	7%	680	-	680	9,320	-	-	-	-	-	152	1
5.21	Safety Consultant	-	5,000	5,000	0%	-	-	-	5,000	-	-	-	-	-	76	1
5.22	Bulletin 19 Consultants	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.23	Surveyor (Site Layout)	-	75,000	75,000	0%	-	-	-	75,000	-	-	-	-	-	1,136	11
5.24	Surveyor (Condo)	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.25	Archeological	-	3,500	3,500	0%	-	-	-	3,500	-	-	-	-	-	53	0
5.26	Noise Consultant	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.27	Utility Consultant	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.28	Heritage Report	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.29	Energy Model Consultant	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.30	Arborist	-	7,500	7,500	0%	-	-	-	7,500	-	-	-	-	-	114	1
5.31	Building Envelope	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
5.32	Other Consultants	-	50,000	50,000	5%	2,325	-	2,325	47,675	-	-	-	-	-	758	7
5.00	**TOTAL CONSULTANTS (5)**	**-**	**610,503**	**610,503**		**75,748**	**-**	**75,748**	**534,756**	**-**	**-**	**-**	**-**	**-**	**9,250**	**86**
6.00	**ADMINISTRATION / MARKETING**															
6.01	Tarion - Bonding	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.02	Tarion - Registration Fee	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.03	Tarion - Enrolment Fee	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.04	Tarion - Enrolment Fee Recovery	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.05	Tarion - DTA Fees	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.06	Technical Audit	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.07	Legal - General	-	50,000	50,000	0%	-	-	-	50,000	-	-	-	-	-	758	7
6.08	Legal - Other	-	50,000	50,000	0%	-	-	-	50,000	-	-	-	-	-	758	7
6.09	Legal - Closing	-	82,500	82,500	0%	-	-	-	82,500	-	-	-	-	-	1,250	12
6.10	Legal - After Closing	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.11	Management Overheads - General	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.12	Management Overheads - Administration	-	40,000	40,000	0%	-	-	-	40,000	-	-	-	-	-	606	6
6.13	Insurance	-	22,500	22,500	97%	21,919	-	21,919	581	-	-	-	-	-	341	3
6.14	Head Office Printing	-	10,000	10,000	0%	-	-	-	10,000	-	-	-	-	-	152	1
6.15	Head Office Courier	-	2,000	2,000	0%	-	-	-	2,000	-	-	-	-	-	30	0
6.16	Accounting	-	10,000	10,000	0%	-	-	-	10,000	-	-	-	-	-	152	1
6.17	Sales Office - Hard Costs	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.18	Sales Office - Finishing	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

LAND COSTS & SITE SERVICING BUDGET

CAPITAL COST AND COST TO DATE SUMMARY
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

	Description	Finance Budget	Variance	Current Budget	%	Amount To Date	Amount Previous	This Draw	Cost To Complete	Holdback Retained	Holdback Released	Contracts Received	Letter of Intent	Quotes Received	Cost Per Lot	Cost Per Gross F.F
6.19	Sales Office - Furnishing	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.20	Sales Office - Displays	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.21	Sales Office - Touch Screens	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.22	Sales Office - Equipment	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.23	Sales Office - Admin	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.24	Sales Office - Operating	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.25	Sales Office - Maintenance	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.26	Sales Office - Expenses	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.27	Sales - Advertising	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.28	Model - Construction	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.29	Model - Landscaping	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.30	Model - Finishing	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.31	Model - Interior Design	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.32	Model - Funishings	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.33	Sales - Photography	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.34	Sales - Consultants	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.35	Sales - Consultants	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.36	Sales - Retainers	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.37	Sales - Signage Production	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.38	Sales - Signage Design	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.39	Sales - Signage Design	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.40	Sales - Branding	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.41	Sales - Signage Distribution	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.42	Sales - Brochure	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.43	Sales - Floorplans	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.44	Sales - Rendering	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.45	Sales - Printing	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.46	Sales - Events	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.47	Sales - Newspaper	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.48	Sales - Newspaper Media Booking	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.49	Sales - Direct Media	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.50	Sales - Web Site	-	20,000	20,000	0%	-	-	-	20,000	-	-	-	-	-	303	3
6.51	Sales - Model	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.52	Sales - Social Media	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.53	Sales - E-Blasts	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.54	Sales - Online Ad	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.55	Sales - décor	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.56	Sales - Purchaser Delay Costs	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.57	Sales - Purchaser Cash Rebates	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.58	Soft - Property Taxes	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.59	Sales - Incentives	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.60	Sales - Sponsorships	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.61	Sales - Leasing Commision	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.62	Sales - Commissions Internal (1.25% on 100%)	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.63	Sales - Commissions Ext. Broker (2.5% on 50%)	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
6.00	**TOTAL ADMIN / MARKETING (6)**	**-**	**287,000**	**287,000**		**21,919**	**-**	**21,919**	**265,081**	**-**	**-**	**-**	**-**	**-**	**4,348**	**40**
7.00	**FINANCE CHARGES**															
7.01	Project Monitor	-	58,300	58,300	0%	-	-	-	58,300	-	-	-	-	-	883	8
7.02	Appraiser	-	15,000	15,000	0%	-	-	-	15,000	-	-	-	-	-	227	2
	Land Loan (Historical Lenders) - Included in Land Value	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.03	Lender's Legal Fees	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.04	Commitment Fee	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.05	Admin Fee	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.06	Discharges Fees	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.07	Misc. Finance Charges	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.08	Interest on Loan	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
	Mezzanine Loan	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.09	Lender's Legal Fees	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.10	Commitment Fee	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.11	Admin Fee	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.12	Discharges Fees	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.13	Misc. Finance Charges	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.14	Interest on Loan	-	954,420	954,420	25%	240,000	-	240,000	714,420	-	-	-	-	-	14,461	134
	Servicing / Construction Loan	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.15	Lender's Legal Fees	-	51,750	51,750	77%	39,750	-	39,750	12,000	-	-	-	-	-	784	7
7.16	Commitment Fee	-	775,000	775,000	100%	775,000	-	775,000	-	-	-	-	-	-	11,742	109
7.17	Other	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.18	Broker Fee	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.19	Admin Fees	-	11,500	11,500	48%	5,500	-	5,500	6,000	-	-	-	-	-	174	2
7.20	Appraisal	-	9,300	9,300	100%	9,300	-	9,300	-	-	-	-	-	-	141	1
7.21	Standby Fees	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.22	Letters of Credit	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.23	Interest Payable on Deposits	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
7.24	Discharges Fees	-	33,000	33,000	0%	-	-	-	33,000	-	-	-	-	-	500	5

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

LAND COSTS & SITE SERVICING BUDGET

CAPITAL COST AND COST TO DATE SUMMARY
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

	Description	Finance Budget	Variance	Current Budget	%	Amount To Date	Amount Previous	This Draw	Cost To Complete	Holdback Retained	Holdback Released	Contracts Received	Letter of Intent	Quotes Received	Cost Per Lot	Cost Per Gross F.F
7.25	Misc. Finance Charges	-	10,700	10,700	0%	-	-	-	10,700	-	-	-	-	-	162	2
7.26	Interest on Loan	4,476,700	(1,526,700)	2,950,000	23%	667,000	-	667,000	2,283,000	-	-	-	-	-	44,697	415
7.00	**TOTAL FINANCE CHARGES (7)**	**4,476,700**	**392,270**	**4,868,970**		**1,736,550**	**-**	**1,736,550**	**3,132,420**	**-**	**-**	**-**	**-**	**-**	**73,772**	**686**
8.00	**HST**															
8.01	HST on Payables	1,223,142	(122,331)	1,100,811	2%	19,880	-	19,880	1,080,931	-	-	-	-	-	16,679	155
8.02	HST Credit	(1,223,142)	122,331	(1,100,811)	0%	-	-	-	(1,100,811)	-	-	-	-	-	(16,679)	(155)
8.03	HST on Revenue	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
8.00	**TOTAL HST (8)**	**-**	**-**	**-**		**19,880**	**-**	**19,880**	**(19,880)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9.00	**CONTINGENCY**															
9.01	Contingency	2,767,300	(1,707,006)	1,060,294	0%	-	-	-	1,060,294	-	-	-	-	-	16,065	149
9.02	Misc	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-
9.00	**TOTAL CONTINGENCY (9)**	**2,767,300**	**(1,707,006)**	**1,060,294**		**-**	**-**	**-**	**1,060,294**	**-**	**-**	**-**	**-**	**-**	**16,065**	**149**
	TOTAL PROJECT (1 - 9)	**36,389,000**	**(0)**	**36,389,000**	**66%**	**23,925,461**	**-**	**23,925,461**	**12,463,538**	**7,129**	**-**	**71,291**	**-**	**-**	**551,348**	**5,124**
	Check	36,389,000	(0)	36,389,000		23,925,461	-	23,925,461	12,463,538			0%	0%	0%	551,348	5,124
		-														
				Less, Holdback Retained		(7,129)	-	(7,129)	7,129							
				Add, Holdback Released		-	-	-	-							
				Net Cost To Date		**23,918,332**	**-**	**23,918,332**	**12,470,667**							
				Check		23,918,332	-	23,918,332	12,470,667							
									8.5%							

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

LAND COSTS & SITE SERVICING BUDGET

CASHFLOW FORECAST
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

										Construction																																				
DITURES	**Total Budget**	**Jul-22 1**	**Aug-22 2**	**Sep-22 3**	**Oct-22 4**	**Nov-22 5**	**Dec-22 6**	**Jan-23 7**	**Feb-23 8**	**Mar-23 9**	**Apr-23 10**	**May-23 11**	**Jun-23 12**	**Jul-23 13**	**Aug-23 14**	**Sep-23 15**	**Oct-23 16**	**Nov-23 17**	**Dec-23 18**	**Jan-24 19**	**Feb-24 20**	**Mar-24 21**	**Apr-24 22**	**May-24 23**	**Jun-24 24**	**Jul-24 25**	**Aug-24 26**	**Sep-24 27**	**Oct-24 28**	**Nov-24 29**	**Dec-24 30**	**Jan-25 31**	**Feb-25 32**	**Mar-25 33**	**Apr-25 34**	**May-25 35**	**Jun-25 36**	**Jul-25 37**	**Aug-25 38**	**Sep-25 39**	**Oct-25 40**	**Nov-25 41**	**Dec-25 42**	**Jan-26 43**	**Feb-26 44**	**Mar-26 45**	**Total Budget**
LAND																																															
Land Purchase Actual	**13,000,000**	13,000,000																																													**13,000,000**
Land Transfer Tax	**325,000**	325,000																																													**325,000**
Land Legal Fees	**20,000**	20,000																																													**20,000**
Land Misc. Closing Costs	-	-																																													-
VTB Mortgage Interest	-	-																																													-
Sales Commissions	-	-																																													-
Land Lift	**8,650,198**	8,650,198																																													**8,650,198**
Land Other	**4,802**	4,802																																													**4,802**
Property Taxes	**75,000**	74	-	-	7,500	7,500				7,500	7,500					7,500	7,500					7,500	7,500					7,500	7,426																	**75,000**
TOTAL LAND COSTS (1)	**22,075,000**	########	-	-	**7,500**	**7,500**	-	-	-	**7,500**	**7,500**	-	-	-	-	**7,500**	**7,500**	-	-	-	-	**7,500**	**7,500**	-	-	-	-	**7,500**	**7,426**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**22,075,000**
HARD COSTS - SERVICING																																															
Site Preparation	-	-																																													-
Site Preparation - Demolition/ Misc. Costs	**71,291**	71,291																																													**71,291**
Site Preparation - Remediation	-	-																																													-
Site Preparation - Earthworks	**300,000**	-		150,000	150,000																																										**300,000**
Site Preparation - Sediment & Erosion Controls	**50,000**	-	25,000	25,000																																											**50,000**
Servicing Works	-	-																																											-		-
Site Servicing - Site Prep Removals	-	-																																											-		-
Site Servicing - Earthworks	-	-																																											-		-
Site Servicing - Sanitary Sewers	**1,320,000**	-			250,000	350,000	300,000	300,000	120,000																																					**1,320,000**
Site Servicing - Storm Sewers	-	-																																													-
Site Servicing - Water Distribution	-	-																																													-
Site Servicing - Storm Pond	**750,000**	-				250,000	250,000	250,000																																							**750,000**
Site Servicing - Primary Roadworks	-	-																																													-
Site Servicing - Secondary Roadworks	**250,000**	-																																											250,000		**250,000**
Site Servicing - Provisional	-	-																																													-
Site Servicing - Change Orders	-	-																																													-
Site Servicing - Well	**1,188,000**	-	-	-	-	-	-	-	-	-	-	-	108,000	108,000	108,000	108,000	90,000	90,000	90,000	90,000	72,000	54,000	36,000	36,000	36,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	36,000	-	-	-	-	-	-	-	-	-	-	-	-	**1,188,000**
Site Servicing - Septic	**1,518,000**	-	-	-	-	-	-	-	-	-	-	-	138,000	138,000	138,000	138,000	115,000	115,000	115,000	115,000	92,000	69,000	46,000	46,000	46,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	46,000	-	-	-	-	-	-	-	-	-	-	-	-	**1,518,000**
Hydro & Streetlighting	-	-																																													-
Site Servicing - Hydro Distribution	**429,000**	-				250,000	179,000																																								**429,000**
Site Servicing - Streetlighting	-	-																																											-		-
Site Servicing - Hydro Recovery	-	-																																													-
External Works	-	-																																													-
External Servicing - External Works	-	-																																													-
External Servicing - External Works	-	-																																													-
Cost Sharing Costs -	-	-																																													-
External Servicing - Gas	**250,000**	-				150,000	100,000																																								**250,000**
External Servicing - Recovery	-	-																																													-
Landscaping - Common Areas	-	-																																													-
Landscaping - Fencing	-	-																																													-
Landscaping - Common Areas	**165,000**	-								100,000												65,000																									**165,000**
Landscaping - Parkette	-	-																																													-
Landscaping - Fence	-	-																																													-
Landscaping - Accoustical Fence	**150,000**	-								150,000																																					**150,000**
Landscaping - Neighbour Agreements	-	-																																													-
TOTAL HARD COSTS - SERVICING (2)	**6,441,291**	**71,291**	**25,000**	**175,000**	**400,000**	**1,000,000**	**829,000**	**550,000**	**120,000**	**250,000**	-	-	**246,000**	**246,000**	**246,000**	**246,000**	**205,000**	**205,000**	**205,000**	**205,000**	**164,000**	**188,000**	**82,000**	**82,000**	**82,000**	**41,000**	**41,000**	**41,000**	**41,000**	**41,000**	**41,000**	**41,000**	**82,000**	-	-	-	-	-	-	-	-	-	-	-	**250,000**	**6,441,291**
HARD COSTS - CONSTRUCTION	-																																														-
Construction - Hard Costs	-	-																																													-
Construction - Site Overheads	-	-																																													-
Construction - Appliances	-	-																																													-
Construction - Purchaser Upgrades	-	-																																													-
Construction - Landscpaing	-	-																																													-
Contruction - After Sales Service	-	-																																													-
TOTAL HARD COSTS - CONSTRUCTION (3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
SOFT COST - DEVELOPMENT																																															
Demolition Permit Fees	-	-																																													-
Building Permit Fees	-	-																																													-
Building Permit Fees - Other	-	-																																													-
Development Charges																																															
Development Charges - City	**841,302**	-								841,302																																					**841,302**
Development Charges - Region	-	-								-																																					-
Development Charges - Front Ending Fee	-	-								-																																					-
Development Charges - Go	-	-								-																																					-
Development Charges - Education	**92,928**	-								92,928																																					**92,928**
Development Charges - Area Specific	-	-								-																																					-
Development Charges - Credit	-	-								-																																					-
Development Charges - Escalation	**46,712**	-								46,712																																				(1)	**46,712**
Parkland Dedication	-	-																																													-
Section 37 Fees	-	-								-																																					-
Heritage Program	-	-								-																																					-
City Engineering Fees	-	-																																													-
Subdivision Agreement	-	-								-																																			-		-
City Legal Fee	-	-								-																																			-		-
Expenses & Allowances	-	-																																													-
Region	-	-																																													-
Planning Approval Fee	**25,000**	-				25,000																																									**25,000**
Site Utility Connections	**40,000**	-			40,000																																										**40,000**
Union Gas (Enbridge)	-	-								-																																					-
City Security	**1,500,000**	-			1,500,000																																										**1,500,000**
City Security - Recovery	**(1,500,000)**	-																																								(1,500,000)			-	**(1,500,000)**
Draft Plan Approval	-	-																																													-
Street Trees Fees	**23,100**	-								23,100																																					**23,100**
Street Trees Fees - Recovery	**(23,100)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,100)	(2,100)	(2,100)	(2,100)	(1,750)	(1,750)	(1,750)	(1,750)	(1,400)	(1,050)	(700)	(700)	(700)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(700)	-	-	-	-	-	-	**(23,100)**
Water Meter Fees	**23,100**	-								23,100																																					**23,100**
Water Meter Fees - Recovery	**(23,100)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,100)	(2,100)	(2,100)	(2,100)	(1,750)	(1,750)	(1,750)	(1,750)	(1,400)	(1,050)	(700)	(700)	(700)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(700)	-	-	-	-	-	-	**(23,100)**
Hydro Meter Fees	**23,100**	-								23,100																																					**23,100**
Hydro Meter Fees - Recovery	**(23,100)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,100)	(2,100)	(2,100)	(2,100)	(1,750)	(1,750)	(1,750)	(1,750)	(1,400)	(1,050)	(700)	(700)	(700)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(700)	-	-	-	-	-	-	**(23,100)**
TOTAL DEVELOPMENT (4)	**1,045,942**	-	-	-	**1,540,000**	**25,000**	-	-	-	**1,050,242**	-	-	-	-	-	-	-	-	**(6,300)**	**(6,300)**	**(6,300)**	**(6,300)**	**(5,250)**	**(5,250)**	**(5,250)**	**(5,250)**	**(4,200)**	**(3,150)**	**(2,100)**	**(2,100)**	**(2,100)**	**(1,050)**	**(1,050)**	**(1,050)**	**(1,050)**	**(1,050)**	**(1,050)**	**(1,050)**	**(2,100)**	-	-	-	########	-	-	(1)	**1,045,942**
SOFT COST - CONSULTANTS																																															
Approval Process	-	-																																													-
Planning Consultant	-	-																																													-
Civil Engineer	-	-																																													-
Legal Consultants	-	-																																													-
Surveyor	-	-																																													-
Other Consultants	-	-																																													-
During Servicing / Construction	-	-																																													-
Planning Consultant	**40,000**	-	5,000	20,000	15,000																																										**40,000**
Acoustical Consultant	-	-																																													-
Traffic Consultant	**7,500**	-	7,500																																												**7,500**
Code Consultant	-	-																																													-
Architect	**25,000**	-		25,000																																											**25,000**
Landscape Architect	**25,000**	-						25,000																																							**25,000**
Structural Engineer	-	-																																													-
Interior Designer	-	-																																													-
Hydro Engineer	**37,500**	-			12,500		12,500		12,500																																						**37,500**
Urban Design	-	-	-																																												-
Shoring Consultant	-	-	-																																												-
Civil Engineer	**294,504**	62,543	21,961	35,000	35,000	35,000	35,000	35,000	35,000																																						**294,504**
Geotechnical Study	**30,000**	10,200		19,800																																											**30,000**
Building Inspection & Testing	-	-	-	-	-	-	-	-	-																																						-
Environmental Study	**10,000**	680	9,320																																												**10,000**
Safety Consultant	**5,000**	-	2,500					2,500																																							**5,000**
Bulletin 19 Consultants	-	-		-	-	-	-	-	-																																						-
Surveyor (Site Layout)	**75,000**	-	10,000		15,000	15,000	15,000			20,000																																					**75,000**
Surveyor (Condo)	-	-	-	-	-	-	-	-	-																																						-
Archeological	**3,500**	-	3,500																																												**3,500**
Noise Consultant	-	-	-	-	-	-	-	-	-																																						-
Utility Consultant	-	-	-	-	-	-	-	-	-																																						-
Heritage Report	-	-	-	-	-	-	-	-	-																																						-
Energy Model Consultant	-	-	-	-	-	-	-	-	-																																						-
Arborist	**7,500**	-	7,500																																												**7,500**
Building Envelope	-	-	-	-	-	-	-	-	-																																						-
Other Consultants	**50,000**	2,325		2,675	5,000	15,000		5,000		5,000	10,000		5,000																																		**50,000**
TOTAL CONSULTANTS (5)	**610,504**	**75,748**	**67,281**	**102,475**	**82,500**	**65,000**	**62,500**	**67,500**	**47,500**	**25,000**	**10,000**	-	**5,000**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**610,504**
ADMINISTRATION / MARKETING																																															
Tarion - Bonding	-	-																																													-
Tarion - Registration Fee	-	-																																													-
Tarion - Enrolment Fee	-	-																																													-
Tarion - Enrolment Fee Recovery	-	-																																													-
Tarion - DTA Fees	-	-																																													-
Technical Audit	-	-																																													-
Legal - General	**50,000**	-		25,000						25,000																																			-		**50,000**
Legal - Other	**50,000**	-				25,000									25,000																																**50,000**
Legal - Closing	**82,500**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,500	7,500	7,500	7,500	6,250	6,250	6,250	6,250	5,000	3,750	2,500	2,500	2,500	1,250	1,250	1,250	1,250	1,250	1,250	1,250	2,500	-	-	-	-	-	-	-	**82,500**
Legal - After Closing	-	-																																													-
Management Overheads - General	-	-																																													-
Management Overheads - Administration	**40,000**	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000																																					**40,000**
Insurance	**22,500**	21,919							581																																						**22,500**
Head Office Printing	**10,000**	-	1,500	1,500		1,500	1,500	1,000	1,500	1,500																																					**10,000**
Head Office Courier	**2,000**	-			1,000												1,000																														**2,000**
Accounting	**10,000**	-					5,000									5,000																															**10,000**
Sales Office - Hard Costs	-	-																																													-
Sales Office - Finishing	-	-																																													-
Sales Office - Furnishing	-	-																																													-
Sales Office - Displays	-	-																																													-
Sales Office - Touch Screens	-	-																																													-

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

LAND COSTS & SITE SERVICING BUDGET

CASHFLOW FORECAST
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

DITURES	Total Budget	Jul-22 1	Aug-22 2	Sep-22 3	Oct-22 4	Nov-22 5	Dec-22 6	Jan-23 7	Feb-23 8	Mar-23 9	Apr-23 10	May-23 11	Jun-23 12	Jul-23 13	Aug-23 14	Sep-23 15	Oct-23 16	Nov-23 17	Dec-23 18	Jan-24 19	Feb-24 20	Mar-24 21	Apr-24 22	May-24 23	Jun-24 24	Jul-24 25	Aug-24 26	Sep-24 27	Oct-24 28	Nov-24 29	Dec-24 30	Jan-25 31	Feb-25 32	Mar-25 33	Apr-25 34	May-25 35	Jun-25 36	Jul-25 37	Aug-25 38	Sep-25 39	Oct-25 40	Nov-25 41	Dec-25 42	Jan-26 43	Feb-26 44	Mar-26 45	Total Budget
										Construction																																					
Sales Office - Equipment	-	-																																													-
Sales Office - Admin	-	-																																													-
Sales Office - Operating	-	-																																													-
Sales Office - Maintenance	-	-																																													-
Sales Office - Expenses	-	-																																													-
Sales - Advertising	-	-																																													-
Model - Construction	-	-																																													-
Model - Landscaping	-	-																																													-
Model - Furnishing	-	-																																													-
Model - Interior Design	-	-																																													-
Model - Furnishings	-	-																																													-
Sales - Photography	-	-																																													-
Sales - Consultants	-	-																																													-
Sales - Consultants	-	-																																													-
Sales - Retainers	-	-																																													-
Sales - Signage Production	-	-																																													-
Sales - Signage Design	-	-																																													-
Sales - Signage Design	-	-																																													-
Sales - Branding	-	-																																													-
Sales - Signage Distribution	-	-																																													-
Sales - Brochure	-	-																																													-
Sales - Floorplans	-	-																																													-
Sales - Rendering	-	-																																													-
Sales - Printing	-	-																																													-
Sales - Events	-	-																																													-
Sales - Newspaper	-	-																																													-
Sales - Newspaper Media Booking	-	-																																													-
Sales - Direct Media	-	-																																													-
Sales - Web Site	**20,000**	-	20,000																																												**20,000**
Sales - Model	-	-																																													-
Sales - Social Media	-	-																																													-
Sales - E-Blasts	-	-																																													-
Sales - Online Ad	-	-																																													-
Sales - décor	-	-																																													-
Sales - Purchaser Delay Costs	-	-																																													-
Sales - Purchaser Cash Rebates	-	-																																													-
Soft - Property Taxes	-	-																																													-
Sales - Incentives	-	-																																													-
Sales - Sponsorships	-	-																																													-
Sales - Leasing Commision	-	-																																													-
Sales - Commissions Internal (1.25% on 100%)	-	-																																													-
Sales - Commissions Ext. Broker (2.5% on 50%)	-																																														-
TOTAL ADMIN / MARKETING (6)	**287,000**	**21,919**	**26,500**	**31,500**	**6,000**	**31,500**	**11,500**	**6,000**	**7,081**	**31,500**	-	-	-	-	**25,000**	**5,000**	**1,000**	-	**7,500**	**7,500**	**7,500**	**7,500**	**6,250**	**6,250**	**6,250**	**6,250**	**5,000**	**3,750**	**2,500**	**2,500**	**2,500**	**1,250**	**1,250**	**1,250**	**1,250**	**1,250**	**1,250**	**1,250**	**2,500**	-	-	-	-	-	-	-	**287,000**
FINANCE CHARGES																																															
Project Monitor	**58,300**	-		8,500	3,300	3,300	33,300	3,300	3,300	3,300																																					**58,300**
Appraiser	**15,000**	-		15,000																																											**15,000**
Land Loan (Historical Lenders) - Included in Land Value	-	-																																													-
Lender's Legal Fees	-	-	-	-	-	-	-	-	-																																						-
Commitment Fee	-	-	-	-	-	-	-	-	-																																						-
Admin Fee	-	-	-	-	-	-	-	-	-																																						-
Discharges Fees	-	-																																													-
Misc. Finance Charges	-	-																																													-
Interest on Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Mezzanine Loan	-	-																																													-
Lender's Legal Fees	-	-																																													-
Commitment Fee	-	-																																													-
Admin Fee	-	-																																													-
Discharges Fees	-	-																																													-
Misc. Finance Charges	-	-																																													-
Interest on Loan	**954,420**	240,000	-	-	-	-	-	39,690	39,690	39,690	39,690	39,690	39,690	39,690	39,690	39,690	39,690	39,690	39,690	39,690	39,690	39,690	39,690	39,690	39,690	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		**954,420**
Servicing / Construction Loan	-	-																																													-
Lender's Legal Fees	**51,750**	39,750	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500																																					**51,750**
Commitment Fee	**775,000**	775,000																																													**775,000**
Other	-	-																																													-
Broker Fee	-	-							-																																						-
Admin Fees	**11,500**	5,500	750	750	750	750	750	750	750	750																																					**11,500**
Appraisal	**9,300**	9,300																																													**9,300**
Standby Fees	-	-																																													-
Letters of Credit	-	-																																													-
Interest Payable on Deposits	-	-																																													-
Discharges Fees	**33,000**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000	3,000	3,000	3,000	2,500	2,500	2,500	2,500	2,000	1,500	1,000	1,000	1,000	500	500	500	500	500	500	500	1,000	-	-	-	-	-	-		**33,000**
Misc. Finance Charges	**10,700**	-	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	-	-	-	-	4,850	**10,700**
Interest on Loan	**2,950,000**	667,000	-	-	-	-	-	116,864	124,273	128,860	143,664	146,917	148,551	152,145	156,257	160,653	167,987	172,002	175,975	142,117	108,728	74,624	40,756	10,782	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	111,845	**2,950,000**
TOTAL FINANCE CHARGES (7)	**4,868,970**	**1,736,550**	**2,400**	**25,900**	**5,700**	**5,700**	**35,700**	**162,254**	**169,663**	**174,250**	**183,504**	**186,757**	**188,391**	**191,985**	**196,097**	**200,493**	**207,827**	**211,842**	**218,815**	**184,957**	**151,568**	**117,464**	**83,096**	**53,122**	**42,340**	**2,650**	**2,150**	**1,650**	**1,150**	**1,150**	**1,150**	**650**	**650**	**650**	**650**	**650**	**650**	**650**	**1,150**	**150**	**150**	-	-	-	-	**116,695**	**4,868,970**
HST																																															
HST on Payables	**1,100,811**	19,880	15,637	43,417	64,129	162,669	121,914	81,679	42,744	40,469	20,800	-	32,630	31,980	35,230	32,630	26,780	26,650	27,625	27,625	22,295	25,415	11,473	11,473	11,473	6,143	5,980	5,818	5,655	5,655	5,655	5,493	10,823	163	163	163	163	163	325	-	-	-	-	-	-	111,838	**1,100,811**
HST Credit	**(1,100,811)**	-		(35,517)			(270,215)			(246,337)			(61,269)			(99,840)			(86,060)			(77,545)			(48,360)			(23,595)			(17,128)			(21,970)			(488)			(650)			-			(111,838)	**(1,100,811)**
HST on Revenue	-	-																																													-
TOTAL HST (8)	-	**19,880**	**15,637**	**7,900**	**64,129**	**162,669**	**(148,301)**	**81,679**	**42,744**	**(205,868)**	**20,800**	-	**(28,639)**	**31,980**	**35,230**	**(67,210)**	**26,780**	**26,650**	**(58,435)**	**27,625**	**22,295**	**(52,130)**	**11,473**	**11,473**	**(36,888)**	**6,143**	**5,980**	**(17,778)**	**5,655**	**5,655**	**(11,473)**	**5,493**	**10,823**	**(21,808)**	**163**	**163**	**(325)**	**163**	**325**	**(650)**	-	-	-	-	-	-	-
CONTINGENCY																																															
Contingency	**1,060,294**	-				150,000			150,000		150,000																																			610,294	**1,060,294**
Misc	-	-																																													-
TOTAL CONTINGENCY (9)	**1,060,294**	-	-	-	-	**150,000**	-	-	**150,000**	-	**150,000**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**610,294**	**1,060,294**
PROJECT EXPENDITURES	**36,388,999**	########	**136,818**	**342,775**	**2,105,829**	**1,447,369**	**790,399**	**867,433**	**536,968**	**1,332,624**	**371,804**	**186,757**	**410,752**	**469,965**	**502,327**	**391,783**	**448,107**	**443,492**	**366,580**	**418,782**	**339,063**	**262,034**	**185,069**	**147,594**	**88,453**	**50,793**	**49,930**	**32,973**	**55,631**	**48,205**	**31,078**	**47,343**	**93,673**	**(20,958)**	**1,013**	**1,013**	**525**	**1,013**	**1,875**	**(500)**	**150**	-	########	-	-	**976,988**	**36,388,999**
ULATED EXPENDITURES	36,389,000	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	**36,651,953**	**36,707,584**	**36,755,789**	**36,786,866**	**36,834,209**	**36,927,881**	**36,906,924**	**36,907,936**	**36,908,949**	**36,909,474**	**36,910,486**	**36,912,361**	**36,911,861**	**36,912,011**	**36,912,011**	########	########	########	**36,388,999**	36,389,000 **(0)**
		23,925,461																																													
FUNDS AVAILABLE																																															
Land VTB Mortgage	-	-																										(10,000,000)																		10,000,000	-
Land Loan	-		-	-	-	-	-	-																																						-	-
Mezzanine Loan	-	3,024,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,024,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrower's Cash Equity	-	3,392,801	-	-	-	-	-	-																																						(3,392,801)	-
Borrower's Land Equity	-	8,650,198																																												(8,650,198)	-
Borrowers Additional Cash Equity	-																																														-
Purchaser Deposits																																															-
Single Lots (30 FT) 66 $ -	-																																														-
Closing Revenue																																															
Single Lots (Misc FT) 66 $ 688,000	**45,408,000**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,128,000	4,128,000	4,128,000	4,128,000	3,440,000	3,440,000	3,440,000	3,440,000	2,752,000	2,064,000	1,376,000	1,376,000	1,376,000	688,000	688,000	688,000	688,000	688,000	688,000	688,000	1,376,000	-	-	-	-	-	-	-	**45,408,000**
Closing Recovery From Builder - Hydro 66 $ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Recovery From Builder - Water 66 $ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Recovery From Builder - Tree 66 $ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Recovery From Builder - Consultant 66 $ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Recovery From Builder - Parkland 66 $ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Recovery From Builder - DC 66 $ 3,000	**198,000**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,000	18,000	18,000	18,000	15,000	15,000	15,000	15,000	12,000	9,000	6,000	6,000	6,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	6,000	-	-	-	-	-	-	-	**198,000**
Apartment Lot Value - $ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Lift	-																																														-
Return of LC	-																																														-
TOTAL FUNDS AVAILABLE	**45,606,000**	########	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**4,146,000**	**4,146,000**	**4,146,000**	**4,146,000**	**3,455,000**	**3,455,000**	**431,000**	**3,455,000**	**2,764,000**	**(7,927,000)**	**1,382,000**	**1,382,000**	**1,382,000**	**691,000**	**691,000**	**691,000**	**691,000**	**691,000**	**691,000**	**691,000**	**1,382,000**	-	-	-	-	-	-	**(2,043,000)**	
ACCUMULATED FUNDS AVAILABLE		########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	**37,284,000**	**38,666,000**	**40,048,000**	**41,430,000**	**42,121,000**	**42,812,000**	**43,503,000**	**44,194,000**	**44,885,000**	**45,576,000**	**46,267,000**	**47,649,000**	**47,649,000**	**47,649,000**	########	########	########	**45,606,000**	
		8,858,462																																											Check	45,606,000	
ACCUMULATED DRAW AMOUNT		**8,858,462**	**8,995,279**	**9,338,054**	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	**8,330,108**	**4,446,142**	**1,176,211**	########	########	########	########	**(632,047)**	**(1,958,416)**	**(3,292,211)**	**(4,643,133)**	**(5,286,791)**	**(5,884,118)**	**(6,596,076)**	**(7,286,063)**	**(7,976,051)**	**(8,666,526)**	**(9,356,513)**	**(10,736,638)**	**(10,737,138)**	**(10,736,988)**	########	########	########	**(9,217,001)**	**(139,652)**
INTEREST RATE 5.30 %		**10.00**	**10.00**	**10.25**	**10.25**	**10.25**	**10.25**	**10.25**	**10.25**	**10.50**	**10.50**	**10.50**	**10.50**	**10.50**	**10.50**	**10.75**	**10.75**	**10.75**	**10.75**	**10.75**	**10.75**	**11.00**	**11.00**	**11.00**	**11.00**	**11.00**	**11.00**	**11.25**	**11.25**	**11.25**	**11.25**	**11.25**	**11.25**	**11.50**	**11.50**	**11.50**	**11.50**	**11.50**	**11.50**	**11.50**	**11.50**	**11.50**	**11.50**	**11.50**	**11.50**	
PRIME RATE		**4.70**	**4.70**	**4.95**	**4.95**	**4.95**	**4.95**	**4.95**	**4.95**	**5.20**	**5.20**	**5.20**	**5.20**	**5.20**	**5.20**	**5.45**	**5.45**	**5.45**	**5.45**	**5.45**	**5.45**	**5.70**	**5.70**	**5.70**	**5.70**	**5.70**	**5.70**	**5.95**	**5.95**	**5.95**	**5.95**	**5.95**	**5.95**	**6.20**	**6.20**	**6.20**	**6.20**	**6.20**	**6.20**	**6.20**	**6.20**	**6.20**	**6.20**	**6.20**	**6.20**	
Sales Summary																																															
Single Lots (Misc FT) 66	**121**	55	50	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**121**
Accumulated Sales		**55**	**105**	**105**	**106**	**107**	**108**	**109**	**110**	**111**	**112**	**113**	**114**	**115**	**116**	**117**	**118**	**119**	**120**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	
		55	50	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**121**
Closing Summary																																															
Single Lots (Misc FT) 66	**66**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	6	6	6	5	5	5	5	4	3	2	2	2	1	1	1	1	1	1	1	2	-	-	-	-	-	-	-	**66**
Accumulated Closing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**6**	**12**	**18**	**24**	**29**	**34**	**39**	**44**	**48**	**51**	**53**	**55**	**57**	**58**	**59**	**60**	**61**	**62**	**63**	**64**	**66**	**66**	**66**	**66**	**66**	**66**	**66**	

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

MARGIN CALCULATION
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

SOURCE OF FUNDS			
Servicing Loan Facility	43.5%	$	15,825,000
Original Loan Amount			
Increase to Facility			
Less, Purchaser Deposits			
Revised Loan Amount			
Construction Loan	0.0%	$	-
Mezzanine Loan	8.3%	$	3,024,000
Vendor Take Back Mortgage	0.0%	$	-
Borrower's Cash Equity	9.3%	$	3,392,801
Borrower's Land Lift	23.8%	$	8,650,198
Borrower's Additional Cash Equity	0.0%	$	-
Builder Deposits Received	0.0%	$	-
Builder Deposits to Be Received	0.0%	$	-
Deferred Costs - Servicing Costs	14.7%	$	5,331,500
Deferred Costs - Discharge Fees	0.1%	$	33,000
Deferred Costs - Legal Costs	0.2%	$	82,500
Deferred Costs - Landscape	0.1%	$	50,000
Deferred Costs- Management Fees	0.0%	$	-
TOTAL SOURCE OF FUNDS		**$**	**36,389,000**
PROJECT BUDGET		$	36,389,000
FUNDING (SHORTFALL) / SURPLUS		**$**	**(0)**
Check			

PRIMARY MARGIN CALCULATION		
Cost to Date	$	23,925,461
Add, Holdback Released	$	-
Less, Holdback Retained	$	(7,129)
Less, Land Loan	$	-
Less, Mezzanine Loan	$	(3,024,000)
Less, VTB Mortgage	$	-
Less, Borrower's Cash Equity	$	(3,392,801)
Less, Borrower's Land Lift	$	(8,650,198)
Less, Borrower's Add. Cash Equity	$	-
Less, Builder Deposits	$	-
LOAN CEILING	**$**	**8,851,333**
Less, Outstanding Loan	$	(11,276,000)
CURRENT ADVANCE	**$**	**(2,424,667)**

SECONDARY MARGIN CALCULATION		
Lender's Loan Amount	$	15,825,000
Less, Cost to Complete	$	(12,463,538)
Add, Holdback Released	$	-
Less, Holdback Retained	$	(7,129)
Add, Land Loan	$	-
Add, Mezzanine Loan	$	-
Add, VTB Mortgage	$	-
Add, Builder Deposits	$	-
Add, Deferred Costs - Servicing Costs	$	5,331,500
Add, Deferred Costs - Discharge Fees	$	33,000
Add, Deferred Costs - Legal Costs	$	82,500
Add, Deferred Costs - Landscape	$	50,000
Add, Deferred Costs - Management Fees	$	-
LOAN CEILING	**$**	**8,851,333**
Less, Outstanding Loan	$	(11,276,000)
CURRENT ADVANCE	**$**	**(2,424,667)**

FINANCE PROGRAM	SOURCE OF FUNDS	TOTAL ADVANCES	PREVIOUS ADVANCES	CURRENT ADVANCE	FUNDS TO COMPLETE
Servicing Loan Facility	$ 15,825,000	$ 8,851,333	$ 11,276,000	$ (2,424,667)	$ 6,973,667
Construction Loan	$ -	$ -	$ -	$ -	$ -
Mezzanine Loan	$ 3,024,000	$ 3,024,000	$ -	$ 3,024,000	$ -
Vendor Take Back Mortgage	$ -	$ -	$ -	$ -	$ -
Borrower's Cash Equity	$ 3,392,801	$ 3,392,801	$ -	$ 3,392,801	$ -
Borrower's Land Lift	$ 8,650,198	$ 8,650,198	$ -	$ 8,650,198	$ -
Borrower's Additional Cash Equity	$ -	$ -	$ -	$ -	$ -
Builder Deposits Received	$ -	$ -	$ -	$ -	$ -
Builder Deposits to Be Received	$ -	$ -	$ -	$ -	$ -
Deferred Costs - Servicing Costs	$ 5,331,500	$ -	$ -	$ -	$ 5,331,500
Deferred Costs - Discharge Fees	$ 33,000	$ -	$ -	$ -	$ 33,000
Deferred Costs - Legal Costs	$ 82,500	$ -	$ -	$ -	$ 82,500
Deferred Costs - Landscape	$ 50,000	$ -	$ -	$ -	$ 50,000
Deferred Costs- Management Fees	$ -	$ -	$ -	$ -	$ -
TOTALS	**$ 36,389,000**	**$ 23,918,332**	**$ 11,276,000**	**$ 12,642,332**	**$ 12,470,667**
Check # 1	$ 36,389,000	$ 23,918,332	$ 11,276,000	$ 12,642,332	$ 12,470,667
Check # 2	$ 36,389,000	$ 23,918,332	$ -	$ 23,918,332	$ 12,470,667
Variance Due to Previous Amount Funded by Lender	$ (0)	$ -	$ 11,276,000	$ (11,276,000)	$ (0)

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

CONSTRUCTION COSTS

CAPITAL COST AND COST TO DATE SUMMARY
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

	Description	Finance Budget	Variance	Current Budget	% Complete	Amount To Date	Amount Previous	This Draw	Cost To Complete	Holdback Retained	Holdback Released	Contracts Received	Letter of Intent	Quotes Received	Cost Per Unit	Cost Per Gross S.F
		A	C-A	C											66	194,988
1.00	**LAND**					-										
1.01	Land Purchase Actual	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
1.02	Land Transfer Tax	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
1.03	Land Legal Fees	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
1.04	Land Misc. Closing Costs	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
1.05	VTB Mortgage Interest	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
1.06	Sales Commissions	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
1.07	Land Lift	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
1.08	Land Other	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
1.09	Property Taxes	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
1.00	**TOTAL LAND COSTS (1)**	**-**	**-**	**-**	**#DIV/0!**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.00	**HARD COSTS - SERVICING**															
	Site Preparation		-					-	-	-	-	-	-	-	-	-
2.01	Site Preparation - Demolition/ Misc. Costs	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.02	Site Preparation - Remediation	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.03	Site Preparation - Earthworks	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.04	Site Preparation - Sediment & Erosion Controls	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
	Servicing Works	-	-	-		-	-	-	-	-	-	-	-	-	-	-
2.05	Site Servicing - Site Prep Removals	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.06	Site Servicing - Earthworks	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.07	Site Servicing - Sanitary Sewers	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.08	Site Servicing - Storm Sewers	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.09	Site Servicing - Water Distribution	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.10	Site Servicing - Storm Pond	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.11	Site Servicing - Primary Roadworks	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.12	Site Servicing - Secondary Roadworks	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.13	Site Servicing - Provisional	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.16	Site Servicing - Septic	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
	Hydro & Streetlighting	-	-	-		-	-	-	-	-	-	-	-	-	-	-
2.17	Site Servicing - Hydro Distribution	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.18	Site Servicing - Streetlighting	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.19	Site Servicing - Hydro Recovery	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
-	**External Works**	-	-	-		-	-	-	-	-	-	-	-	-	-	-
2.20	External Servicing - External Works	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.21	External Servicing - External Works	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
-	**Cost Sharing Costs -**	-	-	-		-	-	-	-	-	-	-	-	-	-	-
2.21	External Servicing - Gas	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.22	External Servicing - Recovery	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
-	**Landscaping - Common Areas**	-	-	-		-	-	-	-	-	-	-	-	-	-	-
2.23	Landscaping - Fencing	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.24	Landscaping - Common Areas	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.25	Landscaping - Parkette	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.26	Landscaping - Fence	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.27	Landscaping - Accoustical Fence	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.28	Landscaping - Neighbour Agreements	Land Servicing	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
2.00	**TOTAL HARD COSTS - SERVICING (2)**	**-**	**-**	**-**	**#DIV/0!**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
												#DIV/0!	**#DIV/0!**	**#DIV/0!**		
3.00	**HARD COSTS - CONSTRUCTION**															
3.01	Construction - Hard Costs	38,808,000	2,139,480	40,947,480	0%	-	-	-	40,947,480	-	-	-	-	-	620,416	210.00
3.02	Construction - Site Overheads	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
3.03	Construction - Appliances	-			#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
3.04	Construction - Purchaser Upgrades	-		-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
3.05	Construction - Landscpaing	-		-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
3.06	Construction - After Sales Service	231,000		231,000	0%	-	-	-	231,000	-	-	-	-	-	3,500	1.18

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

CONSTRUCTION COSTS

CAPITAL COST AND COST TO DATE SUMMARY
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

	Description	Finance Budget	Variance	Current Budget	% Complete	Amount To Date	Amount Previous	This Draw	Cost To Complete	Holdback Retained	Holdback Released	Contracts Received	Letter of Intent	Quotes Received	Cost Per Unit	Cost Per Gross S.F
		A	C-A	C											66	194,988
3.00	**TOTAL HARD COSTS - CONSTRUCTION (3)**	**39,039,000**	**2,139,480**	**41,178,480**	**0%**	**-**	**-**	**-**	**41,178,480**	**-**	**-**	**-**	**-**	**-**	**623,916**	**211.18**
4.00	**SOFT COST - DEVELOPMENT**															
4.01	Demolition Permit Fees	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
4.02	Building Permit Fees	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
4.03	Building Permit Fees - Other	369,600	20,376	389,976	0%	-	-	-	389,976	-	-	-	-	-	5,909	2.00
-	**Development Charges**	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.04	Development Charges - City	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.05	Development Charges - Region	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
4.06	Development Charges - Front Ending Fee	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
4.07	Development Charges - Go	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.08	Development Charges - Education	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.09	Development Charges - Area Specific	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.10	Development Charges - Credit	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.11	Development Charges - Escalation	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.12	Parkland Dedication	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.13	Section 37 Fees	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.14	Heritage Program	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.15	City Engineering Fees	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.16	Subdivision Agreement	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.17	City Legal Fee	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.18	Expenses & Allowances	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.19	Region	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.20	Planning Approval Fee	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.21	Site Utility Connections	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.22	Union Gas (Enbridge)	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.23	City Security	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.24	City Security - Recovery	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.25	Draft Plan Approval	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.24	Street Trees Fees	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.25	Street Trees Fees - Recovery	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.26	Water Meter Fees	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.27	Water Meter Fees - Recovery	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.28	Hydro Meter Fees	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.29	Hydro Meter Fees - Recovery	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
4.00	**TOTAL DEVELOPMENT (4)**	**369,600**	**20,376**	**389,976**	**0%**	**-**	**-**	**-**	**389,976**	**-**	**-**	**-**	**-**	**-**	**5,909**	**2.00**
5.00	**SOFT COST - CONSULTANTS**															
-	**Approval Process**	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.01	Planning Consultant	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.02	Civil Engineer	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.03	Legal Consultants	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.04	Surveyor	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.05	Other Consultants	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
-	**During Servicing / Construction**	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.06	Planning Consultant	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.07	Acoustical Consultant	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.08	Traffic Consultant	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.09	Code Consultant	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.10	Architect	132,000	-	132,000	0%	-	-	-	132,000	-	-	-	-	-	2,000	0.68
5.11	Landscape Architect	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.12	Structural Engineer	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.13	Interior Designer	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.14	Hydro Engineer	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.15	Urban Design	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.16	Shoring Consultant	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

CONSTRUCTION COSTS

CAPITAL COST AND COST TO DATE SUMMARY
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

	Description	Finance Budget	Variance	Current Budget	% Complete	Amount To Date	Amount Previous	This Draw	Cost To Complete	Holdback Retained	Holdback Released	Contracts Received	Letter of Intent	Quotes Received	Cost Per Unit	Cost Per Gross S.F
		A	C-A	C											66	194,988
5.17	Civil Engineer	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.18	Geotechnical Study	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.19	Building Inspection & Testing	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.20	Environmental Study	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.21	Safety Consultant	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.22	Bulletin 19 Consultants	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.23	Surveyor (Site Layout)	99,000	-	99,000	0%	-	-	-	99,000	-	-	-	-	-	1,500	0.51
5.24	Surveyor (Condo)	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.25	Archeological	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.26	Noise Consultant	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.27	Utility Consultant	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.28	Heritage Report	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.29	Energy Model Consultant	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.30	Arborist	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.31	Building Envelope	-	-	Land Servicing	0%	-	-	-	-	-	-	-	-	-	-	-
5.32	Other Consultants	75,000	-	75,000	0%	-	-	-	75,000	-	-	-	-	-	1,136	0.38
5.00	**TOTAL CONSULTANTS (5)**	**306,000**	**-**	**306,000**	**0%**	**-**	**-**	**-**	**306,000**	**-**	**-**	**-**	**-**	**-**	**4,636**	**1.57**
6.00	**ADMINISTRATION / MARKETING**															
6.01	Tarion - Bonding	5,000	-	5,000	0%		-	-	5,000	-	-	-	-	-	76	0.03
6.02	Tarion - Registration Fee	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.03	Tarion - Enrolment Fee	124,740	-	124,740	0%	-	-	-	124,740	-	-	-	-	-	1,890	0.64
6.04	Tarion - Enrolment Fee Recovery	(124,740)	-	(124,740)	0%	-	-	-	(124,740)	-	-	-	-	-	(1,890)	(0.64)
6.05	Tarion - DTA Fees	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.06	Technical Audit	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.07	Legal - General	50,000	-	50,000	0%	-	-	-	50,000	-	-	-	-	-	758	0.26
6.08	Legal - Other	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.09	Legal - Closing	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.10	Legal - After Closing	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.11	Management Overheads - General	660,000	-	660,000	0%		-	-	660,000	-	-	-	-	-	10,000	3.38
6.12	Management Overheads - Administration	50,000	-	50,000	0%	-	-	-	50,000	-	-	-	-	-	758	0.26
6.13	Insurance	390,390	21,395	411,785	0%	-	-	-	411,785	-	-	-	-	-	6,239	2.11
6.14	Head Office Printing	5,000	-	5,000	0%	-	-	-	5,000	-	-	-	-	-	76	0.03
6.15	Head Office Courier	2,500	-	2,500	0%	-	-	-	2,500	-	-	-	-	-	38	0.01
6.16	Accounting	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.17	Sales Office - Hard Costs	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.18	Sales Office - Finishing	100,000	-	100,000	0%	-	-	-	100,000	-	-	-	-	-	1,515	0.51
6.19	Sales Office - Furnishing	125,000	-	125,000	0%	-	-	-	125,000	-	-	-	-	-	1,894	0.64
6.20	Sales Office - Displays	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.21	Sales Office - Touch Screens	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.22	Sales Office - Equipment	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.23	Sales Office - Admin	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.24	Sales Office - Operating	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.25	Sales Office - Maintenance	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.26	Sales Office - Expenses	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.27	Sales - Advertising	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.28	Model - Construction	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.29	Model - Landscaping	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.30	Model - Finishing	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.31	Model - Interior Design	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.32	Model - Funishings	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.33	Sales - Photography	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.34	Sales - Consultants	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.35	Sales - Consultants	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.36	Sales - Retainers	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.37	Sales - Signage Production	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

CONSTRUCTION COSTS

CAPITAL COST AND COST TO DATE SUMMARY
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

	Description	Finance Budget	Variance	Current Budget	% Complete	Amount To Date	Amount Previous	This Draw	Cost To Complete	Holdback Retained	Holdback Released	Contracts Received	Letter of Intent	Quotes Received	Cost Per Unit	Cost Per Gross S.F
		A	C-A	C											66	194,988
6.38	Sales - Signage Design	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.39	Sales - Signage Design	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.40	Sales - Branding	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.41	Sales - Signage Distribution	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.42	Sales - Brochure	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.43	Sales - Floorplans	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.44	Sales - Rendering	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.45	Sales - Printing	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.46	Sales - Events	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.47	Sales - Newspaper	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.48	Sales - Newspaper Media Booking	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.49	Sales - Direct Media	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.50	Sales - Web Site	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.51	Sales - Model	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.52	Sales - Social Media	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.53	Sales - E-Blasts	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.54	Sales - Online Ad	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.55	Sales - décor	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.56	Sales - Purchaser Delay Costs	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.57	Sales - Purchaser Cash Rebates	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.58	Soft - Property Taxes	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.59	Sales - Incentives	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.60	Sales - Sponsorships	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.61	Sales - Leasing Commision	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
6.62	Sales - Commissions Internal (1.25% on 100%)	1,149,159	(68,099)	1,081,060	0%	-	-	-	1,081,060	-	-	-	-	-	16,380	5.54
6.63	Sales - Commissions Ext. Broker (2.5% on 50%)	1,149,159	(68,099)	1,081,060	0%	-	-	-	1,081,060	-	-	-	-	-	16,380	5.54
6.00	**TOTAL ADMIN / MARKETING (6)**	**3,686,208**	**(114,803)**	**3,571,405**	**0%**	**-**	**-**	**-**	**3,571,405**	**-**	**-**	**-**	**-**	**-**	**54,112**	**18.32**
7.00	**FINANCE CHARGES**															
7.01	Project Monitor	61,900	-	61,900	0%	-	-	-	61,900	-	-	-	-	-	938	0.32
7.02	Appraiser	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
	Land Loan (Historical Lenders) - Included in Land Value				0%	-	-	-	-	-	-	-	-	-	-	-
7.03	Lender's Legal Fees	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.04	Commitment Fee	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.05	Admin Fee	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.06	Discharges Fees	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.07	Misc. Finance Charges	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.08	Interest on Loan	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
-	**Mezzanine Loan**	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.09	Lender's Legal Fees	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.10	Commitment Fee	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.11	Admin Fee	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.12	Discharges Fees	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.13	Misc. Finance Charges	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.14	Interest on Loan	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
	Servicing / Construction Loan															
7.15	Lender's Legal Fees	22,500	-	22,500	0%	-	-	-	22,500	-	-	-	-	-	341	0.12
7.16	Commitment Fee	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.17	Other	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.18	Broker Fee	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.19	Admin Fees	9,000	-	9,000	0%	-	-	-	9,000	-	-	-	-	-	136	0.05
7.20	Appraisal	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.21	Standby Fees	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.22	Letters of Credit	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.23	Interest Payable on Deposits	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
7.24	Discharges Fees	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

CONSTRUCTION COSTS

CAPITAL COST AND COST TO DATE SUMMARY
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

	Description	Finance Budget	Variance	Current Budget	% Complete	Amount To Date	Amount Previous	This Draw	Cost To Complete	Holdback Retained	Holdback Released	Contracts Received	Letter of Intent	Quotes Received	Cost Per Unit	Cost Per Gross S.F
		A	C-A	C											66	194,988
7.25	Misc. Finance Charges	5,900	-	5,900	0%	-	-	-	5,900	-	-	-	-	-	89	0.03
7.26	Interest on Loan	550,000	200,000	750,000	0%	-	-	-	750,000	-	-	-	-	-	11,364	3.85
7.00	**TOTAL FINANCE CHARGES (7)**	**649,300**	**200,000**	**849,300**	**0%**	**-**	**-**	**-**	**849,300**	**-**	**-**	**-**	**-**	**-**	**12,868**	**4.36**
8.00	**HST**															
8.01	HST on Payables	-	6,127,334	6,127,334	0%	-	-	-	6,127,334	-	-	-	-	-	92,838	31.42
8.02	HST Credit	-	(6,127,334)	(6,127,334)	0%	-	-	-	(6,127,334)	-	-	-	-	-	(92,838)	(31.42)
8.03	HST on Revenue	-	-	-	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-
8.00	**TOTAL HST (8)**	**-**	**-**	**-**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9.00	**CONTINGENCY**															
9.01	Contingency	1,000,892	1,403,947	2,404,839	0%	-	-	-	2,404,839	-	-	-	-	-	36,437	12.33
9.00	**TOTAL CONTINGENCY (9)**	**1,000,892**	**1,403,947**	**2,404,839**	**0%**	**-**	**-**	**-**	**2,404,839**	**-**	**-**	**-**	**-**	**-**	**36,437**	**12.33**
	TOTAL PROJECT (1 - 9)	**45,051,000**	**3,649,000**	**48,700,000**	**0%**	**-**	**-**	**-**	**48,700,000**	**-**	**-**	**-**	**-**	**-**	**737,879**	**249.76**
	Check	45,051,000	3,649,000	48,700,000	0%	-	-	-	48,700,000			0%	0%	0%	737,879	249.77

Less, Holdback Retained	-	-	-	-
Add, Holdback Released	-	-	-	-
Net Cost To Date	**-**	**-**	**-**	**48,700,000**
Check	-	-	-	48,700,000
				4.9%

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

CONSTRUCTION COSTS

-

CASHFLOW FORECAST
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

ITEMS	Total Budget	Jul-22 1	Aug-22 2	Sep-22 3	Oct-22 4	Nov-22 5	Dec-22 6	Jan-23 7	Feb-23 8	Mar-23 9	Apr-23 10	May-23 11	Jun-23 12	Jul-23 13	Aug-23 14	Sep-23 15	Oct-23 16	Nov-23 17	Dec-23 18	Jan-24 19	Feb-24 20	Mar-24 21	Apr-24 22	May-24 23	Jun-24 24	Jul-24 25	Aug-24 26	Sep-24 27	Oct-24 28	Nov-24 29	Dec-24 30	Jan-25 31	Feb-25 32	Mar-25 33	Apr-25 34	May-25 35	Jun-25 36	Jul-25 37	Aug-25 38	Sep-25 39	Oct-25 40	Nov-25 41	Dec-25 42	Jan-26 43	Feb-26 44	Mar-26 45	Total Budget
LANDS	-	-																																													-
Land Purchase Actual	-	-																																													-
Land Transfer Tax	-	-																																													-
Land Legal Fees	-	-																																													-
Land Misc. Closing Costs	-	-																																													-
5% Holdback Retained	-	-																																													-
Sales Commission	-	-																																													-
Land Gift	-	-																																													-
Land Other	-	-																																													-
Property Taxes	-	-																																													-
TOTAL LANDS (1)	-	-																																													-
HARD COSTS - SERVICING	-	-																																													-
Site Preparation	-	-																																													-
Site Preparation - Demolition/ Misc. Costs	-	-																																													-
Site Preparation - Roundabout	-	-																																													-
Site Preparation - Earthworks	-	-																																													-
Site Preparation - Sediment & Erosion Controls	-	-																																													-
Servicing Works	-	-																																													-
Site Servicing - Site Post Removals	-	-																																													-
Site Servicing - Earthworks	-	-																																													-
Site Servicing - Sanitary Sewers	-	-																																													-
Site Servicing - Storm Sewers	-	-																																													-
Site Servicing - Water Distribution	-	-																																													-
Site Servicing - Storm Pond	-	-																																													-
Site Servicing - Primary Roadworks	-	-																																													-
Site Servicing - Secondary Roadworks	-	-																																													-
Site Servicing - Provisional	-	-																																													-
Site Servicing - Sports	-	-																																													-
Stakes & Streetlights	-	-																																													-
Site Servicing - Hydro Distribution	-	-																																													-
Site Servicing - Streetlights	-	-																																													-
Site Servicing - Hydro Receivers	-	-																																													-
Gas Distribution	-	-																																													-
External Servicing - External Works	-	-																																													-
External Servicing - External Works	-	-																																													-
Cost Sharing Costs	-	-																																													-
External Servicing - Gas	-	-																																													-
External Servicing - Renewals	-	-																																													-
Landscaping - Common Areas	-	-																																													-
Landscaping - Fencing	-	-																																													-
Landscaping - Common Areas	-	-																																													-
Landscaping - Parkette	-	-																																													-
Landscaping - Fence	-	-																																													-
Landscaping - Decorative Fence	-	-																																													-
TOTAL HARD COSTS - SERVICING (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HARD COSTS - CONSTRUCTION	-	-																																													-
Construction - Hard Costs	**40 947 480**	-							750 000	750 000	1 000 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 750 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	500 000	500 000	500 000	847 480	-					**40 947 480**
Construction - Site Overheads	-	-																																													-
Construction - Amenities	-	-																																													-
Construction - Purchaser Upgrades	-	-																																													-
Construction - Contingency	-	-																																													-
Construction - After Sales Service	**231 000**	-																																												**231 000**	-
TOTAL HARD COSTS - CONSTRUCTION (1)	**41 178 480**	-	-	-	-	-	-	-	**750 000**	**750 000**	**1 000 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 750 000**	**1 000 000**	**1 000 000**	**1 000 000**	**1 000 000**	**1 000 000**	**1 000 000**	**1 000 000**	**500 000**	**500 000**	**500 000**	**847 480**	-	-	-	-	**231 000**	**41 178 480**
SOFT COST - DEVELOPMENT	-	-																																													-
Deposits/Non-Refund Fees	-	-																																													-
Building Permit Fees	-	-																																													-
Building Permit Fees - Other	**389 976**	-								150 000				144 551				95 425																												**389 976**
Development Charges	-	-																																													-
Development Charges - City	-	-																																													-
Development Charges - Region	-	-																																													-
Development Charges - Front Ending Fee	-	-																																													-
Development Charges - Gas	-	-																																													-
Development Charges - Educations	-	-																																													-
Development Charges - Area Specific	-	-																																													-
Development Charges - Credits	-	-																																													-
Development Charges - Exemptions	-	-																																													-
Parkland Dedication	-	-																																													-
Section 37 Fees	-	-																																													-
Heritage Preserve	-	-																																													-
CN Engineering Fees	-	-																																													-
Job Estate Assessment	-	-																																													-
CN Legal Fee	-	-																																													-
Easement & Attornment	-	-																																													-
Bonds	-	-																																													-
Planning Approval Fee	-	-																																													-
Site Utility Connection	-	-																																													-
Gas Co (Enbridge)	-	-																																													-
Hydro One	-	-																																													-
Cn Security - Recovery	-	-																																													-
Shell Pipe Approval	-	-																																													-
Street Trees Fees	-	-																																													-
Street Trees Fees - Recovery	-	-																																													-
Water Mtr or Fees	-	-																																													-
Water Mtr or Fees - Recovery	-	-																																													-
Hydro Meter Fees	-	-																																													-
Hydro Meter Fees - Recovery	-	-																																													-
TOTAL DEVELOPMENT (4)	**389 976**	-	-	-	-	-	-	-	-	150 000	-	-	-	144 551	-	-	-	95 425	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	389 976
SOFT COST - CONSULTANTS	-	-																																													-
Architect/Planner	-	-																																													-
Planning Consultant	-	-																																													-
Civil Engineer	-	-																																													-
Land Consultants	-	-																																													-
Surveyor	-	-																																													-
Other Consultants	-	-																																													-
Realtor Servicing / Construction	-	-																																													-
Planning Consultant	-	-																																													-
Acoustic/Vib Consultant	-	-																																													-
Traffic Consultant	-	-																																													-
Legal Consultant	**132 000**	-	38 500				37 000					4 500		4 500		4 500		4 500		4 500		4 500		4 500		4 500		4 500		4 500		4 500		4 500		4 500		4 500								**132 000**
Landscape Architect	-	-																																													-
Structural Engineer	-	-																																													-
Interior Designer	-	-																																													-
Hydro Engineer	-	-																																													-
Urban Design	-	-																																													-
Heritage Consultant	-	-																																													-
Civil Engineer	-	-																																													-
Geotechnical Study	-	-																																													-
Building Inspection & Testing	-	-																																													-
Environmental Study	-	-																																													-
Safety Consultant	-	-																																													-
Other Consultants	-	-																																													-
Surveyor (Site Layout)	**90 000**	-						11 500		15 000				15 000		15 000				15 000		15 000				9 000				3 500																**90 000**
Surveyor (Condo)	-	-																																													-
Archeological	-	-																																													-
Noise Consultant	-	-																																													-
Other Consultant	-	-																																													-
Heritage Report	-	-																																													-
Energy Model Consultant	-	-																																													-
Arborist	-	-																																													-
Building Consultant	-	-																																													-
Other	**75 000**	-								25 000						25 000						25 000																								**75 000**
TOTAL CONSULTANTS (5)	**306 000**	-	**38 500**	-	-	-	**37 000**	**11 500**	-	**40 000**	-	**4 500**	-	**19 500**	-	**44 500**	-	**4 500**	-	**19 500**	-	**19 500**	-	**4 500**	-	**13 000**	-	**4 500**	-	**8 000**	-	**4 500**	-	-	-	**4 500**	-	**4 500**	-	**4 500**	-	-	-	-	-	**306 000**
ADMINISTRATION / MARKETING	-	-																																													-
Taxes - Boulevard	**5 000**	-						2 500												2 500																										**5 000**
Taxes - Registration Fee	-	-																																													-
Taxes - Enrolment Fee	**124 740**	-		124 740																																										**124 740**
Taxes - Enrolment Fee Recovery	**(124 740)**	-																(11 340)	(11 340)	(11 340)	(11 340)	(9 450)	(9 450)	(9 450)	(9 450)	(7 560)	(5 670)	(3 780)	(3 780)	(3 780)	(1 890)	(1 890)	(1 890)	(1 890)	(1 890)	(1 890)	(1 890)	(1 890)							**(124 740)**
Taxes - HST Fees	-	-																																													-
Technical Audit	-	-																																													-
Land - General	**56 000**	-												14 000								14 000																								**56 000**
Land - Other	-	-																																													-
Land - Closing	-	-																																													-
Legal - Other Costs	-	-																																													-
Management Overheads - General	**660 000**	-	40 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000												**660 000**
Management Overheads - Administration	**50 000**	-	5 000	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500											**50 000**
Insurance	**411 765**	-								411 765																																				**411 765**
Hoarding	**5 000**	-												2 500												2 500																				**5 000**
Hoarding Costs	**2 500**	-								2 500								500																												**2 500**
Accounting	-	-																																													-
Sales Office - Hard Costs	-	-																																													-
Sales Office - Furniture	**100 000**	-								100 000																																				**100 000**
Sales Office - Furnishing	**125 000**	-								125 000																																				**125 000**
Sales Office - Display	-	-																																													-
Sales Office - Hydro Separate	-	-																																													-
Sales Office - Telephone	-	-																																													-
Sales Office - Admin	-	-																																													-
Sales Office - Operation	-	-																																													-
Sales Office - Maintenance	-	-																																													-
Sales Office - Signmaker	-	-																																													-
Sales Office - Advertising	-	-																																													-
Model - Construction	-	-																																													-
Model - Landscaping	-	-																																													-
Model - Painting	-	-																																													-
Model - Interior Design	-	-																																													-
Model - Furnishings	-	-																																													-
Sales - Consultants	-	-																																													-
Sales - Consultants	-	-																																													-
Sales - Ad agency	-	-																																													-
Sales - Signage Production	-	-																																													-
Sales - Signage Design	-	-																																													-
Sales - Signage Design	-	-																																													-
Sales - Brochure	-	-																																													-
Sales - Signage Dev Option	-	-																																													-
Sales - Brochure	-	-																																													-
Sales - Floorplan	-	-																																													-
Sales - Renderings	-	-																																													-
Sales - Printing	-	-																																													-
Sales - Newspaper	-	-																																													-
Sales - Newspaper Media Booking	-	-																																													-
Sales - Direct Media	-	-																																													-
Sales - Web Site	-	-																																													-
Sales - Model	-	-																																													-
Sales - Social Media	-	-																																													-
Sales - T. Hosts	-	-																																													-
Sales - Online Ad	-	-																																													-
Sales - Phone	-	-																																													-
Sales - Purchaser Deposit Costs	-	-																																													-
Sales - Purchaser Deposit Rebates	-	-																																													-
Sold - Purchaser Upgrades	-	-																																													-
Sales - Incentives	-	-																																													-
Sales - Commissions	-	-																																													-
Sales - Longing Companies	-	-																																													-
Sales - Commission Internal(1.25%on HPPs)	**1 081 060**	-	404 692		8 100	8 100	8 100	8 100	8 100	8 100	8 100	8 100	8 100	8 100	8 100	8 100	8 100	27 326	27 326	49 153	49 153	40 945	40 945	40 945	40 945	32 755	24 570	16 380	16 380	16 380	8 190	8 190	8 190	8 190	8 190	8 190	8 190	8 190							**1 081 060**
Sales - Commission Ext. Broker(0.75% on HPPs)	**648 636**	-	242 815		5 130	5 130	5 130	5 130	5 130	5 130	5 130	5 130	5 130	5 130	5 130	5 130	5 130	16 396	16 396	29 492	29 492	24 567	24 567	24 567	24 567	19 653	14 739	9 828	9 828	9 828	4 914	4 914	4 914	4 914	4 914	4 914	4 914	4 914							**648 636**
TOTAL ADMIN / MARKETING (6)	**2 571 407**	-	**964 508**	**32 500**	**163 630**	**38 100**	**38 100**	**41 100**	**38 100**	**676 465**	**38 100**	**38 100**	**66 500**	**36 100**	**38 100**	**36 100**	**38 100**	**56 700**	**56 700**	**125 015**	**125 015**	**111 928**	**106 928**	**106 928**	**97 428**	**82 418**	**62 407**	**46 179**	**46 179**	**46 179**	**26 498**	**26 498**	**26 498**	**26 498**	**26 498**	**26 498**	**26 498**	**26 498**							**2 571 407**
FINANCE CHARGES	-	-																																													-
Project Monitor	**61 900**	-								7 500	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200																				**61 900**

YORK ESTATES
66 SINGLE FAMILY LOTS, - SENECA, ONTARIO

CONSTRUCTION COSTS

CASHFLOW FORECAST
BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

ACTIVITIES	Total Budget	Jul-22 1	Aug-22 2	Sep-22 3	Oct-22 4	Nov-22 5	Dec-22 6	Jan-23 7	Feb-23 8	Mar-23 9	Apr-23 10	May-23 11	Jun-23 12	Jul-23 13	Aug-23 14	Sep-23 15	Oct-23 16	Nov-23 17	Dec-23 18	Jan-24 19	Feb-24 20	Mar-24 21	Apr-24 22	May-24 23	Jun-24 24	Jul-24 25	Aug-24 26	Sep-24 27	Oct-24 28	Nov-24 29	Dec-24 30	Jan-25 31	Feb-25 32	Mar-25 33	Apr-25 34	May-25 35	Jun-25 36	Jul-25 37	Aug-25 38	Sep-25 39	Oct-25 40	Nov-25 41	Dec-25 42	Jan-26 43	Feb-26 44	Mar-26 45	Total Budget
Interest	-	-																																													-
Land Loan (Historical Leaders) - Included in Land Value																																															
Lender Legal Fee	-	-																																													-
Commitment Fee	-	-																																													-
Admin Fee	-	-																																													-
Disbursers Fees	-	-																																													-
Misc. Finance Charges	-	-																																													-
Interest on Loan	-	-																																													-
Mezzanine Loan	-	-																																													-
Lender Legal Fees	-	-																																													-
Commitment Fee	-	-																																													-
Other	-	-																																													-
Disbursers Fees	-	-																																													-
Misc. Finance Charges	-	-																																													-
Interest on Loan	-	-																																													-
Servicing / Construction Loan																																															
Lender Legal Fees	22,500	-								2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250																			22,500
Commitment Fee	-	-																																													-
Other	-	-																																													-
Broker Fee	-	-																																													-
Admin Fees	9,000	-								500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500																			9,000
Appraisal	-	-																																													-
Consultant Fees	-	-																																													-
Interest Payable	-	-																																													-
Interest Payable (a/Deposit)	-	-																																													-
Disbursers Fees	-	-																																													-
Misc. Finance Charges	5,500	-	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	5,500
Interest on Loan	700,000	-		8,166	158	158	158	158	158	9,000	9,180	9,180	9,180	9,180	19,443	20,000	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	700,000
TOTAL FINANCE CHARGES (7)	845,000	-	150	8,320	158	158	158	158	158	9,650	9,180	9,180	9,180	9,180	19,443	20,150	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	845,000
HST																																															
HST on Payables	6,127,184	-	117,121	2,935	31,271	5,054	9,404	6,874	24,354	109,572	115,631	207,718	241,508	309,341	207,110	245,600	207,263	207,293	219,455	253,145	216,630	204,915	200,867	246,597	216,595	246,597	213,121	209,731	200,907	207,067	149,452	134,484	134,484	134,484	132,794	131,084	133,400	64,884	69,151	65,608	130,172	-	-	-	-	-	6,127,184
HST rebate	(6,127,184)	-														(245,600)			(219,455)			(204,915)						(209,731)			(149,452)									(65,608)							(6,127,184)
HST payable (receivable)	-	-																																													-
TOTAL HST (8)	0	-	117,121	2,935	31,271	5,054	(126,965)	6,874	24,354	109,572	115,631	207,718	(250,015)	309,341	207,110	(414,591)	207,263	207,293	(181,014)	253,145	216,630	(103,693)	200,867	246,597	(113,131)	(166,471)	200,907	207,067	(157,071)	134,484	134,484	(202,936)	132,794	131,084	(266,693)	64,884	69,151	(202,749)	130,172	-	(175,172)	-	-	-	-	0
CONTINGENCY																																															
Contingency	2,404,829	-	-	-	-	-	-	-	-	400,000	-	-	250,000	-	-	250,000	-	-	250,000	-	-	250,000	-	-	250,000	-	-	250,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	754,829	2,404,829
TOTAL CONTINGENCY (9)	2,404,829	-	-	-	-	-	-	-	-	400,000	-	-	250,000	-	-	250,000	-	-	250,000	-	-	250,000	-	-	250,000	-	-	250,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	754,829	2,404,829
PROJECT EXPENDITURES	48,700,000	-	1,019,958	24,475	185,440	44,484	(62,509)	59,984	212,384	2,175,182	1,179,613	1,086,198	1,583,195	1,979,197	1,631,414	1,515,562	1,859,352	1,978,672	2,327,140	2,274,592	1,951,477	1,971,436	1,967,851	2,185,133	1,226,744	2,175,640	1,882,297	1,153,025	1,816,837	1,086,597	816,556	1,140,122	1,165,123	739,784	1,154,423	1,146,523	752,447	581,522	682,582	296,445	957,802	-	(175,172)	-	-	1,025,109	48,700,000
ELATED EXPENDITURES	48,700,000	-	1,019,958	1,054,433	1,239,873	1,283,357	1,220,848	1,280,832	1,493,216	3,668,049	4,848,662	5,934,859	6,218,114	10,217,311	12,848,725	13,564,887	15,424,238	17,402,910	19,730,162	20,990,754	22,947,231	24,918,667	26,885,518	28,370,652	29,607,395	31,783,035	33,665,332	34,819,356	36,635,193	38,142,299	39,208,856	40,438,979	41,627,201	42,397,986	43,552,410	44,698,933	45,451,380	45,993,833	46,595,015	46,892,460	47,850,262	47,650,063	47,474,890	47,676,890	47,674,890	48,700,000	
FUNDS AVAILABLE																																															
Service Proceeds	-	-																										10 000 000																		(10 000 000)	-
Land Loan	-	-																																													-
Mezzanine Loan	-	-																																													-
Homeowner Cash Equity	-	-																																													-
Homeowner Land Equity	-	-																																													-
Homeowner Additional Cash Equity	-	-																																													-
Purchaser Deposits	-	-																																													-
Townhouse Sales (Standard)	-	-																																													-
Townhouse Sales (Rear Lanes)	-	-																																													-
Townhouse Sales (Back to Back)	-	-																																													-
Townhouse Sales (Standard)	-	-																																													-
Townhouse Sales (Other)	-	-																																													-
Semi - Detached (22 FT)	-	-																																													-
Semi - Detached (50 FT)	-	-																																													-
Single Lots (30 FT) 66 $ 170,172	11,231,352	-		2,000,000		1,500,000		1,500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	2,631,352																							11,231,352
Single Lots (40 FT)	-	-																																													-
Single Lots (45 FT)	-	-																																													-
Single Lots (50 FT)	-	-																																													-
Single Lots (55 FT)	-	-																																													-
Single Lots (60 FT)	-	-																																													-
Choice Revenue	-	-																																													-
Townhouse Sales (Standard)	-	-																																													-
Townhouse Sales (Rear Lanes) $	-	-																																													-
Townhouse Sales (Back to Back) $	-	-																																													-
Townhouse Sales (Standard) $	-	-																																													-
Townhouse Sales (Other)	-	-																																													-
Semi - Detached (22 FT) $	-	-																																													-
Semi - Detached (50 FT) $	-	-																																													-
Single Lots (Other FT) $ 566 553	29,504,478	-																	1 581 015	1 581 015	1 581 215	1 581 015	1 980 763	2 693 763	2 980 763	2 980 763	2 384 230	1 785 436	1 197 105	1 197 105	1 197 105	598 553	598 553	98 553	598 553	98 553	598 553	598 553	1 197 105							29,504,478
Single Lots (30 FT) $	-	-																																													-
Single Lots (40 FT) $	-	-																																													-
Single Lots (45 FT) $	-	-																																													-
Single Lots (50 FT) $	-	-																																													-
Single Lots (55 FT) $	-	-																																													-
Single Lots (70 FT) $	-	-																																													-
Choice Recovery From Builder - Hydro	-	-																																													-
Choice Recovery From Builder - Water	-	-																																													-
Choice Recovery From Builder - Tree	-	-																																													-
Choice Recovery From Builder - Consultant	-	-																																													-
Choice Recovery From Builder - Railroad	-	-																																													-
Choice Recovery From Builder - DC	-	-																																													-
HST $ (148,349)	(9,629,024)																		(878 093)	(878 093)	(878 093)	(878 093)	(733 744)	(731 744)	(731 744)	(731 744)	(585 285)	(439 047)	(292 695)	(292 695)	(292 695)	(146 349)	(146 349)	(146 349)	(146 349)	(146 349)	(146 349)	(146 349)	(292 695)							(9,629,024)
UNDS AVAILABLE	41,076,801	-	-	2,000,000	-	1,500,000	-	1,500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	2,913,222	2,913,222	2,913,222	2,913,222	2,461,019	2,261,019	2,261,019	2,261,019	4,149,170	11,256,633	904,407	904,407	904,407	452,204	452,204	452,204	452,204	452,204	452,204	452,204	904,407							41,076,801
ELATED FUNDS AVAILABLE		-	-	2,000,000	2,000,000	2,500,000	2,500,000	5,000,000	5,500,000	6,000,000	6,500,000	6,000,000	6,500,000	6,000,000	7,000,000	7,500,000	7,500,000	7,500,000	10,413,222	13,326,445	16,239,667	19,152,889	21,713,908	23,974,927	26,235,945	28,496,964	32,937,134	44,193,767	45,098,174	46,102,580	47,006,987	47,459,191	47,911,395	48,363,599	48,815,802	49,267,006	49,720,198	50,172,393	51,076,801	51,076,801	51,076,801	51,076,801	51,076,801	51,076,801	51,076,801	41,076,801	
																																													Check	41,076,801	
ACCUMULATED DRAW AMOUNT		-	1,019,958	(945,567)	(760,927)	(2,216,863)	(2,279,782)	(3,759,870)	(4,006,294)	(2,320,959)	(1,201,278)	254,819	1,638,114	2,417,221	5,048,135	6,263,297	8,023,150	9,792,822	9,207,559	7,569,309	6,607,563	6,963,278	4,473,410	4,295,525	2,371,250	2,285,280	728,487	(5,476,279)	(8,562,750)	(7,660,160)	(7,710,012)	(7,001,093)	(6,284,171)	(5,005,673)	(5,303,043)	(4,609,123)	(4,209,880)	(4,179,568)	(4,180,946)	(4,184,548)	(3,226,728)	(2,126,728)	(2,401,918)	(2,401,918)	(2,401,918)	7,622,109	115,962
INTEREST RATE 5.20 %		10.00%	10.00%	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	
PRIME RATE		4.70%	4.70%	4.95%	4.95%	4.95%	4.95%	4.95%	4.95%	5.19%	5.20%	5.20%	5.20%	5.20%	5.20%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	

Sales Summary																																															
Townhouse Sales (Standard)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Townhouse Sales (Rear Lanes)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Townhouse Sales (Back to Back)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Townhouse Sales (Standard)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Townhouse Sales (Other)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Semi - Detached (22 FT)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Semi - Detached (50 FT)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Lots (Other FT)	131	55	36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	131
Single Lots (30 FT)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Lots (40 FT)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Lots (45 FT)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Lots (50 FT)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Lots (70 FT)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Closings	131	55	100	100	100	107	108	109	110	111	112	112	114	115	116	117	118	119	120	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	131
		55	36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Choice Summary																																															
Townhouse Sales (Standard)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Townhouse Sales (Rear Lanes)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Townhouse Sales (Back to Back)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Townhouse Sales (Standard)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Townhouse Sales (Other)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Semi - Detached (22 FT)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Semi - Detached (50 FT)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Lots (Other FT)		66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	6	6	6	6	5	5	5	5	4	3	3	3	3	1	1	1	1	1	1	1	3	-	-	-	-	-	-	-	66
Single Lots (30 FT)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Lots (40 FT)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Lots (45 FT)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Lots (50 FT)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Lots (70 FT)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Closings		66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	72	78	84	90	96	101	106	111	116	120	123	126	129	132	133	134	135	136	137	138	139	142	142	142	142	142	142	142	142
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	12	18	24	29	34	39	44	48	51	54	57	58	59	60	61	62	63	64	66	55	66	66	66	66	66	66	66	66

YORK ESTATES
35 FREEHOLD LOTS - MISSISSAUGA, ONTARIO

SUMMARY OF PURCHASE & SALE AGREEMENTS

BUDGET REVIEW & PROGRESS DRAW NO. 1 - JULY 2022

Unit Number	Model Type	Front Foot	Status	Purchaser Name	Saleable Area S.F.	Sold	Not Sold	Sold Area S.F.	Not Sold Area S.F.	Lot Value	Unsold Units A	Sold Units B	Lot Premium C	Total Revenue D	HST E	Total Net Revenue F (D + E)	Deposits Received		Initial Deposits $ -	2nd Deposits	3rd Deposits	4th Deposits	5th Deposits	Deposits Contracted		Deposits to be Received	Deposits Used
1	Opal	178 2	Not Sold		3,615	-	1	-	3,615	688,000	$ 2,078,625	$ -	$ -	$ 2,078,625	$ (217,895)	$ 1,860,730	$ -		$ -	$ -	$ -	$ -		$ -		$ -	$ -
2	Opal	109 4	Not Sold		3,615	-	1	-	3,615	688,000	$ 2,078,625	$ -	$ -	$ 2,078,625	$ (217,895)	$ 1,860,730	$ -		$ -	$ -	$ -	$ -		$ -		$ -	$ -
3	Opal	109 4	Not Sold		3,615	-	1	-	3,615	688,000	$ 2,078,625	$ -	$ -	$ 2,078,625	$ (217,895)	$ 1,860,730	$ -		$ -	$ -	$ -	$ -		$ -		$ -	$ -
4	Opal	109 4	Not Sold		3,615	-	1	-	3,615	688,000	$ 2,078,625	$ -	$ -	$ 2,078,625	$ (217,895)	$ 1,860,730	$ -		$ -	$ -	$ -	$ -		$ -		$ -	$ -
5	Opal	109 4	Not Sold		3,615	-	1	-	3,615	688,000	$ 2,078,625	$ -	$ -	$ 2,078,625	$ (217,895)	$ 1,860,730	$ -		$ -	$ -	$ -	$ -		$ -		$ -	$ -
6	Diamond	109 4	Not Sold		2,900	-	1	-	2,900	688,000	$ 1,812,500	$ -	$ -	$ 1,812,500	$ (187,279)	$ 1,625,221	$ -		$ -	$ -	$ -	$ -		$ -		$ -	$ -
7	Diamond	109 4	Not Sold		2,900	-	1	-	2,900	688,000	$ 1,812,500	$ -	$ -	$ 1,812,500	$ (187,279)	$ 1,625,221	$ -		$ -	$ -	$ -	$ -		$ -		$ -	$ -
8	Jade	131 2	Sold	BATES	2,525	1	-	2,525	-	688,000	$ -	$ 860,000	$ -	$ 860,000	$ (77,699)	$ 782,301	$ 86,000	10 0%	$ 43,000	$ 43,000	$ 43,000	$ -		$ 129,000	15 0%	$ 43,000	$ -
9	Jade	131 2	Sold	MABEE	2,525	1	-	2,525	-	688,000	$ -	$ 950,000	$ -	$ 950,000	$ (88,053)	$ 861,947	$ 95,000	10 0%	$ 47,500	$ 47,500	$ 47,500	$ -		$ 142,500	15 0%	$ 47,500	$ -
10	Diamond	131 2	Sold	GRAY	2,900	1	-	2,900	-	688,000	$ -	$ 1,200,000	$ -	$ 1,200,000	$ (116,814)	$ 1,083,186	$ 180,000	15 0%	$ 60,000	$ 60,000	$ 60,000	$ -		$ 180,000	15 0%	$ -	$ -
11	Sapphire	131 2	Sold	GRECIA	2,600	1	-	2,600	-	688,000	$ -	$ 870,000	$ -	$ 870,000	$ (78,850)	$ 791,150	$ 87,000	10 0%	$ 43,500	$ 43,500	$ 43,500	$ -		$ 130,500	15 0%	$ 43,500	$ -
12	Diamond	126 9	Not Sold		2,900	-	1	-	2,900	688,000	$ 1,812,500	$ -	$ -	$ 1,812,500	$ (187,279)	$ 1,625,221	$ -	0 0%	$ -	$ -	$ -	$ -		$ -	0 0%	$ -	$ -
13	Diamond	97 6	Sold	MANAV	2,900	1	-	2,900	-	688,000	$ -	$ 1,250,000	$ -	$ 1,250,000	$ (122,566)	$ 1,127,434	$ 125,000	10 0%	$ 62,500	$ 62,500	$ 62,500	$ -		$ 187,500	15 0%	$ 62,500	$ -
14	Ruby	98 4	Sold	POONI	2,685	1	-	2,685	-	688,000	$ -	$ 1,327,750	$ -	$ 1,327,750	$ (131,511)	$ 1,196,239	$ 117,500	8 8%	$ 66,388	$ 66,388	$ 66,388	$ -		$ 199,163	15 0%	$ 81,663	$ -
15	Ruby	98 4	Sold	SHAH	2,685	1	-	2,685	-	688,000	$ -	$ 1,327,750	$ -	$ 1,327,750	$ (131,511)	$ 1,196,239	$ 117,500	8 8%	$ 66,388	$ 66,388	$ 66,388	$ -		$ 199,163	15 0%	$ 81,663	$ -
16	Diamond	98 4	Sold	ARORA	2,900	1	-	2,900	-	688,000	$ -	$ 1,250,000	$ -	$ 1,250,000	$ (122,566)	$ 1,127,434	$ 125,000	10 0%	$ 62,500	$ 62,500	$ 62,500	$ -		$ 187,500	15 0%	$ 62,500	$ -
17	Jade	98 4	Sold	AESTAJADA	2,525	1	-	2,525	-	688,000	$ -	$ 1,412,000	$ -	$ 1,412,000	$ (141,204)	$ 1,270,796	$ 211,800	15 0%	$ 70,600	$ 70,600	$ 70,600	$ -		$ 211,800	15 0%	$ -	$ -
18	Webber	98 4	Sold	MAND	2,823	1	-	2,823	-	688,000	$ -	$ 1,250,000	$ -	$ 1,250,000	$ (122,566)	$ 1,127,434	$ 125,000	10 0%	$ 62,500	$ 62,500	$ 62,500	$ -		$ 187,500	15 0%	$ 62,500	$ -
19	Ruby	98 4	Sold	ANTHONY	2,685	1	-	2,685	-	688,000	$ -	$ 1,327,750	$ -	$ 1,327,750	$ (131,511)	$ 1,196,239	$ 223,500	16 8%	$ 66,388	$ 66,388	$ 66,388	$ -		$ 199,163	15 0%	$ (24,338)	$ -
20	Opal	98 4	Sold	PHILIP	3,615	1	-	3,615	-	688,000	$ -	$ 1,299,500	$ -	$ 1,299,500	$ (128,261)	$ 1,171,239	$ 221,000	17 0%	$ 64,975	$ 64,975	$ 64,975	$ -		$ 194,925	15 0%	$ (26,075)	$ -
21	Webber	98 4	Sold	PRAKASH	2,823	1	-	2,823	-	688,000	$ -	$ 1,327,750	$ -	$ 1,327,750	$ (131,511)	$ 1,196,239	$ 223,500	16 8%	$ 66,388	$ 66,388	$ 66,388	$ -		$ 199,163	15 0%	$ (24,338)	$ -
22	Ruby	102 4	Sold	MATHURA	2,685	1	-	2,685	-	688,000	$ -	$ 1,327,750	$ -	$ 1,327,750	$ (131,511)	$ 1,196,239	$ 117,500	8 8%	$ 66,388	$ 66,388	$ 66,388	$ -		$ 199,163	15 0%	$ 81,663	$ -
23	Diamond	93 2	Sold	SHAH	2,900	1	-	2,900	-	688,000	$ -	$ 1,751,500	$ -	$ 1,751,500	$ (180,261)	$ 1,571,239	$ 155,000	8 8%	$ 87,575	$ 87,575	$ 87,575	$ -		$ 262,725	15 0%	$ 107,725	$ -
24	Opal	105 2	Sold	DING	3,615	1	-	3,615	-	688,000	$ -	$ 1,700,000	$ -	$ 1,700,000	$ (174,336)	$ 1,525,664	$ 255,000	15 0%	$ 85,000	$ 85,000	$ 85,000	$ -		$ 255,000	15 0%	$ -	$ -
25	Webber	98 4	Sold	XU	2,823	1	-	2,823	-	688,000	$ -	$ 1,505,000	$ -	$ 1,505,000	$ (151,903)	$ 1,353,097	$ 225,750	15 0%	$ 75,250	$ 75,250	$ 75,250	$ -		$ 225,750	15 0%	$ -	$ -
26	Diamond	98 4	Sold	XIN	2,900	1	-	2,900	-	688,000	$ -	$ 1,519,500	$ -	$ 1,519,500	$ (153,571)	$ 1,365,929	$ 227,100	14 9%	$ 75,975	$ 75,975	$ 75,975	$ -		$ 227,925	15 0%	$ 825	$ -
27	Diamond	98 4	Sold	FANG	2,900	1	-	2,900	-	688,000	$ -	$ 1,435,000	$ -	$ 1,435,000	$ (143,850)	$ 1,291,150	$ 215,250	15 0%	$ 71,750	$ 71,750	$ 71,750	$ -		$ 215,250	15 0%	$ -	$ -
28	Sapphire	98 4	Sold	THAMBILIPILLAI	2,600	1	-	2,600	-	688,000	$ -	$ 1,299,500	$ -	$ 1,299,500	$ (128,261)	$ 1,171,239	$ 115,000	8 8%	$ 64,975	$ 64,975	$ 64,975	$ -		$ 194,925	15 0%	$ 79,925	$ -
29	Diamond	98 4	Not Sold		2,900	-	1	-	2,900	688,000	$ 1,812,500	$ -	$ -	$ 1,812,500	$ (187,279)	$ 1,625,221	$ -	0 0%	$ -	$ -	$ -	$ -		$ -	0 0%	$ -	$ -
30	Ruby	98 4	Sold	HEALING TOUCH	2,685	1	-	2,685	-	688,000	$ -	$ 1,327,750	$ -	$ 1,327,750	$ (131,511)	$ 1,196,239	$ 117,500	8 8%	$ 66,388	$ 66,388	$ 66,388	$ -		$ 199,163	15 0%	$ 81,663	$ -
31	Diamond	98 4	Not Sold		2,900	-	1	-	2,900	688,000	$ 1,812,500	$ -	$ -	$ 1,812,500	$ (187,279)	$ 1,625,221	$ -	0 0%	$ -	$ -	$ -	$ -		$ -	0 0%	$ -	$ -
32	Diamond	100 4	Sold	LIAO	2,900	1	-	2,900	-	688,000	$ -	$ 1,638,500	$ -	$ 1,638,500	$ (167,261)	$ 1,471,239	$ 217,500	13 3%	$ 81,925	$ 81,925	$ 81,925	$ -		$ 245,775	15 0%	$ 28,275	$ -
33	Webber	128 9	Sold	PHAN	2,823	1	-	2,823	-	688,000	$ -	$ 1,460,000	$ -	$ 1,460,000	$ (146,726)	$ 1,313,274	$ 219,000	15 0%	$ 73,000	$ 73,000	$ 73,000	$ -		$ 219,000	15 0%	$ -	$ -
34	Webber	98 7	Sold	SHANE GEORGE	2,823	1	-	2,823	-	688,000	$ -	$ 1,500,000	$ -	$ 1,500,000	$ (151,327)	$ 1,348,673	$ 225,000	15 0%	$ 75,000	$ 75,000	$ 75,000	$ -		$ 225,000	15 0%	$ -	$ -
35	Webber	93 9	Sold	JOHN GEORGE	2,823	1	-	2,823	-	688,000	$ -	$ 1,500,000	$ -	$ 1,500,000	$ (151,327)	$ 1,348,673	$ 225,000	15 0%	$ 75,000	$ 75,000	$ 75,000	$ -		$ 225,000	15 0%	$ -	$ -
36	Diamond	98 4	Sold	BAWA	2,900	1	-	2,900	-	688,000	$ -	$ 1,250,000	$ -	$ 1,250,000	$ (122,566)	$ 1,127,434	$ 125,000	10 0%	$ 62,500	$ 62,500	$ 62,500	$ -		$ 187,500	15 0%	$ 62,500	$ -
37	Diamond	98 4	Sold	MANOCHA	2,900	1	-	2,900	-	688,000	$ -	$ 1,250,000	$ -	$ 1,250,000	$ (122,566)	$ 1,127,434	$ 125,000	10 0%	$ 62,500	$ 62,500	$ 62,500	$ -		$ 187,500	15 0%	$ 62,500	$ -
38	Webber	98 4	Sold	PAHUJA	2,823	1	-	2,823	-	688,000	$ -	$ 1,250,000	$ -	$ 1,250,000	$ (122,566)	$ 1,127,434	$ 125,000	10 0%	$ 62,500	$ 62,500	$ 62,500	$ -		$ 187,500	15 0%	$ 62,500	$ -
39	Crystal	98 4	Sold	JAKHU	3,928	1	-	3,928	-	688,000	$ -	$ 1,550,000	$ -	$ 1,550,000	$ (157,080)	$ 1,392,920	$ 155,000	10 0%	$ 77,500	$ 77,500	$ 77,500	$ -		$ 232,500	15 0%	$ 77,500	$ -
40	Diamond	98 4	Sold	SINGH	2,900	1	-	2,900	-	688,000	$ -	$ 1,480,000	$ -	$ 1,480,000	$ (149,027)	$ 1,330,973	$ 222,000	15 0%	$ 74,000	$ 74,000	$ 74,000	$ -		$ 222,000	15 0%	$ -	$ -
41	Diamond	98 4	Sold	406398 BC	2,900	1	-	2,900	-	688,000	$ -	$ 1,480,000	$ -	$ 1,480,000	$ (149,027)	$ 1,330,973	$ 222,000	15 0%	$ 74,000	$ 74,000	$ 74,000	$ -		$ 222,000	15 0%	$ -	$ -
42	Webber	98 7	Sold	KONDOLA	2,823	1	-	2,823	-	688,000	$ -	$ 1,480,000	$ -	$ 1,480,000	$ (149,027)	$ 1,330,973	$ 222,000	15 0%	$ 74,000	$ 74,000	$ 74,000	$ -		$ 222,000	15 0%	$ -	$ -
43	Own Plan	98 4	Sold	DEVINE	3,000	1	-	3,000	-	688,000	$ -	$ 870,000	$ -	$ 870,000	$ (78,850)	$ 791,150	$ 87,000	10 0%	$ 43,500	$ 43,500	$ 43,500	$ -		$ 130,500	15 0%	$ 43,500	$ -
44	Own Plan	82 0	Sold	THOMAS	4,500	1	-	4,500	-	688,000	$ -	$ 2,498,000	$ -	$ 2,498,000	$ (266,142)	$ 2,231,858	$ 360,000	14 4%	$ 124,900	$ 124,900	$ 124,900	$ -		$ 374,700	15 0%	$ 14,700	$ -
45	Diamond	98 4	Sold	MOGRIDGE	2,900	1	-	2,900	-	688,000	$ -	$ 1,350,000	$ -	$ 1,350,000	$ (134,071)	$ 1,215,929	$ 135,000	10 0%	$ 67,500	$ 67,500	$ 67,500	$ -		$ 202,500	15 0%	$ 67,500	$ -
46	Webber	116 9	Sold	SHEPPARD	2,823	1	-	2,823	-	688,000	$ -	$ 1,491,500	$ -	$ 1,491,500	$ (150,350)	$ 1,341,150	$ 223,725	15 0%	$ 74,575	$ 74,575	$ 74,575	$ -		$ 223,725	15 0%	$ -	$ -
47	Sapphire	99 3	Sold	THIND	2,600	1	-	2,600	-	688,000	$ -	$ 1,150,000	$ -	$ 1,150,000	$ (111,062)	$ 1,038,938	$ 115,000	10 0%	$ 57,500	$ 57,500	$ 57,500	$ -		$ 172,500	15 0%	$ 57,500	$ -
48	Sapphire	112 5	Sold	MUDDADAN/ANTONY	2,600	1	-	2,600	-	688,000	$ -	$ 1,150,000	$ -	$ 1,150,000	$ (111,062)	$ 1,038,938	$ 115,000	10 0%	$ 57,500	$ 57,500	$ 57,500	$ -		$ 172,500	15 0%	$ 57,500	$ -
49	Sapphire	99 3	Sold	1386579(BAJWA)	2,600	1	-	2,600	-	688,000	$ -	$ 1,299,500	$ -	$ 1,299,500	$ (128,261)	$ 1,171,239	$ 115,000	8 8%	$ 64,975	$ 64,975	$ 64,975	$ -		$ 194,925	15 0%	$ 79,925	$ -
50	Opal	124 1	Sold	JOSE/JOY/GEORGE	3,615	1	-	3,615	-	688,000	$ -	$ 1,327,750	$ -	$ 1,327,750	$ (131,511)	$ 1,196,239	$ 308,730	23 3%	$ 66,388	$ 66,388	$ 66,388	$ -		$ 199,163	15 0%	$ (109,568)	$ -
51	Diamond	101 8	Sold	CAMARA	2,900	1	-	2,900	-	688,000	$ -	$ 1,350,000	$ -	$ 1,350,000	$ (134,071)	$ 1,215,929	$ 135,000	10 0%	$ 67,500	$ 67,500	$ 67,500	$ -		$ 202,500	15 0%	$ 67,500	$ -
52	Ruby	103 9	Sold	SKARIAH	2,685	1	-	2,685	-	688,000	$ -	$ 1,175,000	$ -	$ 1,175,000	$ (113,938)	$ 1,061,062	$ 120,000	10 2%	$ 58,750	$ 58,750	$ 58,750	$ -		$ 176,250	15 0%	$ 56,250	$ -
53	Sapphire	103 4	Sold	RIBEIRO	2,600	1	-	2,600	-	688,000	$ -	$ 1,445,500	$ -	$ 1,445,500	$ (145,058)	$ 1,300,442	$ 216,750	15 0%	$ 72,275	$ 72,275	$ 72,275	$ -		$ 216,825	15 0%	$ 75	$ -
54	Own Plan	95 6	Sold	RICHARDSON	3,000	1	-	3,000	-	688,000	$ -	$ 1,494,200	$ -	$ 1,494,200	$ (150,660)	$ 1,343,540	$ 225,000	15 1%	$ 74,710	$ 74,710	$ 74,710	$ -		$ 224,130	15 0%	$ (870)	$ -
55	Diamond	160 7	Sold	SHI	2,900	1	-	2,900	-	688,000	$ -	$ 1,425,000	$ -	$ 1,425,000	$ (142,699)	$ 1,282,301	$ 20,000	1 4%	$ 71,250	$ 71,250	$ 71,250	$ -		$ 213,750	15 0%	$ 193,750	$ -
56	Diamond	104 7	Sold	LIU	2,900	1	-	2,900	-	688,000	$ -	$ 1,434,000	$ -	$ 1,434,000	$ (143,735)	$ 1,290,265	$ 209,000	14 6%	$ 71,700	$ 71,700	$ 71,700	$ -		$ 215,100	15 0%	$ 6,100	$ -
57	Own Plan	90 9	Sold	KUMARASAMY	3,000	1	-	3,000	-	688,000	$ -	$ 1,327,750	$ -	$ 1,327,750	$ (131,511)	$ 1,196,239	$ 200,000	15 1%	$ 66,388	$ 66,388	$ 66,388	$ -		$ 199,163	15 0%	$ (838)	$ -
58	Diamond	91 8	Sold	CAO	2,900	1	-	2,900	-	688,000	$ -	$ 1,480,000	$ -	$ 1,480,000	$ (149,027)	$ 1,330,973	$ 222,000	15 0%	$ 74,000	$ 74,000	$ 74,000	$ -		$ 222,000	15 0%	$ -	$ -
59	Webber	98 4	Sold	ANTHONY	2,823	1	-	2,823	-	688,000	$ -	$ 1,327,750	$ -	$ 1,327,750	$ (131,511)	$ 1,196,239	$ 223,500	16 8%	$ 66,388	$ 66,388	$ 66,388	$ -		$ 199,163	15 0%	$ (24,338)	$ -
60	Diamond	98 4	Sold	CRAWFORD	2,900	1	-	2,900	-	688,000	$ -	$ 1,440,000	$ -	$ 1,440,000	$ (144,425)	$ 1,295,575	$ 215,250	14 9%	$ 72,000	$ 72,000	$ 72,000	$ -		$ 216,000	15 0%	$ 750	$ -
61	Opal	131 2	Sold	RONBECK	3,615	1	-	3,615	-	688,000	$ -	$ 1,600,000	$ -	$ 1,600,000	$ (162,832)	$ 1,437,168	$ 240,000	15 0%	$ 80,000	$ 80,000	$ 80,000	$ -		$ 240,000	15 0%	$ -	$ -
62	Jade	131 2	Sold	PERIERA	2,525	1	-	2,525	-	688,000	$ -	$ 945,000	$ -	$ 945,000	$ (87,478)	$ 857,522	$ 90,000	9 5%	$ 47,250	$ 47,250	$ 47,250	$ -		$ 141,750	15 0%	$ 51,750	$ -
63	Ruby	98 4	Sold	FIJOMON	2,685	1	-	2,685	-	688,000	$ -	$ 1,327,750	$ -	$ 1,327,750	$ (131,511)	$ 1,196,239	$ 117,500	8 8%	$ 66,388	$ 66,388	$ 66,388	$ -		$ 199,163	15 0%	$ 81,663	$ -
64	Sapphire	131 2	Sold	HORVAT	2,600	1	-	2,600	-	688,000	$ -	$ 910,000	$ -	$ 910,000	$ (83,451)	$ 826,549	$ 91,000	10 0%	$ 45,500	$ 45,500	$ 45,500	$ -		$ 136,500	15 0%	$ 45,500	$ -
65	Own Plan	128 8	Sold	AKBAR	3,000	1	-	3,000	-	688,000	$ -	$ 1,700,000	$ -	$ 1,700,000	$ (174,336)	$ 1,525,664	$ 255,000	15 0%	$ 85,000	$ 85,000	$ 85,000	$ -		$ 255,000	15 0%	$ -	$ -
66	Diamond	128 7	Not Sold		2,900	-	1	-	2,900	688,000	$ 1,812,500	$ -	$ -	$ 1,812,500	$ (187,279)	$ 1,625,221	$ -	0 0%	$ -	$ -	$ -	$ -		$ -	0 0%	$ -	$ -
Totals		**7,102**			**194,988**	**55**	**11**	**159,513**	**35,475**	**$ 45,408,000**	**$ 21,268,125**	**$ 74,875,700**	**$ -**	**$ 96,143,825**	**$ (9,659,024)**	**$ 86,484,801**	**$ 9,487,855**		**$ 3,743,785**	**$ 3,743,785**	**$ 3,743,785**	**$ -**	**$ -**	**$ 11,231,355**		**$ 1,743,500**	**$ -**
Check					194,988						$ 21,268,125	$ 74,875,700	$ -	$ 96,143,825	$ (9,659,024)	$ 86,484,801	$ -										
											$ -	$ -															

This is Exhibit "E" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

From:	Mike Bettiol
To:	Rory McGovern
Subject:	FW: MarshallZehr - meeting and next steps
Date:	Sunday, November 10, 2024 10:46:55 AM
Attachments:	image001.png Hamilton Litigation Court Summary - Michael Bettiol 2363823 Ontario Inc .docx Judgment Sept 22 2020 issued and entered.pdf

---

From: Mike Bettiol <mikeb@marimanhomes.com>
Sent: December 22, 2022 9:46 AM
To: Jason Simon <jsimon@marshallzehr.com>
Cc: Lisa Evans <levans@marshallzehr.com>; Brenner Smith <bsmith@marshallzehr.com>; Mike Bettiol <mikeb@marimanhomes.com>
Subject: RE: MarshallZehr - meeting and next steps

Morning Jason,

My lawyer for the attached actions has made comments on the Hamilton Court Records search doc for each file.

I have also attached the decision by the courts to dismiss the action brough against us for the Scotland Real Estate Venture debacle, which is what a lot of the attached actions refer to.

I have also answered your below questions in red:

From: Jason Simon <jsimon@marshallzehr.com>
Sent: Tuesday, December 20, 2022 11:05 AM
To: Mike Bettiol <mikeb@marimanhomes.com>
Cc: Lisa Evans <levans@marshallzehr.com>; Brenner Smith <bsmith@marshallzehr.com>
Subject: MarshallZehr - meeting and next steps

Hi Mike,

Further to Lisa's email regarding the open litigation items, we'll also need to address:

- Project schedule
  - Revised start and end dates for servicing. Moving of dirt asap as frost permits in the spring. Hoping to have a mild winter so we can have roads installed by and of June.
  - Start date for home construction and the number of homes to be started/completed per month. If the roads scenario works out well, then we hope to start building homes in July.
  - Our Facility 2A has an available balance of $4.5 million – we'll need to understand and confirm that these funds can cover the required pre-construction hard costs, city securities and MZ interest. Rough estimate is roads and grading will be $2,500,000. Securities will be roughly $700,000. Hydro and gas will be roughly $300,000 each.

- Next draw
    - We will need to be able to complete a draw, per our amended/agreed process, prior to February 1st
    - Refer to Brenner's November email for the draw requirements
    - Include any additional development costs that have been incurred since you compiled the ~$150,000 draw. I gave copies of ALL invoices from first draw request for the $150,000, and then any additional invoices incurred to Lisa during our meeting.

Glad we could sit down yesterday and looking forward to getting things back on track.

Thanks,

Marshall Zehr

Jason Simon **CPA, CMA**
Vice President, Business Development
T 519-497-0437
marshallzehr.com | email
Agent
MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453
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MarshallZehr Group Inc. Michael Bettiol & 2363823– Hamilton Ontario Superior Court
Updated as of December 5, 2022

No.	Case Number	Case Name	Amount	Description	Credit Parties	Events	Mikes Comments
1.	CV170006286500SR	Dag Holdings Inc. v. 2363823 Ontario Inc. et al	$96,000.00	Civil – Contract Law	2363823 Ontario Inc. – Defendant Dag Holdings Inc. – Plaintiff Michael Bettiol – Defendant	**Active – Opened October 4, 2017** August 15, 2018 – Trial Scheduling/Assignment list December 5, 2018 – Pre-trial Conference February 4, 2019 - Trial	**Settled December 2018**
2.	CV18000645930000	Nedd v. 2363823 Ontario Inc. o/a Mariman Homes et al	$523,007.50	Civil – Mortgage or Charge	2363823 Ontario Inc. o/a Mariman Homes – Defendant Angela Bettiol – Defendant Michael Bettiol – Defendant Anne Nedd – Plaintiff Brenda Quallo – Defendant	**Active – Opened February 26, 2018** **(No activity)**	**Settled June 2018**
3.	CV19000686760000	Scotland Real Estate Venture Limited Partnership v. 2363823 Ontario Inc. et al	$1,001.00	Mortgage or Charge	2094060 Ontario Inc. – Respondent 2363823 Ontario Inc. – Respondent 2496582 Ontario Inc. – Respondent Angela Bettiol – Respondent Michael Bettiol – Respondent Olympia Trust Company – Respondent Scotland Real Estate Venture Limited Partnership – Appellant	**Active – Opened March 14, 2019** May 7, 2019 – Hearing – Application on notice May 8, 2019 – Order giving directions September 15, 2019 – Hearing – Application on notice October 6, 2019 – Hearing – Application on notice October 27, 2019 – Hearing – Application on notice October 29, 2019 – Motion on notice October 29, 2019 – Order giving directions & Order for fulfillment of undertaking on examination November 28, 2019 – Motion on notice December 3, 2019 – Motion on notice December 8, 2019 – Hearing – Application on notice December 17, 2019 – Motion on notice January 12, 2020 – Hearing – Application on notice January 23, 2020 – Motion on notice January 23, 2020 – Order on consent, Order for fulfillment of undertaking on examination & Order costs February 2, 2020 – Hearing – Application on notice February 23, 2020 – Hearing – Application on notice March 29, 2020 – Hearing – Application on notice August 19, 2020 – Motion on notice August 28, 2020 – Motion on notice September 22, 2020 – Hearing – Application on notice September 22, 2020 – Order case dismissed & Judgment summary (against all parties) September 23, 2020 – Motion on notice	**See attached judgment showing claims against Angela, Michael and 2363823 were dismissed**
4.	CV19000687810000	Ortega et al. v. Quallo et al	$140,547.02	Civil – Mortgage or Charge	Michael Bettiol – Defendant Alba Guarne – Plaintiff Joaquin Ortega – Plaintiff Brenda Quallo – Defendant	**Active – Opened March 26, 2019** March 12, 2020 – Motion on notice April 2, 2020 – Motion on notice June 3, 2020 – Motion on notice July 7, 2020 – Motion on notice September 16, 2020 – Motion on notice	**Settlement reached in 2021 between all parties**
5.	CV19000692890000	Cisternino et al v. 2363823 Ontario Inc. o/a Marimat Homes et al	$325,000.00	Civil – Trusts/Fiduciary Duty	2363823 Ontario Inc. o/a Marimat Homes – Defendant Angela Bettiol – Defendant Michael Bettiol – Defendant Giovanni Cisternino – Plaintiff Vanessa Cisternino, formerly Vanessa Meulendyks – Plaintiff	**Active – Opened May 16, 2019** **(No Activity)**	**Claim by purchaser of York Lot 6 trying to get out of purchase agreement. Claimant signed mutual release and deposit returned**
6.	CV19000694870000	Celernus Investment Partners Inc. v. 2363823 Ontario Inc. et al	$1,541,134.69	Civil – Mortgage or Charge	2363823 Ontario Inc. – Defendant Celernus Investment Partners Inc. – Plaintiff	**Active – Opened June 3, 2019** **(No Activity)**	**Mortgage action – paid out and settled in July 2019; no defence ever filed so claim is expired.**

No.	Case Number	Case Name	Amount	Description	Credit Parties	Events	Mikes Comments
7.	CV19000713970000	Vimard et al v. 2363823 Ontario Inc. o/a Mariman Homes et al	$195,000.00	Civil – Collection of liquidated debt	Angela Bettiol – Defendant Michael Bettiol – Defendant Brenda Quallo – Defendant 2363823 Ontario Inc. o/a Mariman Homes – Defendant Angela Bettiol – Defendant Michael Bettiol – Defendant Philipe Drouin – Plaintiff Yannick Roberge – Plaintiff Nicolas Vimard – Plaintiff	**Active – Opened December 2, 2019** June 2, 2021 – Motion on notice June 15, 2021 – Motion on notice June 15, 2021 – Order giving directions July 21, 2021 – Motion on notice August 18, 2021 – Motion on notice August 18, 2021 – Order giving directions December 15, 2021 – Motion on notice January 12, 2022 – Motion on notice February 4, 2022 – Motion on notice February 4, 2022 – Order giving directions August 17, 2022 – Trial scheduling/assignment list June 5, 2023 – Pre-trial Conference August 28, 2023 - Trial	**Claim by investors for recovery of money loaned on the basis of irrevocable directions to be paid from proceeds of sale on 50 and 51 Augustus Street. Action commenced prior to completion of property alleging verbal representations that property would be finished sooner. Part of Scotland Real Estate Venture claim**
8.	CV20000717660000	Pell Insulation Ltd. V. 2363823 Ontario Inc. carrying on business as Mariman Homes et al	$102,552.02	Civil – Construction Law (other than construction lien)	2233765 Ontario Inc. carrying on business as Mariman Homes – Defendant 2363823 Ontario Inc. carrying on business as Mariman Homes – Defendant 2649134 Ontario Inc. – Defendant Pell Insulation Ltd. - Plaintiff	**Active – Opened January 8, 2020** **(No Activity)**	**Action was placed in abeyance pending payment schedule by 2363823. Claimant now fully paid**
9.	CV20000723730000	Pell Insulation Ltd. V. 2363823 Ontario Inc. carrying on business as Mariman Homes et al	$102,552.02	Civil – Construction Law (other than construction lien)	2233765 Ontario Inc. carrying on business as Mariman Homes – Defendant 2363823 Ontario Inc. carrying on business as Mariman Homes – Defendant 2649134 Ontario Inc. – Defendant Angela Bettiol – Defendant Michael Bettiol – Defendant Pell Insulation Ltd. – Plaintiff	**Active – Opened March 9, 2020** **(No Activity)**	**Action was placed in abeyance pending payment of outstanding invoices; plaintiff has been fully paid for all services. Claimant now fully paid**
10.	CV20000728730000	Purigan Masonry Ltd. V. 2363823 Ontario Inc. o/a Mariman Homes et al	$41,634.85	Construction Lien	1906470 Ontario Inc. – Defendant 2363823 Ontario Inc. o/a Mariman Homes – Defendant 2441026 Ontario Inc. – Defendant 2602258 Ontario Inc. – Defendant Rattandeep Ghotra – Defendant Tony Pacenze – Defendant Purigan Masonry Ltd. – Plaintiff Scotland Real Estate Venture Limited Partnership - Defendant	**Inactive – Opened May 8, 2020** November 25, 2020 – Motion on notice November 26, 2020 – Motion (unopposed/consent) November 26, 2020 – Order extending time	**Action settled pursuant to Minutes of Settlement June of 2021**
11.	CV20000730760000	Purigan Masonry Ltd. V. 2363823 Ontario Inc. o/a Mariman Homes et al	$48,673.62	Construction Lien	2363823 Ontario Inc. o/a Mariman Homes – Defendant 2441026 Ontario Inc. – Defendant Morris Wright Mortgage Company Ltd. – Defendant Manjit Ghotra – Defendant Rattandeep Ghotra – Defendant Purigan Masonry Ltd. – Plaintiff Sctoland Real Estate Venture Limited Partnership - Defendant	**Active – Opened June 5, 2020** December 1, 2020 – Motion without notice December 1, 2020 – Order extending time	**Action settled pursuant to Minutes of Settlement June of 2021**

No.	Case Number	Case Name	Amount	Description	Credit Parties	Events	Mikes Comments
12.	CV20000735110000	2557386 Ontario Inc. et al v. Scotland Real Estate Venture Limited Partnership et al	$1,001.00	Mortgage or Charge	2363823 Ontario Inc. – Appellant 2441026 Ontario Inc. – Respondent 2557386 Ontario Inc. – Appellant Scotland Real Estate Venture Limited Partnership – Respondent	**Active – Opened August 10, 2020** October 6, 2020 – Motion on notice October 21, 2020 – Motion on notice November 25, 2020 – Motion on notice November 25, 2020 – Hearing – Application on notice November 25, 2020 – Order payment into court & Order giving directions	**Part of Scotland Real Estate Venture claim**
13.	CV21000753700000	Roberge v. 2363823 Ontario Inc. et al	$37,500.00	Civil – Contract Law	2363823 Ontario Inc. – Defendant Michael Bettiol – Defendant Yannick Roberge – Plaintiff	**Active – Opened February 24, 2021** **(No Activity)**	**Notice of Discontinuance served by plaintiff dated March 10, 2021.**
14.	CV21000758390000	Ardila v. 2363823 Ontario Inc. et al	$100,000.00	Civil – Contract Law	2363823 Ontario Inc. – Defendant Armand Ardila – Plaintiff Michael Bettiol – Defendant	**Active – Opened April 19, 2021** **(No Activity)**	**Similar action to #7**
15.	CV21000771740000	2363823 Ontario Inc. o/a Mariman Homes and Michael Bettiol et al v. Olympia Trust Company	$1,001.00	Civil – Mortgage or Charge	2363823 Ontario Inc. o/a Mariman Homes and Michael Bettiol – Appellant Michael Bettiol – Appellant Olympia Trust Company – Respondent	**Active – Opened October 4, 2021** **(No Activity)**	**Part of Scotland Real Estate Venture claim**
16.	CV22000784860000	2363823 Ontario Inc. v. 2496582 Ontario Inc.	$1,001.00	Personal property security	2363823 Ontario Inc. – Appellant 2496582 Ontario Inc. – Respondent	**Active – Opened April 4, 2022** April 7, 2022 – Hearing – Application on notice April 19, 2022 – Hearing – Application on notice April 19, 2022 – Order for fulfillment of undertaking on examination	**Part of Scotland Real Estate Venture claim**
17.	CV22000796550000	Modny et al v. 2363823 Ontario Inc. et el	$1,708,000.00	Civil – Contract Law	2363823 Ontario Inc. – Defendant 2496582 Ontario Inc. – Defendant 2576882 Ontario Inc. – Defendant Angela Bettiol – Defendant Michael Bettiol – Defendant David Modny – Plaintiff Karen Modny – Plaintiff	**Active – Opened September 12, 2022** September 22, 2022 – Motion without notice September 22, 2022 – Order to issue certificate of pending litigation	**Part of Scotland Real Estate Venture claim**

COURT FILE NO. 19-68676

Courts of Justice Act
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	TUESDAY, THE 22nd
	)	
MR. JUSTICE SKARICA	)	DAY OF SEPTEMBER, 2020

B E T W E E N:

SCOTLAND REAL ESTATE VENTURE LIMITED PARTNERSHIP

Applicant

- and -

2363823 ONTARIO INC., 2094060 ONTARIO INC., 2496582 ONTARIO INC., OLYMPIA TRUST COMPANY, MICHAEL BETTIOL and ANGELA BETTIOL

Respondents

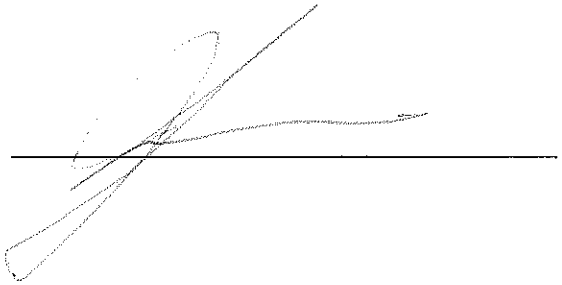
JUDGMENT

On reading the Application Record dated March 14, 2019, the Application Record dated March 14, 2019, the Application Record dated August 15, 2019, the Application Record dated September 15, 2020, the Responding Application Record of 2363823 Ontario Inc. dated June 14, 2019, the Responding Application Record of 2496582 Ontario Inc. dated July 22, 2019, the Responding Motion Record of the Respondent 2496582 Ontario Inc. dated August 10, 2020, the Factum of the Applicant, the Brief of Authorities of the Applicant, the Factum of the Respondent 2496582 Ontario Inc., and the Brief of Authorities of the Respondent 2496582 Ontario Inc., and upon hearing the submissions of counsel for the Applicant and the Respondent 2496582 Ontario Inc.,

1. **IT IS ORDERED AND ADJUDGED** that the Respondent, 2496582 Ontario Inc., pay to the Applicant the sum of $1,450,000.00 with prejudgment interest payable from March 1, 2019 in accordance with section 128 of the *Courts of Justice Act.*

2. **IT IS FURTHER ORDERED AND ADJUDGED** that the claims by the Applicant against the Respondents are dismissed.

3. **IT IS FURTHER ORDERED AND ADJUDGED** that costs involving all parties are to be determined at a future costs hearing with the presiding justice taking into account that the allegations of fraud made by the applicant were unfounded, and which fraud allegations were not established by the applicant in this hearing.



SCOTLAND REAL ESTATE VENTURE LIMITED PARTNERSHIP

Applicant

-and-

2363823 ONTARIO INC., et al.

Respondents

Court File No. 19-68676

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT HAMILTON

JUDGMENT

VITULLI LAW GROUP
69 Hughson Street North
Hamilton, Ontario
L8R 1G5

Tel: 905-528-8773
Fax: 905-528-6543

Ronald Allan (LSO#58517Q)
John Vitulli Jr. (LSO#46527E)
Lawyers for the Respondent,
2496582 Ontario Inc.

This is Exhibit "F" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

From: Jason Simon
To: Mike Bettiol; Lisa Evans; Angela Bettiol
Cc: Cecil Hayes
Subject: RE: York Estates - MZGI 452 Interest Invoice
Date: Friday, February 24, 2023 2:42:13 PM
Attachments: image001.png

Mike,

We've had further discussions internally to review the email from your counsel regarding Scotland. I'm afraid the email simply provides a description of the events and does not speak to the details of a resolution. The email concludes with "Mariman is exploring its options to fully resolve these matters."

As I've explained in the past, one of our primary concerns is with our guarantor, Mariman, and its exposure to potential enforcement proceedings resulting from the Scotland lender dispute. While we understand that there are substantial funds available via the signed APSs, to payout the 3 lenders, we've not seen anything to confirm there is a viable transaction that results in a resolution of the dispute and no enforcement against Mariman. Until we have the clarity on the path to resolution (steps, timeline, risk mitigation, etc.), or until the matter is fully resolved, it appears that we will not be able to complete another draw.

I've Cc'd Cecil as I think our next step will be a meeting or a call to discuss the path forward. I know you're away, but we could set up a zoom and have the discussion early next week.

MarshallZehr

Jason Simon **CPA, CMA**
Vice President, Business Development
T 519-497-0437
marshallzehr.com | email
Agent
MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453
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From: Mike Bettiol <mikeb@marimanhomes.com>
Sent: February 24, 2023 11:17 AM
To: Lisa Evans <levans@marshallzehr.com>; Angela Bettiol <angie@marimanhomes.com>
Cc: MarshallZehr Accounting <accounting@marshallzehr.com>; Jason Simon <jsimon@marshallzehr.com>
Subject: RE: York Estates - MZGI 452 Interest Invoice

Hi Lisa,

I am counting on our draw to finally be processed by the end of day February 24, 2023, to make this payment.

From: Lisa Evans <levans@marshallzehr.com>
Sent: Friday, February 24, 2023 10:56 AM
To: Angela Bettiol <angie@marimanhomes.com>; Mike Bettiol <mikeb@marimanhomes.com>
Cc: MarshallZehr Accounting <accounting@marshallzehr.com>; Jason Simon <jsimon@marshallzehr.com>
Subject: RE: York Estates - MZGI 452 Interest Invoice

Hi Mike,

We have the payment for the interest set up as a PAD like last month, want to confirm with you the method of payment. Will you be wiring the payment instead?

If you have not sent the wire by March 1st we will proceed to PAD your account.

Please let us know by end of day Monday so we can ensure that the PAD is cancelled if you intend to send a wire.

Thank you,

Lisa Evans
Manager - Project Management

T 519 342 1000 **X** 243
C 519-580-4326

marshallzehr.com | email

Agent
MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453
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From: MarshallZehr Accounting <accounting@marshallzehr.com>
Sent: Friday, February 24, 2023 9:12 AM
To: Angela Bettiol <angie@marimanhomes.com>; Jason Simon <jsimon@marshallzehr.com>; Lisa Evans <levans@marshallzehr.com>
Subject: York Estates - MZGI 452 Interest Invoice

Good morning,

Please find attached the March 1, 2023 Interest Invoice.

Thank you.

CHANGE OF ADDRESS EFFECTIVE MARCH 7, 2022 - 412 Albert St., Suite 100 Waterloo, ON N2L 3V3

Vickie Sangrar

Manager - Accounting

T 519 342 1000 **X** 223
C 519 616 9400

marshallzehr.com | email

Agent
MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453

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SEPARATOR PAGE

From:	Mike Bettiol
To:	Jason Simon; Lisa Evans; Brenner Smith
Cc:	Angela Bettiol; Mike Bettiol
Subject:	RE: York Estates: Letter of Direction
Date:	Wednesday, February 8, 2023 9:00:08 AM
Attachments:	image001.png Letter from Kuca March 25 2022.pdf Minutes of Settlement Dec 6 2021 signed.pdf

---

Good morning Jason,

Spoke to my lawyer again. This is the best we can get for now:

1. Letter from lawyer for Olympia Trust showing an outstanding amount as of last March. It would just be additional interest per diem owing from that date for new payout amount.
2. Minutes of settlement for the 3rd lender. This shows that a FIXED amount of $1,450,000 has been agreed upon as per monies owing on their mortgage. Of which, $200,000 has already been paid.
3. Lawyer advises that they cannot get a payout from the second lender until the next closing. Estimates approximately $3,000,000 owing.

This totals approximately $7,750,000 owing , with sales revenue coming in of approximately $10,000,000.

Hope this works.

Mike

From: Jason Simon <jsimon@marshallzehr.com>
Sent: Monday, February 06, 2023 2:56 PM
To: Mike Bettiol <mikeb@marimanhomes.com>; Lisa Evans <levans@marshallzehr.com>; Brenner Smith <bsmith@marshallzehr.com>
Cc: Angela Bettiol <angela@marimanhomes.com>
Subject: RE: York Estates: Letter of Direction

Hi Mike,

Thanks for sending in that additional invoice this morning. Regarding the next draw, we had another discussion with our committee on the Scotland matter. While it's encouraging to hear that your lawyer is in communication with the lenders and they're cooperating, we will need to see this verified in writing. This would typically be done by requesting formal discharge statements from those lenders, but we are open to other suggestions. This would be the final 'piece of the puzzle' to provide comfort that there's an imminent resolution.

Lisa and I will give you a call this afternoon to check in if you're free for a few minutes.

MarshallZehr

Jason Simon CPA, CMA
Vice President, Business Development
T 519-497-0437
marshallzehr.com | email
Agent
MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453
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From: Mike Bettiol <mikeb@marimanhomes.com>
Sent: February 2, 2023 8:38 AM
To: Lisa Evans <levans@marshallzehr.com>; Brenner Smith <bsmith@marshallzehr.com>
Cc: Angela Bettiol <angela@marimanhomes.com>; Jason Simon <jsimon@marshallzehr.com>
Subject: RE: York Estates: Letter of Direction

Good morning Lisa,

Spoke to my lawyer and there is no 'in writing' official plan in place from each lender. However, he advises that all 3 lender's want to get paid, and we are at the stage of finally doing this with the upcoming closings.

Of the 5 closings that need to happen (4 homes and the 12 lot sale), the first home is set to close next week. He says he has spoken to lawyer's of all 3 lender's and each are cooperating.

That's all I can offer at this time.

Mike

From: Lisa Evans <levans@marshallzehr.com>
Sent: Wednesday, February 01, 2023 12:49 PM
To: Mike Bettiol <mikeb@marimanhomes.com>; Brenner Smith <bsmith@marshallzehr.com>
Cc: Angela Bettiol <angela@marimanhomes.com>; Jason Simon <jsimon@marshallzehr.com>
Subject: RE: York Estates: Letter of Direction

Hi Mike,

Thank you for providing all of the documentation thus far. I believe we have what we need from the sale aspect of the exit plan. However, the part that we need to get more supporting documentation is with respects to the mortgagees agreeing to discharge the mortgage based on the proposed terms as you described.

Since the 2nd and 3rd mortgagees were the ones who caused the delay and interruption we want to ensure that they are in full agreement with the terms of the exit strategy and that no further legal action can take place.

There may be some settlement agreement or letters from there lawyers that can confirm this.

If you want to discuss further please give me a call.

Thanks.

Lisa Evans
Manager - Project Management

T 519 342 1000 **X** 243
C 519-580-4326

marshallzehr.com | email

Agent
MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453
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From: Mike Bettiol <mikeb@marimanhomes.com>
Sent: Monday, January 30, 2023 11:05 AM
To: Brenner Smith <bsmith@marshallzehr.com>
Cc: Angela Bettiol <angela@marimanhomes.com>; Jason Simon <jsimon@marshallzehr.com>; Lisa Evans <levans@marshallzehr.com>
Subject: RE: York Estates: Letter of Direction

See attached

From: Brenner Smith <bsmith@marshallzehr.com>
Sent: Monday, January 30, 2023 10:51 AM
To: Mike Bettiol <mikeb@marimanhomes.com>
Cc: Angela Bettiol <angela@marimanhomes.com>; Jason Simon <jsimon@marshallzehr.com>; Lisa Evans <levans@marshallzehr.com>
Subject: York Estates: Letter of Direction

Good Morning Mike,

A small side note to our ongoing work – our accounting team has asked for to get a **letter of direction** which will clarify the relationship between Mariman and the Project Entity (which is technically the "Borrower"). Essentially

this states that Mariman handles the banking for 2557386 Ontario Inc. (i.e. the York Estates Project)

I've attached a Letter of Direction for your review and signature – **could you return this today?**

Kindest,
Brenner

MarshallZehr

Brenner Smith
Account Manager, Business Development
T 519 342 1000 **X** 804
C 519 240 9806
marshallzehr.com | email
Agent
MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453
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This is Exhibit "G" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

From:	Mike Bettiol
To:	Rory McGovern
Subject:	FW: York Estates MZGI 452 - Next Steps
Date:	Sunday, November 10, 2024 10:53:15 AM
Attachments:	image001.png

From: Brenner Smith <bsmith@marshallzehr.com>
Sent: January 25, 2023 2:02 PM
To: Mike Bettiol <mikeb@marimanhomes.com>
Cc: Jason Simon <jsimon@marshallzehr.com>; Lisa Evans <levans@marshallzehr.com>
Subject: RE: York Estates MZGI 452 - Next Steps

Mike,

Greatly appreciate the quick turnaround on this file. We'll review and get back to you should we have any questions.

We'll be in touch regarding next steps

Kindest,
Brenner

Marshall Zehr

Brenner Smith
Account Manager, Business Development
T 519 342 1000 X 804
C 519 240 9806
marshallzehr.com | email
Agent
MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453

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From: Mike Bettiol <mikeb@marimanhomes.com>
Sent: January 25, 2023 12:49 PM
To: Brenner Smith <bsmith@marshallzehr.com>
Subject: RE: York Estates MZGI 452 - Next Steps

Hey Brenner:

Attached is the revised chart.

Let me know if we did it right.

Mike

From: Brenner Smith <bsmith@marshallzehr.com>
Sent: Wednesday, January 25, 2023 10:09 AM
To: Mike Bettiol <mikeb@marimanhomes.com>; Angela Bettiol <angela@marimanhomes.com>
Cc: Jason Simon <jsimon@marshallzehr.com>; Lisa Evans <levans@marshallzehr.com>
Subject: RE: York Estates MZGI 452 - Next Steps

Hi Mike,

I think where we left off what to have you/Angela review the cost-tracker (and update where needed).

Specifically, I'm hoping to draw your attention to the "Cost Sheet" – I populated all the items I had received from you previously – if there have been new items – you can add the amounts at the bottom of the costing list.

Let me know if there are questions or if any numbers look off to you.

Cheers,
Brenner

Brenner Smith
Account Manager, Business Development
T 519 342 1000 **X** 804
C 519 240 9806
marshallzehr.com | email
Agent
MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453
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From: Mike Bettiol <mikeb@marimanhomes.com>
Sent: January 25, 2023 7:50 AM
To: Brenner Smith <bsmith@marshallzehr.com>; Jason Simon <jsimon@marshallzehr.com>; Lisa Evans <levans@marshallzehr.com>
Cc: Angela Bettiol <angela@marimanhomes.com>
Subject: RE: York Estates MZGI 452 - Next Steps

Thank Brenner,

When I met with Jason and Lisa I believe they mentioned that we had to get a draw done before the end of the month so we could include more funds for first of month mortgage payments on the project.

Is this indeed the case?

Mike

From: Brenner Smith <bsmith@marshallzehr.com>
Sent: Tuesday, January 24, 2023 2:16 PM
To: Mike Bettiol <mikeb@marimanhomes.com>; Jason Simon <jsimon@marshallzehr.com>; Lisa Evans <levans@marshallzehr.com>
Cc: Angela Bettiol <angela@marimanhomes.com>
Subject: RE: York Estates MZGI 452 - Next Steps

Hey Mike,

I hope you are feeling better. Jason is actually working from home today with a fever. Seems like something is in the air once again!

Anyways, I am emailing to confirm receipt of the 2021 Mariman financial Statements.

Stay healthy,
Brenner

Brenner Smith
Account Manager, Business Development
T 519 342 1000 **X** 804
C 519 240 9806
marshallzehr.com | email
Agent
MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453
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From: Mike Bettiol <mikeb@marimanhomes.com>
Sent: January 24, 2023 1:32 PM
To: Jason Simon <jsimon@marshallzehr.com>; Lisa Evans <levans@marshallzehr.com>
Cc: Brenner Smith <bsmith@marshallzehr.com>; Angela Bettiol <angela@marimanhomes.com>
Subject: RE: York Estates MZGI 452 - Next Steps

Afternoon J,

Just want to confirm that you received my email from yesterday?

Mike

From: Jason Simon <jsimon@marshallzehr.com>
Sent: Monday, January 16, 2023 10:14 AM
To: Mike Bettiol <mikeb@marimanhomes.com>; Lisa Evans <levans@marshallzehr.com>
Cc: Brenner Smith <bsmith@marshallzehr.com>; Angela Bettiol <angela@marimanhomes.com>
Subject: RE: York Estates MZGI 452 - Next Steps

Hi Mike,

Hope the weekend was enjoyable and you're getting back on your feet. Wanted to follow up on the Mariman 2021 financial statements as you mentioned they would be available Friday.

Thanks,

Marshall Zehr

Jason Simon CPA, CMA
Vice President, Business Development
T 519-497-0437
marshallzehr.com | email
Agent
MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453
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From: Mike Bettiol <mikeb@marimanhomes.com>
Sent: January 9, 2023 10:01 AM
To: Lisa Evans <levans@marshallzehr.com>
Cc: Jason Simon <jsimon@marshallzehr.com>; Brenner Smith <bsmith@marshallzehr.com>
Subject: RE: York Estates MZGI 452 - Next Steps

Good morning Lisa,

Please see my responses to your below requests in red:

From: Lisa Evans <levans@marshallzehr.com>
Sent: Monday, January 09, 2023 9:13 AM
To: Mike Bettiol <mikeb@marimanhomes.com>
Cc: Jason Simon <jsimon@marshallzehr.com>; Brenner Smith <bsmith@marshallzehr.com>
Subject: York Estates MZGI 452 - Next Steps

Hi Mike,

Hope you had a great time in the Bahamas, and a nice holiday.

We have had some internal discussions since we last met based on the information you provided us, and in order to keep this moving and work towards a draw this month we require the following please:

1. Please provide us a copy of all that was submitted to Tarion on the litigations – My lawyer submitted the same information sheet that I sent you. Nothing more.
2. We need the following items that were included in the Undertaking at initial funding (we have followed up with our counsel who do not have these documents, please send directly to us so we can insure they are received)
    - 2557386 Ontario Inc.
        - 2021 NTR year end financials – Undertaking – Angela to send today.
        - 2020 NTR year end financials – Undertaking – Angela to send today.
    - 2363823 Ontario Inc.(o/a Mariman Homes)
        - 2021 NTR year end financials – Undertaking – Should finally have by this Friday.
        - 2021 corporate NOA to include proof of payment if taxes outstanding – won't have this until return is filed. But we don't owe anything anyways.
3. Ongoing compliance items required:
    - July to November bank statements for Mariman Homes to include copies of cleared cheques – Just for York correct?
    - Quarterly Compliance Certificates for:
        - Q2 – QE of June 30th – was due July 31st - Would need some direction as to how to do these and in what format.
        - Q3 – QE of September 30th – was due October 31st - Same
        - Q4 – QE of December 31st – will be due January 30th - Same
    - 2022 Final Property Tax bill for 30 Front Street, Roll#2810-152-003-12600-0000, to include proof of payment for August and October – Angela to send.
    - Copy of the insurance policy #5012235D6 – Angela to send.

To start if you could send the items for #1 that would be great. The other items will be needed prior to the draw, so whenever available please send to us.

If you have any questions or concerns please reach out to myself or Jason and we will be happy to assist in any way we can.

Thank you,

Lisa Evans
Manager - Project Management

T 519 342 1000 **X** 243
C 519-580-4326

marshallzehr.com | email

Agent
MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453

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Marshall Zehr

YORK ESTATES
BUDGET TRACKER (MZ FORMAT)

COST SUBMISSION & TRACKING

SUPPLIER NAME / TRADE NAME	Invoice Number	Division (dropdown)	Stage (Dropdown)	Invoice Date	Bill Amount (before taxes)	Total Bill Amount (after taxes)	Holdback (10%) Retained	Holdback (10%) Released	NOTES	MZ Aknowledgment
Example Corp Ltd.	*#Example101*	*D1. GENERAL REQUIREMENTS*	*SERVICING - SOFT COSTS*	*1/1/2020*	*$ -*	*$ -*	*$ -*	*$ -*	*Example Line Item for XYZ*	*-*
Gillies Lumber	#50605	D6. WOOD AND PLASTICS	*CONSTRUCTION - HARD COSTS*	**3/25/2021**	$ 700.00	$ 791.00	$ -	$ -	Model Home Related	Borrower Equity
E-Zee Forming Ltd.	**Not Provided**	D3. CONCRETE	*CONSTRUCTION - HARD COSTS*	**10/21/2021**	$ 47,887.70	$ 54,113.10	$ -	$ -	Model home related; considered for Cash Equity	Borrower Equity
Gillies Lumber	#61264	D6. WOOD AND PLASTICS	*CONSTRUCTION - HARD COSTS*	**10/28/2021**	$ 27,457.15	$ 31,026.58	$ -	$ -	Model home related; considered for Cash Equity	Borrower Equity
Gillies Lumber	#61317	D6. WOOD AND PLASTICS	*CONSTRUCTION - HARD COSTS*	**10/29/2021**	$ 20,939.94	$ 23,662.13	$ -	$ -	Model home related; considered for Cash Equity	Borrower Equity
Frem Excavating	#744	D2. SITE WORK	*CONSTRUCTION - HARD COSTS*	**11/1/2021**	$ 2,250.00	$ 2,542.50	$ -	$ -	Model home related; considered for Cash Equity	Borrower Equity
Gillies Lumber Inc.	#61526	D6. WOOD AND PLASTICS	*CONSTRUCTION - HARD COSTS*	**11/2/2021**	$ 13,105.94	$ 14,809.71	$ -	$ -	Model home related; considered for Cash Equity	Borrower Equity
Ferrell Builders' Supply Ltd.	#2569330 / #2569403	D4. MASONRY	*CONSTRUCTION - HARD COSTS*	**11/5/2021**	$ 19,698.11	$ 22,258.86	$ -	$ -	Model home related; considered for Cash Equity	Borrower Equity
Pollard Windows Inc.	#2032556-1	D8. DOORS & WINDOWS	*CONSTRUCTION - HARD COSTS*	**11/23/2021**	$ 15,672.18	$ 17,709.56	$ -	$ -	Model home related; considered for Cash Equity	Borrower Equity
Gillies Lumber Inc.	#62546	D6. WOOD AND PLASTICS	*CONSTRUCTION - HARD COSTS*	**11/24/2021**	$ 28,615.04	$ 32,335.00	$ -	$ -	Model home related; considered for Cash Equity	Borrower Equity
Williams Carpentry Inc.	#359	D6. WOOD AND PLASTICS	*CONSTRUCTION - HARD COSTS*	**12/15/2021**	$ 31,275.22	$ 35,341.00	$ -	$ -	Model home related; considered for Cash Equity	Borrower Equity
The Roofing Master	#1618	D7. THERMAL AND MOISTURE PROTECTION	*CONSTRUCTION - HARD COSTS*	**1/11/2022**	$ 35,008.77	$ 39,559.91	$ -	$ -	Model home related; considered for Cash Equity	Borrower Equity
Car Wal Garage Doors	#321236	D8. DOORS & WINDOWS	*CONSTRUCTION - HARD COSTS*	**8/15/2022**	$ 8,956.11	$ 10,120.40	$ -	$ -	Model Home Related	Borrower Equity
Ferrell Builders' Supply Ltd.	#2208-561750	D5. METALS	*CONSTRUCTION - HARD COSTS*	**8/15/2022**	$ 1,003.33	$ 1,133.76	$ -	$ -	Model Home Related	Borrower Equity
Guest Plumbing and Heating	#6277	D15. MECHANICAL	*CONSTRUCTION - HARD COSTS*	**8/17/2022**	$ 2,426.42	$ 2,741.85	$ -	$ -	Model Home Related	Borrower Equity
Guest Plumbing and Heating	#6267	D15. MECHANICAL	*CONSTRUCTION - HARD COSTS*	**8/30/2022**	$ 12,000.00	$ 13,560.00	$ -	$ -	Model Home Related	Borrower Equity
Blue Paradise Construction	#1006	D3. CONCRETE	*CONSTRUCTION - HARD COSTS*	**9/12/2022**	$ 7,550.00	$ 8,531.50	$ -	$ -	Model Home Related	Borrower Equity
Ferrell Builders' Supply Ltd.	#2209-570129	D4. MASONRY	*CONSTRUCTION - HARD COSTS*	**9/13/2022**	$ 12,804.97	$ 14,469.62	$ -	$ -	Model Home Related	Borrower Equity
Ferrell Builders' Supply Ltd.	#2209-570133	D4. MASONRY	*CONSTRUCTION - HARD COSTS*	**9/14/2022**	$ 2,518.82	$ 2,846.27	$ -	$ -	Model Home Related	Borrower Equity
DURO Mechanical	#1049	D12. FURNISHINGS	*CONSTRUCTION - HARD COSTS*	**9/17/2022**	$ 1,001.00	$ 1,131.13	$ -	$ -	Model Home Related	Borrower Equity
Multi-Werx Electric Ltd	#7896	D16. ELECTRICAL	*CONSTRUCTION - HARD COSTS*	**9/19/2022**	$ 31,500.00	$ 35,595.00	$ -	$ -	Model Home Related	Borrower Equity
TJC Systems	#28545	D16. ELECTRICAL	*CONSTRUCTION - HARD COSTS*	**9/23/2022**	$ 1,340.00	$ 1,514.20	$ -	$ -	Model Home Related	Borrower Equity
Ferrell Builders' Supply Ltd.	#2209-573909	D4. MASONRY	*CONSTRUCTION - HARD COSTS*	**9/28/2022**	$ 3,532.45	$ 3,991.67	$ -	$ -	Model Home Related	Borrower Equity
Ferrell Builders' Supply Ltd.	#2209-575039	D4. MASONRY	*CONSTRUCTION - HARD COSTS*	**9/30/2022**	$ 443.56	$ 501.22	$ -	$ -	Model Home Related	Borrower Equity
Ferrell Builders' Supply Ltd.	#2209-576559	D4. MASONRY	*CONSTRUCTION - HARD COSTS*	**9/30/2022**	$ 1,579.02	$ 1,784.29	$ -	$ -	Model Home Related	Borrower Equity
Yvon Insulation Corporation	#32094	D7. THERMAL AND MOISTURE PROTECTION	*CONSTRUCTION - HARD COSTS*	**9/30/2022**	$ 17,950.00	$ 20,283.50	$ -	$ -	Model Home Related	Borrower Equity
Goemans Fireplaces	#2022-703	D9. FINISHES	*CONSTRUCTION - HARD COSTS*	**10/5/2022**	$ 2,612.00	$ 2,951.56	$ -	$ -	Model Home Related	Borrower Equity
Antec Appraisal Group Inc.	#12797	D0. SOFT COSTS / DEVELOPMENT COSTS	*LAND*	**1/4/2022**	$ 2,402.65	*$ 2,715.00*	$ -	$ -	Financing Required	True Up
Antec Appraisal Group Inc.	#12797a	D0. SOFT COSTS / DEVELOPMENT COSTS	*LAND*	**4/18/2022**	$ 3,798.23	*$ 4,292.00*	$ -	$ -	Financing Required	True Up
Merko Nicholson Inc	05-03-2022-04	D0. SOFT COSTS / DEVELOPMENT COSTS	*LAND*	**5/3/2022**	$ 680.00	$ 768.40	$ -	$ -	Environmental Review	Initial Advance
First Canadian Title	N/A	D0. SOFT COSTS / DEVELOPMENT COSTS	*LAND*	**7/1/2022**	$ 19,396.99	$ 21,918.60	$ -	$ -	Title Insurance	Initial Advance
Intech Risk Management	#57031	D0. SOFT COSTS / DEVELOPMENT COSTS	*LAND*	**7/1/2022**	$ 2,057.52	$ 2,325.00	$ -	$ -	Insurance Review	Initial Advance
Main Street Mortgages	N/A	D0. SOFT COSTS / DEVELOPMENT COSTS	*LAND*	**7/1/2022**	$ 109,734.51	*$ 124,000.00*	$ -	$ -	3rd Party Broker Fee: Krystian Catalan	True Up
Grand York Properties Ltd.	N/A	D0. SOFT COSTS / DEVELOPMENT COSTS	*LAND*	**7/1/2022**	$ 111,133.63	*$ 125,581.00*	$ -	$ -	Fee to Vendor	True Up
First Source Financial Management Inc.	N/A	D0. SOFT COSTS / DEVELOPMENT COSTS	*LAND*	**7/1/2022**	$ 59,319.69	*$ 67,031.25*	$ -	$ -	Pentalties from previous Lender	True Up
First Source Financial Management Inc.	N/A	D0. SOFT COSTS / DEVELOPMENT COSTS	*LAND*	**7/1/2022**	$ 7,384.96	*$ 8,345.00*	$ -	$ -	Pentalties from previous Lender	True Up
First Source Financial Management Inc.	N/A	D0. SOFT COSTS / DEVELOPMENT COSTS	*LAND*	**7/1/2022**	$ 59,319.69	*$ 67,031.25*	$ -	$ -	Pentalties from previous Lender	True Up
First Source Financial Management Inc.	N/A	D0. SOFT COSTS / DEVELOPMENT COSTS	*LAND*	**7/1/2022**	$ 7,190.27	*$ 8,125.00*	$ -	$ -	Pentalties from previous Lender	True Up
First Source Financial Management Inc.	N/A	D0. SOFT COSTS / DEVELOPMENT COSTS	*LAND*	**7/1/2022**	$ 74,672.57	*$ 84,380.00*	$ -	$ -	Pentalties from previous Lender	True Up
Landteck Limited	**I21504-111**	**D2. SITE WORK**	***SERVICING - HARD COSTS***	**4/29/2022**	**$ 10,200.00**	**$ 11,526.00**	**$ -**	**$ -**		**Advance 1**
Razor Edge Tree Service	**#20220430**	**D2. SITE WORK**	***SERVICING - HARD COSTS***	**5/2/2022**	**$ 71,291.00**	**$ 80,558.83**	**$ -**	**$ -**	**Clearing of the trees on site**	**Advance 1**
A.J. Clarke & Associates Ltd.	#7004671	D0. SOFT COSTS / DEVELOPMENT COSTS	*SERVICING - SOFT COSTS*	**6/26/2021**	$ 1,745.00	$ 1,971.85	$ -	$ -	Engineering; considered for Cash Equity	Borrower Equity
A.J. Clarke & Associates Ltd.	#7006028	D0. SOFT COSTS / DEVELOPMENT COSTS	*SERVICING - SOFT COSTS*	**11/30/2021**	$ 54,371.25	$ 61,439.51	$ -	$ -	Engineering; considered for Cash Equity	Borrower Equity
A.J. Clarke & Associates Ltd.	#7006192	D0. SOFT COSTS / DEVELOPMENT COSTS	*SERVICING - SOFT COSTS*	**12/22/2021**	$ 19,650.00	$ 22,204.50	$ -	$ -	Engineering; considered for Cash Equity	Borrower Equity
A.J. Clarke & Associates Ltd.	**#7006350**	**D0. SOFT COSTS / DEVELOPMENT COSTS**	***SERVICING - SOFT COSTS***	**1/31/2022**	**$ 24,670.00**	**$ 27,877.10**	**$ -**	**$ -**		**Advance 1**
A.J. Clarke & Associates Ltd.	**#7006483**	**D0. SOFT COSTS / DEVELOPMENT COSTS**	***SERVICING - SOFT COSTS***	**2/18/2022**	**$ 17,137.50**	**$ 19,365.38**	**$ -**	**$ -**		**Advance 2**
A.J. Clarke & Associates Ltd.	**#7006272**	**D0. SOFT COSTS / DEVELOPMENT COSTS**	***SERVICING - SOFT COSTS***	**2/26/2022**	**$ 1,085.00**	**$ 1,226.05**	**$ -**	**$ -**		**Advance 3**
Natural Resources Solutions Inc.	**#221055**	**D2. SITE WORK**	***SERVICING - SOFT COSTS***	**5/31/2022**	**$ 4,443.11**	**$ 5,020.71**	**$ -**	**$ -**	**Nest Searches & Clearence**	**Advance 4**
Landteck Limited	#121504-111	D1. GENERAL REQUIREMENTS	*SERVICING - SOFT COSTS*	**4/29/2022**	$ 10,200.00	**$ 11,526.00**	$ -	$ -	Engineering	
A.J. Clarke & Associates Ltd.	#7007484	D1. GENERAL REQUIREMENTS	*SERVICING - SOFT COSTS*	**8/10/2022**	$ 6,585.00	**$ 7,441.05**	$ -	$ -	Engineering	
A.J. Clarke & Associates Ltd.	#7006783	D1. GENERAL REQUIREMENTS	*SERVICING - SOFT COSTS*	**4/30/2022**	$ 3,405.00	**$ 3,847.65**	$ -	$ -	Engineering	
A.J. Clarke & Associates Ltd.	#7006822	D1. GENERAL REQUIREMENTS	*SERVICING - SOFT COSTS*	**4/30/2022**	$ 1,447.50	**$ 1,635.68**	$ -	$ -	Engineering	
A.J. Clarke & Associates Ltd.	#7006582	D1. GENERAL REQUIREMENTS	*SERVICING - SOFT COSTS*	**3/29/2022**	$ 10,452.74	**$ 11,811.60**	$ -	$ -	Engineering	
A.J. Clarke & Associates Ltd.	#7007040	D1. GENERAL REQUIREMENTS	*SERVICING - SOFT COSTS*	**6/13/2022**	$ 20,078.75	**$ 22,688.99**	$ -	$ -	Engineering	
A.J. Clarke & Associates Ltd.	#7007331	D1. GENERAL REQUIREMENTS	*SERVICING - SOFT COSTS*	**7/31/2022**	$ 1,118.75	**$ 1,264.19**	$ -	$ -	Engineering	
A.J. Clarke & Associates Ltd.	#7007364	D1. GENERAL REQUIREMENTS	*SERVICING - SOFT COSTS*	**7/31/2022**	$ 36,278.75	**$ 40,994.99**	$ -	$ -	Engineering	
A.J. Clarke & Associates Ltd.	#7007703	D1. GENERAL REQUIREMENTS	*SERVICING - SOFT COSTS*	**9/30/2022**	$ 1,388.75	**$ 1,569.29**	$ -	$ -	Engineering	
		TOTAL			**$ 1,102,466.52**	**$ 1,245,787.19**				

Date: _____

Signature: _____

Marshall Zehr

YORK ESTATES
BUDGET TRACKER (MZ FORMAT)

COST TRACKING

	Total Budget	Costs-to-Date	%Completion	Costs-to-Complete
LAND	$ 22,075,000	$ 22,075,000	100.00%	$ -
SERVICING - HARD COSTS	$ 6,441,201	$ 92,085	1.43%	$ 6,349,206
SERVICING - SOFT COSTS	$ 2,916,495	$ 241,885	8.29%	$ 2,674,610
CONSTRUCTION - HARD COSTS	$ 41,178,480	$ 395,305	0.96%	$ 40,783,175
CONSTRUCTION - SOFT COSTS	$ 4,366,681	$ -	0.00%	$ 4,366,681
TOTAL	$ 76,977,946	$ 22,804,274		$ 54,173,672

	8/1/2022	7/1/2022	6/1/2022	5/1/2022	4/1/2022	3/1/2022	2/1/2022	1/1/2022	12/1/2021	11/1/2021	10/1/2021	9/1/2021	8/1/2021	7/1/2021	6/1/2021	5/1/2021	4/1/2021	3/1/2021	2/1/2021	1/1/2021	12/1/2020	11/1/2020	10/1/2020	9/1/2020	8/1/2020	7/1/2020	6/1/2020	5/1/2020	4/1/2020	3/1/2020	2/1/2020	1/1/2020	12/1/2019	11/1/2019	10/1/2019	9/1/2019	8/1/2019	7/1/2019	6/1/2019	5/1/2019	4/1/2019	3/1/2019	2/1/2019	1/1/2019	12/1/2018	11/1/2018	10/1/2018	9/1/2018	8/1/2018	7/1/2018	6/1/2018	5/1/2018	4/1/2018	3/1/2018	2/1/2018	1/1/2018	12/1/2017	11/1/2017	10/1/2017	9/1/2017	8/1/2017	7/1/2017	6/1/2017	5/1/2017	4/1/2017	3/1/2017
LAND	#######																																																																					
SERVICING - HARD COSTS	$ 92,085	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
SERVICING - SOFT COSTS	$ 167,926	$ 42,259	$ 7,441	$ 1,369	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CONSTRUCTION - HARD COSTS	$ 274,149	$ -	$27,556	$60,648	$ 2,952	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CONSTRUCTION - SOFT COSTS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	#######	$ 42,259	$34,997	$62,218	$ 2,952	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

FALSE

This is Exhibit "H" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

From: Lisa Evans
To: Mike Bettiol; Angela Bettiol
Cc: Cecil Hayes; Murray Snedden; Sean Atkinson; Jason Simon
Subject: York Estates - MZGI 452 - Default Notice
Attachments: 2023-03-06 York Estates - Default Notice.pdf

Good afternoon Mike,

Please find the attached Default Notice due to nonpayment of March 1st, 2023 interest.

As detailed in the notice, nonpayment of interest is considered an Event of Default as per the Commitment Letter. Please read the notice in full as it provides details of when this payment is required to avoid further action.

Please contact Cecil if you wish to discuss further.

MarshallZehr

Lisa Evans
Manager - Project Management

T 519 342 1000 **X** 243
C 519-580-4326

marshallzehr.com | email

Agent
MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453

Confidentiality Note: This transmission (including any attachments) may contain confidential information, privileged material (including material protected by the solicitor-client or other applicable privileges), or constitute non-public information. Any use of this information by anyone other than the intended recipient is prohibited. If you have received this transmission in error, please immediately reply to the sender and delete this information from your system. Use, dissemination, distribution, or reproduction of this transmission by unintended recipients is not authorized and may be unlawful.

DocuSign Envelope ID: E22A3B42-6D1C-4996-AD1F-6D3908A46FDF

Marshall Zehr

WITHOUT PREJUDICE - PRIVATE AND CONFIDENTIAL

Monday, March 6, 2023

2557386 Ontario Inc.
588 Upper Gage Ave #363
Hamilton, ON, L8V 4J6
Attention: Michael Bettiol

Dear Michael Bettiol

RE:	**Financing:**	York Estates – MZGI 452
	Default:	Missed Interest Payment
	Borrower:	2557386 Ontario Inc.
	Property Address:	30 Front Street, Haldimand, ON
	Current Maturity Date:	August 1st, 2025

We refer to the Commitment Letter dated June 23, 2022 (the "Agreement") signed by you in relation to the financing (the "Loan") arranged and administered by MarshallZehr Group Inc. ("the Lender") with respect to the above referenced property (the "Project").

Pursuant to Section F, Subsection 1.2 of the Commitment Letter, the following is considered an Event of Default:

> *"If the Borrower defaults in the payment of:*
> ***a) Any interest (including, if applicable, default interest) due on any Advance under this Commitment;***
> *b) Any Fees with respect to this Commitment; or*
> *c) Any other amount not specifically referred to herein payment by the Borrower to the Lender hereunder when due and payable;*
> *And such default continues for three (3) Business Days after notice of such default has been given by the Lender to the Borrower."*

You advised the Lender on February 28th, 2023 that we were not to withdraw the March 1st, 2023 interest payment from the Project bank account on file with the Lender, despite same having been already authorized via Pre Authorize Debit ("PAD") form signed by the Borrower. You were advised on February 28th, 2023 that we would not PAD for the March 1st, 2023 payment, however, the payment was to be wired to MarshallZehr's trust account by no later than 1pm on March 1st, 2023 in order to comply with the terms of the Commitment Letter and avoid an Event of Default. The payment was not received on March 1st, 2023 and as of the date of this letter continues to be outstanding.

The Lender hereby formally notifies you of the said Default(s) and makes Demand for payment of all overdue amounts by no later than 1pm on Thursday, March 9th, 2023. The total overdue amount (missed March 1st interest payment) is $149,501.80, plus compounded interest to be billed on your next invoice cycle. The Lender preserves all rights and remedies under any and all agreements and security provided in connection with the Loan, including right to cancel and demand all amounts owing under the Loan and enforcement of the Loan Security.

Please reach out to the undersigned at your earliest availability to discuss.

Sincerely,

MARSHALLZEHR GROUP INC.

DocuSigned by:

Per: _____6697E6642B774AE_____

Name: Cecil
Title: President

I have the authority to bind the Corporation

This is Exhibit "I" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

Chaitons LLP

REPLY TO: MAYA POLIAK
FILE NO.: 69701
DIRECT: 416-218-1161
EMAIL: maya@chaitons.com

PRIVATE & CONFIDENTIAL

April 6, 2023

VIA EMAIL, REGISTERED AND REGULAR MAIL

2557386 Ontario Inc.
558 Upper Gage Ave. #363
Hamilton, ON, L8V 4J6

Re: Indebtedness of 2557386 Ontario Inc. (the "Borrower") to MarshallZehr Group Inc. (the "Lender")

Dear Sir,

We are the lawyers for the Lender. Pursuant to the Commitment Letter dated June 23, 2022 (the "**Commitment Letter**"), the Lender made available to the Borrower credit facilities in the aggregate maximum principal amount of $26,849,000 (the "**Loan**").

We are advised by the Lender that the Borrower is indebted to the Lender under the Commitment Letter in the amount of **$15,133,933.65** as of April 4, 2023, as detailed in the discharge statement enclosed herewith.

The Borrower's indebtedness to the Lender is secured by, *inter alia*, a Charge/Mortgage in the principal amount of $35 million granted in favour of the Lender and registered on lands municipally known as 30 Front Street, Haldimand, Ontario, as instrument number CH118769, and a General Security Agreement dated June 30, 2022 granted by the Borrower in favour of the Lender (collectively, the "**Security**").

The Borrower defaulted on its obligations to the Lender under the Commitment Letter as a result of, among other things, its failure to make the required interest payments that were due to the Lender on March 1, 2023 and April 1, 2023. As a result, Events of Default occurred under the Commitment Letter, and the Lender is entitled to declare all Obligations under the Commitment Letter to be immediately due and payable.

On behalf of the Lender, we hereby demand payment of the Borrower's indebtedness to the Lender. Unless payment of the amount set out above, together with additional interest accrued and fees and costs (including legal costs) incurred to the date of payment are paid forthwith, the Lender shall take such steps as it deems necessary to recover payment of the Borrower's indebtedness in full, without further demand upon or notice to you.

Enclosed please find the Lender's Notice of Intention to Enforce Security, which is served upon the Borrower pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

Govern yourselves accordingly.

Yours truly,
CHAITONS LLP

Maya Poliak
PARTNER
ENCL.

Cc: MarshallZehr Group Inc.
2363823 Ontario Inc. and Michael Bettiol

DOC#10691923v1

Marshall Zehr

DISCHARGE STATEMENT AT: April 4th, 2023

Prepared on April 4th, 2023 ID#: DS202304041MZGI452

Terms: $26,849,000 1st mortgage for the Servicing and Construction of the York Estates project with a term of 37 months.
Facility 1: $8,000,000: Interest at Prime + 5.30%% per annum
Facility 2A: $15,825,000: Interest at Prime + 5.30% per annum
Facility 2B: $3,024,000: Interest at Prime + 11.05% per annum

Interest shall accrue commencing on the date of the Initial Advance, calculated daily (365 days/year), compounded and payable monthly with interest only payments made from Borrower Draws up to the budgeted amount, after which payments shall be made from the Borrower and/or the Guarantor's own resources.

York Estates - MZGI 452
30 Front Street Haldimand, ON

	Facility 1	Facility 2A	Facility 2B	Total
Principal Amount Outstanding		$ 11,767,500.50	$ 3,024,000.00	$ 14,791,500.50
Unpaid Monthly Interest		$ 241,193.85	$ 91,924.05	$ 333,117.90
Unpaid First Amendment Fee				$ 5,000.00
Outstanding Legal Fees***				$ 3,315.25
Final Discharge Admin Fee				$ 1,000.00
Less: Cash held in Trust				$ -
Total Balance on April 4th, 2023				**$ 15,133,933.65**
Per Diem		$ 3,944.17	$ 1,513.07	$ 5,457.24

Payment must be received by 1:00 p.m. or per diem interest will be added up to the next business day
******Final Legal Fees to be verified at time of closing***

You are authorized and directed to make the balance due payable to our solicitor; **Chaitons LLP "In Trust"**, OR as they may further direct.

MARSHALLZEHR GROUP INC.

DocuSigned by: Murray Snedden 5D7B047774B943F...
Murray Snedden, *Principal Broker*

DocuSigned by: Lisa Evans F7F40E6466094E2...
Lisa Evans, *Manager - Project Management*

Mortgage Administrator #: 11955

E. & O. E.

If Total Payable is not received by the Proposed Settlement Date, then a per diem rate set out above will be charged. This Statement is only valid until April 30th, 2023. Please confirm the Total Payable prior to remitting funds. Balances are projected and are based on the assumption that all outstanding amounts/payments due up to the Proposed Settlement Date are paid as set out therein. MarshallZehr Group Inc. will not provide a discharge of the mortgage until the entire outstanding balance, including interest and costs have been paid and honored.

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **2557386 Ontario Inc.**, an insolvent person

Take notice that:

1. **MarshallZehr Group Inc.**, a secured creditor, intends to enforce its security on all of the present and after-acquired property of 2557486 Ontario Inc.

2. Charge/Mortgage in the principal amount of $35 million granted in favour of the Lender and registered on lands municipally known as 30 Front Street, Haldimand, Ontario, as instrument number CH118769, and a General Security Agreement dated June 30, 2022 granted by the Borrower in favour of the Lender (collectively, the "**Security**").

3. The total amount of indebtedness secured by the Security as at the close of business on April 4, 2023 is **$15,133,933.65** inclusive of principal, interest, and fees (excluding certain legal costs).

4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 6th day of April, 2023

MARSHALLZEHR GROUP INC.,
by its lawyers, Chaitons LLP

Per: _____

Chaitons LLP

REPLY TO: MAYA POLIAK
FILE NO.: 69701
DIRECT: 416-218-1161
EMAIL: maya@chaitons.com

PRIVATE & CONFIDENTIAL

April 6, 2023

VIA E-MAIL, REGISTERED AND REGULAR MAIL

2363823 Ontario Inc. o/a Mariman Homes
558 Upper Gage Ave #363
Hamilton ON
L8V 4J6

Michael Bettiol
3500 Cemetery Road
Binbrook, Ontario
L0R 1C0

Re: Indebtedness of 25573869 Ontario Inc. (the "Borrower") to MarshallZehr Group Inc. (the "Lender")

Dear Sir,

We are the lawyers for the Lender.

Please find enclosed a copy of our letter to the Borrower dated April 6, 2023 demanding payment of its indebtedness and liabilities to the Lender under the Commitment Letter dated June 23, 2022 (the "**Commitment Letter**"), which, as of April 4, 2023, was **$15,133,933.65**.

We refer to a written guarantee dated June 30, 2022 granted by 2363823 Ontario Inc. and Michael Bettiol (collectively, the "**Guarantors**" and individually a **"Guarantor"**) in favour of the Lender (the "**Guarantee**").

Pursuant to the Guarantee, each Guarantor has jointly and severally guaranteed payment of all of the indebtedness and liabilities of the Borrower to the Lender under the Commitment Letter. Each Guarantor's obligations under the Guarantee are secured by, *inter alia*, General Security Agreements each dated June 30, 2022 granted by each Guarantor in favour of the Lender.

The Guarantors' indebtedness and liabilities to the Lender under the Guarantee are payable on demand. On behalf of the Lender, we hereby demand immediate payment of the Guarantors' indebtedness and liabilities to the Lender under the Guarantee.

Enclosed please find a Lender's Notice of Intention to Enforce Security for each Guarantor, which is served upon each Guarantor pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

Govern yourselves accordingly.

Yours truly,
CHAITONS LLP

Maya Poliak
PARTNER
ENCL.

Cc: MarshallZehr Group Inc.

DOC#10692121v1

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **2363823 Ontario Inc. and Michael Bettiol**, insolvent persons

Take notice that:

1. **MarshallZehr Group Inc.**, a secured creditor, intends to enforce its security on all of the present and after-acquired property of 2363823 Ontario Inc. and Michael Bettiol.

2. The security that is to be enforced includes General Security Agreements each dated June 30, 2022 (collectively, the "**Security**").

3. The total amount of indebtedness secured by the Security as at the close of business on April 4, 2023 is **$15,133,933.65** inclusive of principal, interest, and fees (excluding certain legal costs).

4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 6th day of April, 2023.

MARSHALLZEHR GROUP INC.,
by its lawyers, Chaitons LLP

Per: _____

Chaitons LLP

REPLY TO: MAYA POLIAK
FILE NO.: 69701
DIRECT: 416-218-1161
EMAIL: maya@chaitons.com

PRIVATE & CONFIDENTIAL

April 6, 2023

VIA EMAIL, REGISTERED AND REGULAR MAIL

2557386 Ontario Inc.
558 Upper Gage Ave. #363
Hamilton, ON, L8V 4J6

Re: Indebtedness of 2557386 Ontario Inc. (the "Borrower") to MarshallZehr Group Inc. (the "Lender")

Dear Sir,

We are the lawyers for the Lender. Pursuant to the Commitment Letter dated June 23, 2022 (the "**Commitment Letter**"), the Lender made available to the Borrower credit facilities in the aggregate maximum principal amount of $26,849,000 (the "**Loan**").

We are advised by the Lender that the Borrower is indebted to the Lender under the Commitment Letter in the amount of **$15,133,933.65** as of April 4, 2023, as detailed in the discharge statement enclosed herewith.

The Borrower's indebtedness to the Lender is secured by, *inter alia*, a Charge/Mortgage in the principal amount of $35 million granted in favour of the Lender and registered on lands municipally known as 30 Front Street, Haldimand, Ontario, as instrument number CH118769, and a General Security Agreement dated June 30, 2022 granted by the Borrower in favour of the Lender (collectively, the "**Security**").

The Borrower defaulted on its obligations to the Lender under the Commitment Letter as a result of, among other things, its failure to make the required interest payments that were due to the Lender on March 1, 2023 and April 1, 2023. As a result, Events of Default occurred under the Commitment Letter, and the Lender is entitled to declare all Obligations under the Commitment Letter to be immediately due and payable.

On behalf of the Lender, we hereby demand payment of the Borrower's indebtedness to the Lender. Unless payment of the amount set out above, together with additional interest accrued and fees and costs (including legal costs) incurred to the date of payment are paid forthwith, the Lender shall take such steps as it deems necessary to recover payment of the Borrower's indebtedness in full, without further demand upon or notice to you.

Enclosed please find the Lender's Notice of Intention to Enforce Security, which is served upon the Borrower pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

Govern yourselves accordingly.

Yours truly,
CHAITONS LLP

Maya Poliak
PARTNER
ENCL.

Cc: MarshallZehr Group Inc.
2363823 Ontario Inc. and Michael Bettiol

DOC#10691923v1

DocuSign Envelope ID: 141464E8-7940-45CA-AA23-5DC42D4D4CC7

Marshall Zehr

DISCHARGE STATEMENT AT: April 4th, 2023

Prepared on April 4th, 2023 ID#: DS202304041MZGI452

Terms: $26,849,000 1st mortgage for the Servicing and Construction of the York Estates project with a term of 37 months.
Facility 1: $8,000,000: Interest at Prime + 5.30%% per annum
Facility 2A: $15,825,000: Interest at Prime + 5.30% per annum
Facility 2B: $3,024,000: Interest at Prime + 11.05% per annum

Interest shall accrue commencing on the date of the Initial Advance, calculated daily (365 days/year), compounded and payable monthly with interest only payments made from Borrower Draws up to the budgeted amount, after which payments shall be made from the Borrower and/or the Guarantor's own resources.

York Estates - MZGI 452
30 Front Street Haldimand, ON

	Facility 1	Facility 2A	Facility 2B	Total
Principal Amount Outstanding		$ 11,767,500.50	$ 3,024,000.00	$ 14,791,500.50
Unpaid Monthly Interest		$ 241,193.85	$ 91,924.05	$ 333,117.90
Unpaid First Amendment Fee				$ 5,000.00
Outstanding Legal Fees***				$ 3,315.25
Final Discharge Admin Fee				$ 1,000.00
Less: Cash held in Trust				$ -
Total Balance on April 4th, 2023				**$ 15,133,933.65**
Per Diem		$ 3,944.17	$ 1,513.07	$ 5,457.24

Payment must be received by 1:00 p.m. or per diem interest will be added up to the next business day
******Final Legal Fees to be verified at time of closing***

You are authorized and directed to make the balance due payable to our solicitor; **Chaitons LLP "In Trust"**, OR as they may further direct.

MARSHALLZEHR GROUP INC.

DocuSigned by: Murray Snedden 5D7B047774B943F...
Murray Snedden, *Principal Broker*

DocuSigned by: Lisa Evans F7F40E6466094E2...
Lisa Evans, *Manager - Project Management*

Mortgage Administrator #: 11955

E. & O. E.

If Total Payable is not received by the Proposed Settlement Date, then a per diem rate set out above will be charged. This Statement is only valid until April 30th, 2023. Please confirm the Total Payable prior to remitting funds. Balances are projected and are based on the assumption that all outstanding amounts/payments due up to the Proposed Settlement Date are paid as set out therein. MarshallZehr Group Inc. will not provide a discharge of the mortgage until the entire outstanding balance, including interest and costs have been paid and honored.

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **2557386 Ontario Inc.**, an insolvent person

Take notice that:

1. **MarshallZehr Group Inc.**, a secured creditor, intends to enforce its security on all of the present and after-acquired property of 2557486 Ontario Inc.

2. Charge/Mortgage in the principal amount of $35 million granted in favour of the Lender and registered on lands municipally known as 30 Front Street, Haldimand, Ontario, as instrument number CH118769, and a General Security Agreement dated June 30, 2022 granted by the Borrower in favour of the Lender (collectively, the "**Security**").

3. The total amount of indebtedness secured by the Security as at the close of business on April 4, 2023 is **$15,133,933.65** inclusive of principal, interest, and fees (excluding certain legal costs).

4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 6th day of April, 2023

MARSHALLZEHR GROUP INC.,
by its lawyers, Chaitons LLP

Per: _____

This is Exhibit "J" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

DocuSign Envelope ID: BAD99DFA-4018-4E25-A395-AE3E5D3E84BD

SETTLEMENT AGREEMENT

THIS AGREEMENT made the 5th day of June, 2023,

BETWEEN:

MARSHALLZEHR GROUP INC.
("**MarshallZehr**")

– and –

2557386 ONTARIO INC. (the "**Debtor**")

-and-

2363823 ONTARIO INC. o/a MARIMAN HOMES (the "**Corporate Guarantor**")

-and-

1000258812 ONTARIO INC. ("812")

RECITALS:

A. Pursuant to a Commitment Letter dated June 23, 2022, as amended, (the "**Commitment Letter**"), MarshallZehr, for a syndicate of lenders (collectively, "**MarshallZehr**"), agreed to provide a loan to the Debtor in the maximum principal amount of $26,849,000 (the "**Loan**"). MarshallZehr is a lender and the administrator of the Loan.

B. Pursuant to a joint and several guarantee dated June 30, 2022 (the "**Guarantee**"), the Corporate Guarantor and Michael Bettiol (together with the Corporate Guarantor and the Debtor, the "**Obligors**") jointly and severally guaranteed all of the Debtor's obligations to MarshallZehr.

B. The Obligors have committed numerous Events of Default under the Commitment Letter and MarshallZehr's security.

C. On April 6, 2023, MarshallZehr served demands for payment (the "**Demands**") and notices of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) on the Obligors.

D. On May 12, 2023, MarshallZehr commenced an application bearing Court File No. CV-23-00699432-00CL (the "**Receivership Application**") for the appointment of KSV Restructuring Inc. as receiver of the property, assets and undertakings of the Debtor and the Corporate Guarantor (the "**Receiver**").

E. On May 30, 2023, MarshallZehr and the Obligors agreed to settle the Receivership Application in accordance with the terms of this Agreement.

DocuSign Envelope ID: BAD99DFA-4018-4E25-A395-AE3E5D3E84BD

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the parties agree as follows:

1. The parties hereto acknowledge and agree that each of the foregoing recitals is true and accurate both in substance and in fact.

2. As of April 4, 2023, the amount owing by the Debtor to MarshallZehr under the Loan is $15,133,933.65 for principal, interest and fees (excluding legal costs) as detailed in the Demands (the "**Indebtedness**").

3. The Debtor shall pay to MarshallZehr:

   (a) $100,000 by no later than 2:00 pm on June 9, 2023;

   (b) $100,000 by no later than 2:00 pm on June 19, 2023;

   (c) $300,000 by no later than 2:00 pm on June 30, 2023; and

   (d) the balance of the Indebtedness by no later than 2:00 pm on October 30, 2023 (the "**Forbearance Termination Date**") .

4. The Debtor agrees to an interest reserve under the Loan effective May 31, 2023 in the amount of $711,000 (the "**Interest Reserve**").

5. The Debtor advised MarshallZehr that it does not have the financial resources to establish the Interest Reserve concurrent with the execution of this Agreement. The Obligors and 812 agree that as security for the Interest Reserve, 812 shall grant a collateral charge/mortgage in the principal amount of $1,000,000 against the property bearing legal description of:

   PIN: 38144-0187(LT)

   Property Description: PT GRANT TO JAMES DAVIS SENECA BEING PT 1 18R6735; SAVE AND EXCEPT PTS 1 & 2 18R6822, PTS 1, 2 & 3 18R6978, AND PT 1 18R7367 HALDIMAND COUNTY (the "**Property**")

   on the terms set out in the charge/mortgage attached as **Schedule "A"** to this Agreement (the "**Charge**").

6. The Debtor and 812 agree that in the event that the Property is sold or refinanced before the Forbearance Termination Date, the proceeds from the sale or refinancing up to the amount of the Charge shall be used first to fund the Interest Reserve in full, which shall be deposited with MarshallZehr, with the balance applied by MarshallZehr to reduce the amount of the Indebtedness.

7. The Obligors and 812 agree to reimburse MarshallZehr in respect of all reasonable expenses (including fees and disbursements at its lawyers' normal charges) which

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MarshallZehr has incurred or will incur in connection with the review of the Charge, the negotiation and preparation of this Agreement, the administration and the enforcement of the Indebtedness and this Agreement. To the extent that such expenses have not been included in the Indebtedness, MarshallZehr may pay such expenses directly and the amount so paid shall form part of the Indebtedness, shall bear interest from the date of payment at the highest rate payable by the Debtor for any of the Indebtedness to MarshallZehr and shall be secured by the security granted by the Obligors and 812, including the Charge.

8. The Debtor shall pay to MarshallZehr a forbearance fee in the amount of $150,000 which shall be added to the Indebtedness.

9. Concurrent with the execution of this Agreement, the Debtor and the Corporate Guarantor hereby consent to the issuance of the receivership order in the form included in the Receivership Application record and attached hereto as **Schedule "B"** (the "**Consent**")

10. The following constitute an "**Event of Default**" under this Agreement:

    (a) Failure to pay any of the amounts owing under this Agreement in accordance with the prescribed timelines; and

    (b) Failure to comply with any other terms of this Agreement.

11. The Consent may be utilized by MarshallZehr at any time after the occurrence of an Event of Default, acting in MarshallZehr's sole and unfettered discretion. The Borrower and the Corporate Guarantor agree not to contest the appointment of the Receiver on any basis whatsoever. The Borrower and the Corporate Guarantor shall take no step or action that may in any way delay or interfere with the appointment of the Receiver.

12. The Receivership Application shall be adjourned *sine die*. If the Borrower has paid the Indebtedness in full on or before the Forbearance Termination Date, the Receivership Application shall be withdrawn on a without costs basis.

13. This Agreement and all other documents to be executed and delivered pursuant to this Agreement constitute the entire agreement between the parties hereto as to the matters dealt with herein or therein and supersede all prior negotiations, understandings and agreements. Any amendment to this Agreement or waiver of any provision of this Agreement must be in writing and signed by the parties hereto.

14. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

15. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, successors and assigns.

16. This Agreement may be signed in counterparts and exchanged via facsimile transmission or e-mail and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

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IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date first above written.

REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

2557386 ONTARIO INC.

DocuSigned by:

Per: EFFC4443B3D54AA...

Name: Michael Bettiol

Title Presid

I have authority to bind the corporation.

2363823 ONTARIO INC. o/a MARIMAN HOMES

DocuSigned by:

Per: EFFC4443B3D54AA...

Name: Michael Bettiol

Title Presid

I have authority to bind the corporation.

1000258812 ONTARIO INC.

DocuSigned by:

Per: EFFC4443B3D54AA...

Name: Michael Bettiol

Title Presid

I have authority to bind the corporation.

MARSHALL ZEHR GROUP INC.

Per:

Name: CECIL HAYES

Title PRESIDENT.

I have authority to bind the corporation.

DocuSign Envelope ID: BAD99DFA-4018-4E25-A395-AE3E5D3E84BD

SCHEDULE "A"

CHARGE/MORTGAGE

Properties

PIN 38144 - 0187 LT *Interest/Estate* Fee Simple

Description PT GRANT TO JAMES DAVIS SENECA BEING PT 1 18R6735; SAVE AND EXCEPT PTS 1 & 2 18R6822, PTS 1, 2 & 3 18R6978, AND PT 1 18R7367; HALDIMAND COUNTY

Address YORK

Chargor(s)

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

Name 1000258812 ONTARIO INC.
Acting as a company

Address for Service 558 Upper Gage Avenue, Unit 363, Hamilton, Ontario L8V 4J6

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

Chargee(s) *Capacity* *Share*

Name MARSHALLZEHR GROUP INC.
Acting as a company

Address for Service 412 Albert St., Suite 100, Waterloo, Ontario N2L 3V3

Statements

Schedule:

Provisions

Principal $1,000,000.00 *Currency* CDN

Calculation Period

Balance Due Date on demand

Interest Rate

Payments

Interest Adjustment Date

Payment Date

First Payment Date

Last Payment Date

Standard Charge Terms

Insurance Amount Full insurable value

Guarantor

SCHEDULE "A" – ADDITIONAL PROVISIONS

1. COLLATERAL MORTGAGE

This charge/mortgage of land (the "**Collateral Charge**") is given by 1000258812 Ontario Inc. (the "**Chargor**") as collateral security for the liabilities and obligations of 2557386 Ontario Inc. (the "**Debtor**") to MarshallZehr Group Inc. ("**MZG**") pursuant to the settlement agreement dated May 30, 2023 (the "**Settlement Agreement**") among MZG, the Debtor, the Chargor and 2363823 Ontario Inc., o/a Mariman Homes. The total amount secured by this Collateral Charge shall not exceed the principal sum of One Million ($1,000,000) Dollars together costs thereon.

2. DEFAULT

The Chargor acknowledges and agrees that a default under the Settlement Agreement, the Priority Charge (as hereinafter defined) and/or any of the collateral security granted by the Obligors (as such term is defined in the Settlement Agreement) in connection with the Settlement Agreement shall (i) constitute a default by the Chargor under this Collateral Charge and (ii) entitle MZG to exercise any and all remedies available to it in connection therewith. For clarity, in the event of a default under this Collateral Charge, MZG may, at its option by notice in writing to the Chargor, immediately declare the whole of the outstanding principal hereby secured to be due and payable and exercise all of the remedies available to it under this Collateral Charge, in equity and/or at law. For purposes of this Section, the "**Priority Charge**" means the charge/mortgage of land granted by the Chargor in favour of 1372301 Canada Inc., 2689918 Ontario Inc. and 1000158298 Ontario Inc. on August 19, 2022 against title to the property secured hereby (the "**Property**").

3. STANDARD CHARGE TERMS

In the event of any inconsistency between the terms of this schedule to the Collateral Charge and the terms of standard charge terms number 200033, the terms of this schedule to the Collateral Charge shall prevail and the inclusion of any term in standard charge terms number 200033 that is not set out in this schedule to the Collateral Charge shall not be an inconsistency.

4. DUE ON SALE

If the Chargor sells, conveys, transfers or enters into any agreement of sale or transfer of the title of the Property and/or any part thereof, without the written consent of MZG, which consent shall not be unreasonably withheld, the balance of the principal then outstanding and all amounts secured by this Collateral Charge shall, at the option of MZG, become immediately due and payable.

5. NON-MERGER

Notwithstanding the registration of this Collateral Charge, the Chargor hereby acknowledges that the terms, conditions, obligations, liabilities, warranties and representations contained in the Settlement Agreement shall not merge but shall remain binding and effective upon the parties hereto and in full force effect. It is understood and agreed that any default under the Settlement Agreement shall be deemed a default under this Collateral Charge. In the event of an inconsistency or conflict between any of the terms of this Collateral Charge and the terms of the Settlement Agreement, the terms of the Settlement Agreement shall prevail.

6. NO FURTHER CHARGE/ENCUMBRANCE

In the event that the Chargor further charges, mortgages or encumbers the Property in any way without first obtaining the written consent of MZG, which consent shall not be unreasonably withheld, then at the option of MZG, the balance of the principal then outstanding and all amounts secured by this Collateral Charge shall, at the option of MZG, become immediately due and payable.

7. APPOINTMENT OF RECEIVER

If the Chargor shall be in default in the observance or performance of any of the terms, conditions, covenants or payments described herein or in any additional or collateral security given by the Chargor to MZG, then MZG may in writing appoint any person, whether an officer or employee of MZG or not, to be a Receiver of the Property and the rents and profits derived therefrom and may remove the Receiver so appointed and appoint another in his stead. The term "**Receiver**" as used herein includes a receiver and manager. The following provisions shall apply to this paragraph:

(a) The Receiver so appointed is conclusively the Chargor's agent and the Chargor shall be solely responsible for the acts or defaults and for the remuneration and expenses of the Receiver. MZG shall not be responsible in any way for any misconduct or negligence on the part of the Receiver and may, from time to time, fix the remuneration of the Receiver and be at liberty to direct the payment thereof from proceeds collected;

(b) Nothing contained herein and nothing done by MZG or by the Receiver shall render MZG a mortgagee in possession or responsible as such;

(c) All monies received by the Receiver, after providing for payment and charges ranking prior to this charge and for all applicable costs shall be applied in or towards satisfaction of the remaining monies payable under MZG;

(d) The Receiver so appointed shall have the power to:

(i) take possession of the Property, collect rents and profits, and realize upon additional or collateral security granted by the Chargor to MZG and for that purpose may take proceedings, be they legal or otherwise in the Chargor's name or otherwise;

(ii) carry on or occur in carrying on the business which the Chargor is conducting on and from the Property, and for that purpose borrow money on the security of the Property in priority to this Collateral Charge; and

(iii) lease all or any portion of the Property and for this purpose execute contracts in the Chargor's name which said contracts shall be binding upon the Chargor.

This is Exhibit "K" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

privileged

From: Mike Bettiol
Sent: December 13, 2023 10:51 AM
To: Cecil Hayes <chayes@marshallzehr.com>
Cc: Mike Bettiol <mikeb@marimanhomes.com>
Subject: York Estates

Good morning Cecil,

As we chatted yesterday, I have a scenario that I am looking for your input/feedback on for Grand York Estates.

I apologize in advance if what I am trying to present is too confusing, but I have tried to break it down into 2 phases. Fingers crossed I did a good job in doing this. Basically I am proposing that we sell our model home and 6 lots right away, and then once the roads are in, we sell enough of the remaining lots needed until MZ is paid off.

The following is the current estate of affairs if we were in a position with Marshal Zehr to move forward with the survey:

PHASE ONE

1. I believe we currently owe about $15,500,000 on our existing first mortgage with MZ.
2. We owe Van Rooyen Excavating $2,000,000. They have about 2 weeks worth of grading to do to be completely finished the overall redistribution of 2 million cubic meters of soil on the site.
3. We then have Southbrant Excavating ready to go to do final grading, road prep, catch basins, retention pond and roads. This contract is for $3,600,000.
4. We are also ready to register the subdivision agreement and obtain our PIN numbers. We have to post securities for this, which would be about $1,000,000.
5. We then need about $150,000 to finish the model home.
6. Lastly, we have about $100,000 in engineering costs to pay to finalize everything.

The total amount for these final services to complete the subdivision and be in a position for building permits is $6,850,000.

If we add this amount to the amount owing on the first mortgage, then this totals $22,350,000.

To get the survey moving again with MZ, my suggestion is this:

1. Advance the $6,850,000 in draws as needed to complete the survey and register the subdivision agreement.
2. While this is happening, Mariman lists and sells the model home once it is finished. A top local real estate agent suggests a listing price of $1,850,000.
3. We also list 6 of the custom lots we have in inventory for $750,000. Again, this valuation is from this same agent. As there are **ZERO** building lots of this caliber for sale in Haldimand County, he feels selling these 6 lots and the model home will not be difficult to sell.
4. We set the closing date for all 7 sales to be in conjunction as to when the Township grants us the green light to apply for building permits. I anticipate this to be the end of July.

The total sales for the model home and 6 lots would be $6,350,000, less commissions.

I would propose that MZ takes $5,000,000 from these sales to put towards interest owing, and an interest reserve for the future.

PHASE TWO

If Phase One is acceptable to MZ, then Mariman further proposes that once the roads are in, and the building permits are available, then Mariman's agent reaches out to all of the local custom home builders to sell the remaining lots needed to pay off MZ in total.

This agent feels that right out of the gate he could probably sell 3 groups of 10 lots to 3 builder's he knows. To make it appealing to these builders, the agent suggests the builders get a builder discount for taking 10 lots at a time. He feels $600,000 per lot would be the right number.

This would equate to another $18,000,000 in revenue coming in. From this 18 million, Buyer deposits would have to be returned, with the balance of the funds being paid to MZ.

We continue to do this with either Builders or single one off sales to Joe Public until MZ is paid off.

I feel that with the sale of between 40 and 45 lots, and the model home, MZ would be paid off completely, which would actually leave Mariman with 20 lots free and clear.

I know this is a lot to absorb, but let's chat and see if we can tweak this to work.

Call me when you can.

Mike

This is Exhibit "L" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	WEDNESDAY, THE 16TH
	)	
JUSTICE OSBORNE	)	DAY OF JANUARY, 2024

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

2557386 ONTARIO INC. and 2363823 ONTARIO INC.
o/a MARIMAN HOMES

Respondents

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

ORDER
(Appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing KSV Restructuring Inc. as receiver (the **"Receiver"**) without security, of all of the assets, undertakings and properties of 2557386 Ontario Inc. and 2363823 Ontario Inc., o/a Mariman Homes (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, was heard this day via videoconference.

ON READING the affidavit of Cecil Hayes sworn May 15, 2023 and the Exhibits thereto, the affidavit of Cecil Hayes sworn January 16, 2024 and on reading the consent of KSV Restructuring Inc. to act as the Receiver and the consent of the Respondents to this Order,

APPOINTMENT

1. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "**Property**"), including, without limitation, the real property described in **Schedule "A"** attached hereto.

RECEIVER'S POWERS

2. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking

of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;

(g) to settle, extend or compromise any indebtedness owing to the Debtors;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;

(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $100,000, provided that the aggregate consideration for all such transactions does not exceed $500,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. **THIS COURT ORDERS** that (i) the Debtors, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

4. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege

attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

6. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon

application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this

Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. **THIS COURT ORDERS** that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information

provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order

shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider

necessary or desirable, provided that the outstanding principal amount does not exceed $100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "B"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

23. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

RETENTION OF COUNSEL

24. **THIS COURT ORDERS** that the Receiver may retain lawyers to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order. Such lawyers may include Chaitons LLP, lawyers for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent lawyers in respect of any legal advice or services where a conflict exists, or may exist.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL "https://www.ksvadvisory.com/experience/case/grand-York-estates".

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier,

personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

27. **THIS COURT ORDERS** that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

28. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

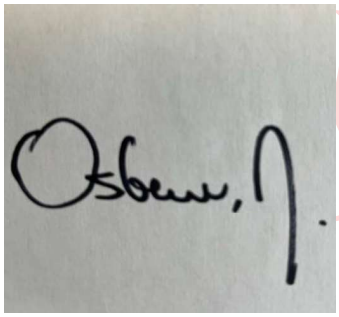
30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Applicant from the Debtors' estate with such priority and at such time as this Court may determine.

33. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

34. **THIS COURT ORDERS** that this order is effective from the date it is made, and it is enforceable without any need for entry and filing, provided that any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be.



2024.01.17 09:40:43 -05'00'

SCHEDULE "A"

Property owned by 2557386 Ontario Inc.

Municipal Address: 30 Front Street, Haldimand, Ontario

PIN: 38148-0128 (LT)

Property Description: PART WARNER NELLES TRACT DESIGNATED AS PART 1, 18R-7058; SAVE & EXCEPT PART 1, 18R-7281; T/W EASEMENT OVER PART 2, 18R-7058 AS IN HC252899; TOWNSHIP OF SENECA; HALDIMAND COUNTY

Property owned by 2363823 Ontario Inc.

Municipal Address: 178 Moores Road, Haldimand, Ontario

PIN: 38147-0005 (LT)

Property Description: PT LT 19 CON 4 SE STONEY CREEK RD SENECA AS IN HC68736; HALDIMAND COUNTY

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of 2557386 Ontario Inc. and 2363823 Ontario Inc. (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ● day of May, 2023 (the "**Order**") made in an application having Court file number CV-23-00699432-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $_____, being part of the total principal sum of $_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 202__.

KSV RESTRUCTURING INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

MARSHALLZEHR GROUP INC.
Applicant

-and-

2557386 ONTARIO INC., et al.
Respondents

Court File No. CV- 23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

ORDER
(Appointing Receiver)

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

Maya Poliak (54100A)
Tel: (416) 218-1161
E-mail: maya@chaitons.com

Lawyers for the Applicant

This is Exhibit "M" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

CO Capital

January 21, 2024

To: Mike Bettiol and Mariman Homes

RE: LETTER OF INTENT FOR 30 FRONT ROAD, YORK, ONTARIO

Further to the information that you have provided CO Capital LTD. is prepared to issue a Commitment Letter for the Refinance of the current First Mortgage and too provide Construction Finance for the subject property secured by a First Mortgage on the above property, based on the following terms and conditions:

Total Loan Amount: ~~$21,000,000.00~~ 30,000,000 MB

Loan Amount to be advanced in Stages: ~~$17,537,100.00~~ 26,403,000 MB

Interest Reserve: $ ~~2,517,900.00~~ 3,597,000 MB

12 Months Prorated As per Advance INITIAL ADVANCE - 22,500,000 MB (FEES, RESERVE, LEGALS, 1st CONTRACTORS) MB

2ND ADV. - 2,000,000 - MAY 2024 MB (ROADS, HYDRO, ENGINEER)

3RD ADV. - 1.8M - AUG 2024 MB (FINAL PMT FOR ABOVE)

Security: First Mortgage

Term: 12 Month Closed

Interest Rate: Floating at the greater of 11.99% per annum, or the greater of TD Canada Trust Prime Rate plus 5.04% per annum.

Borrower: Mariman Homes

Guarantor: Mike Bettiol

Fees:

Commitment Fee: 2.50% of the Loan Amount (~~$525,000.00~~) 750,000 MB

Broker Fee: 2.00% of the Loan Amount (~~$420,000.00~~) 600,000 MB

Standby Fee: The Borrowers shall provide a standby deposit in the amount of $89,250.00 in connection with the issuance of the Letter of Intent (the "Standby Deposit'). In the event the Borrower enters into the Commitment Letter issued by CO Capital LTD the Standby Deposit will serve as a Standby Fee under the Commitment Letter under the terms set out for such Standby Fee in the Commitment Letter. The "Standby Fee" will be subject to all legal and administrative fees incurred should The Commitment be declined by the Borrower, or any information that is discovered or arises during the due diligence process that wasn't disclosed by the Borrower and that would negatively. impact the Lender's decision to complete this transaction.

DRAFT

Conditions:

1. Current or New Appraisal and reliance letter by a AACI Appraiser approved and addressed to CO Capital LTD.
2. Applicable underwriting conditions to be set out in the Commitment Letter.
3. Additional Documents that may be required for Underwriting.
4. Picture ID to be provided by Applicant
5. Notice of Assessment for Applicant
6. Municipal Taxes for subject property
7. Personal Net Worth of Applicant
8. Exit Strategy
9. Bio of Applicant
10. T2 For the Corporation
11. Environmental
12. Construction Budget and Schedule to be provided and reviewed by A certified Quantifier arranged by CO Capital Ltd. at borrower's expense. Draw schedule and advances TBD.
13. A call between the Lender and Borrower is to be arranged by the Broker upon acceptance of this Letter of Intent.
14. Trust Ledger from Law Firm to be provided for presales.

DRAFT

This Letter of Intent is open for acceptance to proceed to Commitment Letter stage until 5:00pm EST January ~~24~~ 31, 2024. Should the Letter of Intent lapse the said Lender Fee is subject to an increase of .5% for reinstatement of this Letter of Intent.

Attached herewith are the banking details. Please ensure that a copy of the Wire or E-Transfer confirmation for the "Standby Fee" is provided referencing the project or subject property via email to admin@a1capitallenders.com to ensure proper allocation of funds.

Yours truly,

Felicia Bruni

Felicia Bruni
Operations Manager/Director
CO Capital LTD.

ACCEPTANCE

Accepted at Hamilton this 28 day of January, 2023.

As Borrower:

Mariman Homes

Per: _____
I have the authority to sign on behalf of the company.

As Guarantor:

Mike Bettiol

Per: _____

DRAFT

WIRING AND OR E-TRANSFER INSTRUCTIONS

WIRE INSTRUCTIONS

Company Name: 1000342562 Ontario Ltd
8500 Leslie Street
Thornhill, Ontario
L3T 7M8

Bank Name & Address:
RBC
99 Mapleview Drive West
Barrie, Ontario
L4N 9H7

Bank Account: 1003458

Transit Number: 00292

Institution Number: 003

E-Transfer Instructions:

admin@a1capitallenders.com

Please ensure that the project or company name is referenced

DRAFT

8500 Leslie St suite 260, Markham, ON

COMPANIES OFFICE
OFFICE DES COMPAGNIES

Manitoba

File Summary

Registry No : **10176541**
Entity Name : **CO CAPITAL LTD.**

As of : 27-Oct-2024

Entity Name :	CO CAPITAL LTD.
Registry No :	10176541
Business No :	795483213MC0001
Current Status :	Active
Entity Type :	BUSINESS CORPORATION
Entity Sub Type :	EXTRA-PROVINCIAL - SHARE CORPORATION
Incorp/Amalg Date :	19-Oct-2022
Home Jurisdiction :	ONTARIO
Date Registered in Manitoba :	12-Sep-2023
Annual Return/Renewal Date :	30-Nov-2024
Year of Last A/R - Renewal :	2023
Nature of Business :	INVESTMENT/LENDING CORPORATION
NAICS Code :	522291

Registered Office Address :

Effective date, if changing address :	12-Sep-2023
Address :	80 NASHDENE ROAD, 120 (LOWER LEVEL)
City/Province :	TORONTO, ON
Country/Postal Code :	CANADA, M1V 5E4

Mailing Address :

Name :	
Address :	8500 LESLIE STREET
City/Province :	MARKHAM, ON
Country/Postal Code :	CANADA, L3T 7M8

Director Information :

Date Became :	02-Nov-2023
Name :	BRUNI, FELICIA
Address :	8500 LESLIE STREET
City/Province :	MARKHAM, ON
Country/Postal Code :	CANADA, L3T 7M8

Power(s) of Attorney :

Name :	GUERTIN, SAMUEL K.
Address :	7 DONALD STREET
City/Province :	WINNIPEG, MB
Country/Postal Code :	CANADA, R3L 2S6

Event History :

Event	Date :	Filing Year :
REGISTRATION	12-Sep-2023	
REQUEST BN15 FOR REGISTERED ENTITY	12-Sep-2023	
HUB: ASSIGN BN15 FOR BN	12-Sep-2023	
ANNUAL RETURN (Filed on the Web)	02-Nov-2023	2023

The accuracy of this information is not guaranteed. In particular, it is possible that certain filings have been received which have not yet been updated onto the system. You should consult original documents or obtain appropriate certificates when you need to be certain of information.

This is Exhibit "N" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

CO CAPITAL

MORTGAGE LOAN COMMITMENT

July 24, 2024

To: Mike Bettiol and 2557386 Ontario Inc.

We are pleased to confirm that CO Capital LTD has agreed to offer a Conditional Mortgage Loan a Commitment (herein, the "**Loan**") and is only conditional until receipt of the terms and conditions to be obtained from the receiver. The terms and conditions set out herein, to be further supplemented by the legal registration documents:

1. **Mortgagee:** CO Capital Ltd. (hereinafter referred to as the "**Mortgagee**")

2. **Borrower/Mortgagor:** 2557386 Ontario Inc. (hereinafter, referred to as the "**Mortgagor**")

3. **Guarantor(s)**: Mike Bettiol (collectively the "**Guarantors**"), providing joint and several guarantees for the full amount of the Loan and all accrued and unpaid interest and fees thereon.

4. **Mortgaged Property: The MUNICIPALLY KNOWN AS 30 FRONT STREET, YORK, ONTARIO, (**the "**Property**") AND LEGALLY DESCRIBED AS: Part WARNERN NELLES TRACT DESIGNATED AS PART 1, 18R-7058; SAVE & EXCEPT PART 1, 18R-7281, T/W EASEMENT OVER PART 2, 18R-7058 AS IN HC252899, TOWNSHIP OF SENECA, HALDIMAND COUNTY, PIN: 38148-0128 (LT) and cross collateral on Lots 16 & 17 Concession 14, Town of Pelham, Regional Municipality of Niagara, Ontario.

5. **Priority:** First Mortgage on the Property (the "**Mortgage**")

6. **Principal Amount of the Loan:** $25,000,000.00 (the "**Principal Amount**")

7. **Interest Reserve:** $3,125,000.00 **(12 Months)**

8. **Term:** 12 Month Closed (the "**Term**")

9. **Interest Rate:** The greater of 12.50% annually or TD Prime Plus 5.15% annually, calculated semi-annually, not in advance, both before and after maturity, default and judgment. "**TD Prime**" means the rate of interest per annum (based on a 365 day year) established and reported by The Toronto-Dominion Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that The Toronto-Dominion Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

10. **Payment Amount:** Interest only payments $260,416.67 (or such other amount as may be advised by the Mortgagee to the Mortgagor based upon the interest rate in effect at the

time of the Mortgage and calculated per draw advance) shall be paid monthly from the Interest Reserve on any amounts advanced under the Mortgage. Borrower agrees to provide consent to CO Capital Ltd. to withdraw pre-authorized payments, from the Interest Reserve.

11. Fees and Closing Costs:

a. Whether or not the Loan transaction is completed, the Mortgagor shall be responsible for all reasonable legal costs of the Mortgagee and the Mortgagor's Independent Legal Counsel as related to all aspects of this Loan.

b. The Mortgagor shall be responsible for all other fees and costs related to the registration of this Mortgage including but not limited to issuance of a satisfactory lender's title insurance policy on the Property.

c. Commitment Fee (payable by Mortgagor) equivalent to 2.50% of the Principal Amount, payable to the Mortgagee: $625,000.00 CAD collected and to be deducted from the Mortgage first advance less the deposit of $109,100.00, already received.

d. Interest Adjustment, at the contractual rate of interest herein if applicable, to be taken from the first advance.

e. Broker Fee equivalent to 2.00% of the Principal Amount, payable to the Broker: $605,000.00 CAD collected to be deducted from the Mortgage first advance. Letters of Direction to be provided.

f. All fees are non-refundable notwithstanding any prepayment.

12. Prepayment Fee: Equal to 3 months interest payments

13. Closing Date: August 30th, 2024. (or to be mutually agreed)

14. Interest Adjustment Date: August 30th, 2024

15. First Payment Date: October 1st, 2024

16. Last Payment Due Date: September 1st, 2025

17. Conditions Prior to Fund Advance: The Mortgagee's obligation to advance mortgage funding is conditional upon receipt of the following:

i. Satisfactory Financial Statements or Verification of income for the Mortgagor and Guarantors, in the Mortgagee's sole discretion.

ii. Satisfactory evidence of valuation of the Property addressed to and sent directly to to CO Capital Lenders Ltd.

iii. Satisfactory proof of insurance, including a Certificate of Fire (full replacement value), business (including business/rental interruption) and Liability (minimum $5,000,000 per occurrence) insurance coverage, listing the Mortgagee as a First Mortgagee/Loss Payee and Additional Insured.

iv. Satisfactory proof that all Canada Revenue Agency liabilities, source deductions and other priority payables are paid and all accounts are in good standing and up-to-date, in the sole and absolute discretion of the Mortgagee.

v. Satisfactory current Property Tax Statements with Roll Number and Customer Number required prior to funding.

vi. Realty taxes are to be up-to-date and shall be paid directly from the proceeds of the Mortgage should they be in arrears.

vii. If applicable, all outstanding creditor collection matters, judgments, and delinquent accounts relating to the Mortgagor or Guarantors shall be paid in full, from the proceeds of this Mortgage, and Payout Statements regarding same are required prior to funding.

viii. Discharge of any title encumbrances as required by the Mortgagee. Discharge of the mortgage in favour of Marshall Zehr Group Inc. (MZ) and the Vanrooyen Earthmoving Ltd lien in the amount of $1,709,901.00

ix. A duly executed copy of this Mortgage Loan Commitment.

x. Duly executed copies of legal documents, security documents, mortgage registration documents, in the manner and priorities as required by the Mortgagee.

xi. Any Mortgagor or Guarantor who is a natural person or individual must obtain Independent Legal Representation with respect to this mortgage transaction.

xii. The obtaining of satisfactory title insurance, obtained by the Mortgagee's solicitor, at the expense of the Mortgagor.

xiii. Should the Mortgagor or any Guarantor be a corporation, the corporation's Articles of Incorporation shall be provided to the Mortgagee, along with other corporate documents requested by the Mortgagee's solicitor, and the Mortgagee shall satisfy itself, in its sole and absolute discretion that the signatory of the Mortgagor/Guarantor has the authority to bind the corporation.

xiv. The solicitor for the Mortgagor and the Guarantors shall provide corporate and enforceability opinions satisfactory to the Mortgagee's solicitor.

xv. Copies of any leases affecting the Property, and postponements and estoppel certificates from tenants, if requested by the Mortgagee.

xvi. Interest only payments will be calculated as per draw.

xvii. Satisfactory estoppel letters or acknowledgments from any secured creditors of the Mortgagor or the Guarantors with registrations against their respective personal property under the *Personal Property Security Act* .

xviii. Any other information and documentation as may be reasonably requested by the Mortgagee.

xix. Receipt and approval of these terms and conditions by KSV Restructuring Inc. (the "**Receiver**") in respect of the Receivership Proceeding bearing Ontario Superior Court of Justice Court File Number CV-23-00699432-00CL (the **"Receivership Proceeding"**).

xx. Receipt of the current dated and signed Agreement for each of the 55 presold Lots from the purchasers verifying that they are committed to proceed with the Builder and will not be seeking return of their deposit.

xxi. Funds to be used to payout the current mortgage, Builders Lien, Receiver Costs, Legal Fees, Lender and Broker Fees. Additional funds remaining shall be held in Trust with CO Capital's legal counsel and will only be used for the sole purpose of

this project on the Primary Mortgaged Property stated above. Additional funds will be released on a draw basis schedule (yet to be determined) certified by a Certified Quantifier arranged by CO Capital at the Borrowers expense.

18. **Conditions in Favour of the Mortgagor:** The Mortgagor's obligation to complete the funding transaction contemplated in this Mortgage Loan Commitment and its liability to pay any of the Fees and costs set out herein, including as set out in Section 11 hereof, are in all respects conditional on the following:

    xxii. Receipt and approval of this Mortgage Commitment Letter and the terms contained herein by the Receiver.

    xxiii. Receipt and approval of a discharge statement to be provided by MZ.

    xxiv. Approval of this Mortgage Commitment Letter and the terms contained herein by the Court in respect of the Receivership Proceeding, including a form of order acceptable to the Borrower and Guarantor, acting reasonably, which order shall include, among other things, a discharge of the Receiver and a termination of the Receivership Proceeding.

19. **Security**: The security documentation required hereunder includes the following, in forms provided by and satisfactory to the Mortgagee:

    a. A first priority mortgage registered in the principal amount of the Loan, with the Mortgagee's forms of standard charge terms and/or additional provisions which will include terms and conditions, covenants and representations customary for transactions of this type.

    b. A first ranking general assignment of rents, leases and revenues from the Property

    c. A general security agreement providing a first ranking security interest against all of the Mortgagor's present and future assets, property and undertakings

    d. An assignment of the Mortgagor's insurance policies as an additional insured.

    e. An unlimited joint and several guarantee from the Guarantor

    f. A trustee and beneficial owner agreement if the Mortgagor holds the Property as nominee and bare trustee for the use, benefit and advantage of another person or persons.

    g. Such other pledges, assignments, security agreements and documents as the Mortgagee or its solicitors may deem necessary, acting reasonably..

20. **Termination**: The Mortgagee shall have the right to terminate this Mortgage Loan Commitment and be relieved of all obligations in connection therewith in the event that any of the following occur prior to the time of the advance (or any final advance) of the Loan hereunder and the Standby Fee will be non-refundable:

    a. The Mortgagor or the Guarantor fails or is unable to unwilling for any reason whatsoever to comply with any of the terms and conditions set out in this Mortgage Loan Commitment within the time indicated for such compliance;

b. The Mortgagor or any Guarantor fails or refuses to execute and deliver any documentation required by this Mortgage Loan Commitment or requested by the Mortgagee or its solicitors in connection herewith;

c. The Mortgagor refuses to accept any funds when advanced;

d. The Mortgagor has not complied with all the provisions of applicable provincial construction/builders/mechanics lien legislation to the Mortgagee or its solicitor's satisfaction or has not paid any sum or complied with any obligation that may confer right on a third party in respect of the Property or in the actual or anticipated revenues from the Property;

e. Any representation or warranty made by the Mortgagor or any Guarantor in this Mortgage Loan Commitment is not true and accurate as of the date of advance;

f. The Mortgagee or its solicitors are not satisfied with any of the matters related to title, security or due diligence.

g. If any person, including a federal, provincial or municipal authority, other than the Mortgagor, requires or claims from the Mortgagee the full or partial amount of any sums advanced hereunder.

h. The occurrence of any other termination event or event of default as may be set out in the Mortgage.

21. Expiration: This Mortgage Loan Commitment expires if not executed by the Mortgagor prior to **July 27, 2024, at 5:00 pm EST.**

22. Additional Terms and Conditions:

i. There shall be no existing mortgages on the Property other than a first mortgage held by CO Capital Ltd., and no further encumbrances shall be registered on title after the Closing Date.

ii. The Mortgagor shall pay all taxes as they fall due and will provide the Mortgagee with tax bills and proof of payment of taxes on request by the Mortgagee.

iii. The Loan is not automatically renewable after the Term.

iv. Mortgagor will advise Mortgagee prior to any municipal applications in respect of the Property.

v. In the event the Mortgagor is a corporation, additional shareholder loan postponements from the shareholders and personal guarantees by the directors will be provided upon request. The Mortgagor will also provide proof of required corporate filing when/if requested.

vi. This Mortgage Loan Commitment is not assignable by the Mortgagor or any Guarantor.

vii. This Mortgage Loan Commitment may be transferred or assigned by the Mortgagee without consent, and without notice. The Mortgagee may also syndicate, securitize or grant participation interests in this Loan without consent or notice.

viii. The Mortgagor and the Guarantors agree that the Mortgagee may disclose confidential information as necessary relating to the mortgage transaction,

including any financial information provided by the Mortgagor or any Guarantor, to any associate or third party as required in connection with the mortgage transaction.

ix. Amendments to this Mortgage Loan Commitment must be made in writing and signed by all parties.

x. This Mortgage Loan Commitment shall be governed by the laws of the Province of Ontario.

xi. The terms and conditions of this Mortgage Loan Commitment shall, after acceptance, survive the execution and registration of the Mortgage and there shall be no merger of these provisions or conditions in the Mortgage; provided that in the event of any conflict between the provisions of this and the provisions of any legal security documents, the Mortgagee may elect which provisions shall prevail.

xii. Where more than one person is liable as Mortgagor, or as Guarantor or otherwise for any obligation under or pursuant to this Mortgage Loan Commitment, then the liability of each such person for such obligation is joint and several with each other such person.

xiii. The Administration Fees specified in Schedule "A" hereto shall apply to the Loan and be incorporate into the registered Mortgage.

xiv. Construction Management Agreement (CMA) to be provided for review.

Sincerely,

Felicia Bruni

CO Capital Ltd.
Name: Felicia Bruni
Title: Director

ACKNOWLEDGEMENT AND ACCEPTANCE

The undersigned Mortgagor and each undersigned Guarantor acknowledges receipt of the signed copy of this Mortgage Loan Commitment and accepts the terms and conditions as outlined above.

Accepted at Hamilton, this 25 day of July 2024.

As Borrower/Mortgagor

2557386 Ontario Inc.

Per: _____
Name: Mike Bettiol

As Guarantors:

Mike Bettiol

Per: _____

CO CAPITAL

SCHEDULE "A"

ADMINISTRATION FEES

Administration Fees are as follows:

Possession: For attending to take possession following default: One Time Fee of $1,000.00

Maintenance: Payable for administering maintenance and security of the property in our possession $300.00 per day including, but not limited for each day of any default under this Charge/Mortgage

The Mortgagors shall pay to the Mortgagee an administration fee of $350.00 for the occurrence of any of the following events, unless otherwise indicated:

1. Missed Payment: Payable for each missed or late installment and for replacing and processing each NSF cheque or returned payment - $350.00; The Mortgagors also agree to pay an additional $75.00 administration fee for each month that such NSF/Late/Non-Payment remains outstanding.

2. Insurance: Payable for dealing with each cancellation, premium payment or other non-compliance with insurance requirements - $450.00.

3. Purchaser Approval: For processing each application for assumption, whether or not approved or completed.

4. Tax Default Fee: For failure by the Borrower to provide satisfactory confirmation of tax payments.

5. Annual Tax Account Administration Fee: For administering and maintaining a property tax account $250.00.

6. Mortgage and Discharge Statements: For preparation of each statement - $500.00

7. Discharge fee: $500.00

8. Administration fee for default - $150.00 per occurrence will be charged for late or missed cheques or collection phone calls or letters.

9. Inspection fee- whether drive-by or on-site - $550.00

10. Lender's fee stated in the mortgage commitment will be prorated and added to the principal after due date if the mortgage is not renewed or paid out.

All such administration fees, if applicable will be added to the principal amount then outstanding if not paid within five(5) days of demand for payment of same. In the event of a further occurrence as set out herein, the administration fee shall increase by a further sum of $50.00 and this shall be on a cumulative basis

Payor's Authorization for

Pre-Authorized Debits for Business (PAD)

Borrower: 2557386 Ontario Inc

This Authorization is dated for reference the 25 **day of** July, **20**24.

1. CO Capital Ltd. (the "Payee")
   Address: 8500 Leslie Street, Suite 260
   Markham, Ontario L3T 7M8
   Phone: _____

2. Payor's Name and Address – please print or type

   In this Agreement, "we", "us" and "our" refer to the Payor and its successors and permitted assigns.

   We warrant and represent that the following information is true and accurate.

Company Name (the "Payor"):	2557386 Ontario Inc
Address:	558 Upper Gage Ave, Suite 363 Hamilton, Ontario
City & Province:	Hamilton, Ontario
Postal Code:	L8V 4J6
Telephone:	905-318-2737
Fax:	
Mortgaged Property:	40 Front St, York

The account that the Payee is authorized to draw upon is indicated below. We have attached to this Payor authorization (the "Authorization") a **specimen cheque for this account marked "VOID".** We will inform the Payee of any change in the information provided in this section of the Authorization prior to the next due date of the Pre-authorized Debit ("PAD"), as defined in Canadian Payments Association ("CPA") Rule H1.

Payor's Financial Institution (the "Processing Member")	TD Bank

Address:	550 Fennell Ave East
City & Province:	Hamilton, Ont
Postal Code:	
Accountholder Name (if different than Payor):	
Bank Transit & Account Number:	TD Bank 01602

3. We acknowledge that the Authorization is provided for the benefit of the Payee and the Processing Member and is provided in consideration of the Processing Member agreeing to process debits against our account, as listed above (the "Account"), in accordance with the Rules of the CPA.

4. These services are for (check one) ☐ Personal ☐ Business Use

5. We warrant and guarantee that all persons whose signatures are required to authorize withdrawals from the Account have signed the Authorization and that all persons signing this Authorization are our authorized signing officers and are empowered to enter into this Agreement.

6. We may cancel the Authorization at any time upon written notice being provided by us, with proper authorization to verify the identity of the Payor, within 30 days before the next PAD is to be issued. We acknowledge that, in order to revoke the Authorization, we must provide written notice of revocation to the Payee.

7. We acknowledge that revocation of the Authorization does not terminate the mortgage herein described or relieve us of our obligation to pay all amounts owing to the Payee by a method of payment that is satisfactory to the Payee. We acknowledge that the Authorization applies only to the method of payment and does not otherwise affect our contractual payment obligations.

8. We acknowledge that the provision and delivery of the Authorization to the Payee constitutes delivery by us to the Processing Member. Any delivery of the Authorization to the Payee constitutes delivery by us.

9. We authorize the Payee to debit the Account for any and all payments and fees due from time to time under the mortgage herein described when each such payment and/or fee is due.

10. We acknowledge that the Processing Member is not required to verify that a PAD has been issued in accordance with the particulars of the Authorization including, but not

limited to, the amount, or that any purpose of payment for which the PAD was issued has been fulfilled by the Payee as a condition to honouring a PAD issued or caused to be issued by the Payee on the Account.

11. We may dispute a PAD only if (i) the PAD was not drawn in accordance with this Authorization or (ii) the Authorization was revoked.
    We acknowledge that in order to be reimbursed, a declaration to the effect that either (i) or (ii) above took place, must be completed and presented to the Processing Member holding the Account up to and including ten (10) business days after the date on which the PAD in dispute was posted to the Account.
    We acknowledge that when disputing any PAD beyond the time allowed in this section, it is a matter to be resolved solely between us and the Payee.
    We have certain recourse rights if any debit does not comply with this agreement. For example, we have the right to receive reimbursement for any debit that is not authorized or is not consistent with the PAD Agreement. To obtain more information on our recourse rights, please visit www.cdnpay.ca.
12. We agree that the information contained in the Authorization may be disclosed to the financial institution used by Payee as required to complete any PAD transaction.

13. We acknowledge and agree that by executing this Agreement, **we waive pre-notification of all amounts, whether fixed or variable, that the Payee will debit to the Account and of the due dates for the payment of those amounts.**

14. We understand and accept the terms of participating in this PAD plan.

15. This Authorization will be effective as of the date first above written.

16. All dollar amounts expressed in this Agreement refer to lawful currency of Canada.

17. Is bank account name other than the registered property owner?

☐Yes ☐No

If **YES,** please complete the information below:

Name: _____

Address: _____

Relationship to borrower: _____

Occupation or Principal Business: _____

_____

COMPANY NAME (the "Payor")

by: Mike Bettiol
Authorized Signatory
Name:
Title:

by:
Authorized Signatory
Name: Mike Bettiol
Title: President

This is Exhibit "O" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

CO CAPITAL

AMENDED AND RESTATED
MORTGAGE LOAN COMMITMENT

September 27, 2024

To: Mike Bettiol and 2557386 Ontario Inc.

This Amended and Restated Mortgage Loan Commitment amends and restates the terms and conditions of the original Mortgage Loan Commitment issued by the Mortgagee to the Mortgagor and Guarantors dated July 24, 2024, and shall be the operative agreement between the parties on a going forward basis.

We are pleased to confirm that CO Capital LTD has agreed to offer a Conditional Mortgage Loan a Commitment (herein, the "**Loan**") and is only conditional until receipt of the terms and conditions to be obtained from the receiver. The terms and conditions set out herein, to be further supplemented by the legal registration documents:

1. **Mortgagee:** CO Capital Ltd. (hereinafter referred to as the "**Mortgagee**")

2. **Borrower/Mortgagor:** 2557386 Ontario Inc. (hereinafter, referred to as the "**Mortgagor**")

3. **Guarantor(s)**: Mike Bettiol (collectively the "**Guarantors**"), providing joint and several guarantees for the full amount of the Loan and all accrued and unpaid interest and fees thereon.

4. **Mortgaged Property: The MUNICIPALLY KNOWN AS 30 FRONT STREET, YORK, ONTARIO, (**the "**Property**") AND LEGALLY DESCRIBED AS: Part WARNERN NELLES TRACT DESIGNATED AS PART 1, 18R-7058; SAVE & EXCEPT PART 1, 18R-7281, T/W EASEMENT OVER PART 2, 18R-7058 AS IN HC252899, TOWNSHIP OF SENECA, HALDIMAND COUNTY, PIN: 38148-0128 (LT) and cross collateral on Lots 16 & 17 Concession 14, Town of Pelham, Regional Municipality of Niagara, Ontario.

5. **Priority:** First Mortgage on the Property (the "**Mortgage**")

6. **Principal Amount of the Loan:** $25,000,000.00 (the "**Principal Amount**")

7. **Interest Reserve:** $3,125,000.00 **(12 Months)**

8. **Term:** 12 Month Closed (the "**Term**")

9. **Interest Rate:** The greater of 12.50% annually or TD Prime Plus 5.15% annually, calculated semi-annually, not in advance, both before and after maturity, default and judgment. "**TD Prime**" means the rate of interest per annum (based on a 365 day year) established and reported by The Toronto-Dominion Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that The

Toronto-Dominion Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

10. **Payment Amount:** Interest only payments $260,416.67 (or such other amount as may be advised by the Mortgagee to the Mortgagor based upon the interest rate in effect at the time of the Mortgage and calculated per draw advance) shall be paid monthly from the Interest Reserve on any amounts advanced under the Mortgage. Borrower agrees to provide consent to CO Capital Ltd. to withdraw pre-authorized payments, from the Interest Reserve.

11. **Fees and Closing Costs:**

    a. Whether or not the Loan transaction is completed, the Mortgagor shall be responsible for all reasonable legal costs of the Mortgagee and the Mortgagor's Independent Legal Counsel as related to all aspects of this Loan.

    b. The Mortgagor shall be responsible for all other fees and costs related to the registration of this Mortgage including but not limited to issuance of a satisfactory lender's title insurance policy on the Property.

    c. Commitment Fee (payable by Mortgagor) equivalent to 2.50% of the Principal Amount, payable to the Mortgagee: $625,000.00 CAD collected and to be deducted from the Mortgage first advance less the deposit of $109,100.00, already received.

    d. Interest Adjustment, at the contractual rate of interest herein if applicable, to be taken from the first advance.

    e. Broker Fee equivalent to 2.00% of the Principal Amount, payable to the Broker: $605,000.00 CAD collected to be deducted from the Mortgage first advance. Letters of Direction to be provided.

    f. All fees are non-refundable notwithstanding any prepayment.

12. **Prepayment Fee:** Equal to 3 months interest payments

13. **Closing Date:** November 30th, 2024. (or a date to be mutually agreed upon)

14. **Interest Adjustment Date:** November 30th, 2024

15. **First Payment Date:** January 1st, 2025

16. **Last Payment Due Date:** December 1st, 2026

17. **Conditions Prior to Fund Advance:** The Mortgagee's obligation to advance mortgage funding is conditional upon receipt of the following:

    i. Satisfactory Financial Statements or Verification of income for the Mortgagor and Guarantors, in the Mortgagee's sole discretion.

    ii. Satisfactory evidence of valuation of the Property addressed to and sent directly to to CO Capital Lenders Ltd.

    iii. Satisfactory proof of insurance, including a Certificate of Fire (full replacement value), business (including business/rental interruption) and Liability (minimum $5,000,000

per occurrence) insurance coverage, listing the Mortgagee as a First Mortgagee/Loss Payee and Additional Insured.

iv. Satisfactory proof that all Canada Revenue Agency liabilities, source deductions and other priority payables are paid, and all accounts are in good standing and up-to-date, in the sole and absolute discretion of the Mortgagee.

v. Satisfactory current Property Tax Statements with Roll Number and Customer Number required prior to funding.

vi. Realty taxes are to be up-to-date and shall be paid directly from the proceeds of the Mortgage should they be in arrears.

vii. If applicable, all outstanding creditor collection matters, judgments, and delinquent accounts relating to the Mortgagor or Guarantors shall be paid in full, from the proceeds of this Mortgage, and Payout Statements regarding same are required prior to funding.

viii. Discharge of any title encumbrances as required by the Mortgagee. Discharge of the mortgage in favour of Marshall Zehr Group Inc. (MZ) and the Vanrooyen Earthmoving Ltd lien in the amount of $1,709,901.00

ix. A duly executed copy of this Mortgage Loan Commitment.

x. Duly executed copies of legal documents, security documents, mortgage registration documents, in the manner and priorities as required by the Mortgagee.

xi. Any Mortgagor or Guarantor who is a natural person or individual must obtain Independent Legal Representation with respect to this mortgage transaction.

xii. The obtaining of satisfactory title insurance, obtained by the Mortgagee's solicitor, at the expense of the Mortgagor.

xiii. Should the Mortgagor or any Guarantor be a corporation, the corporation's Articles of Incorporation shall be provided to the Mortgagee, along with other corporate documents requested by the Mortgagee's solicitor, and the Mortgagee shall satisfy itself, in its sole and absolute discretion that the signatory of the Mortgagor/Guarantor has the authority to bind the corporation.

xiv. The solicitor for the Mortgagor and the Guarantors shall provide corporate and enforceability opinions satisfactory to the Mortgagee's solicitor.

xv. Copies of any leases affecting the Property, and postponements and estoppel certificates from tenants, if requested by the Mortgagee.

xvi. Interest only payments will be calculated as per draw.

xvii. Satisfactory estoppel letters or acknowledgments from any secured creditors of the Mortgagor or the Guarantors with registrations against their respective personal property under the *Personal Property Security Act* .

xviii. Any other information and documentation as may be reasonably requested by the Mortgagee.

xix. Receipt and approval of these terms and conditions by KSV Restructuring Inc. (the "**Receiver"**) in respect of the Receivership Proceeding bearing Ontario Superior Court of Justice Court File Number CV-23-00699432-00CL (the **"Receivership Proceeding"**).

xx. Receipt of the current dated and signed Agreement for each of the 55 presold Lots from the purchasers verifying that they are committed to proceed with the Builder and will not be seeking return of their deposit. **Received and satisfied.**

xxi. Funds to be used to payout the current mortgage, Builders Lien, Receiver Costs, Legal Fees, Lender and Broker Fees. Additional funds remaining shall be held in Trust with CO Capital's legal counsel and will only be used for the sole purpose of this project on the Primary Mortgaged Property stated above. Additional funds will be released on a draw basis schedule (yet to be determined) certified by a Certified Quantifier arranged by CO Capital at the Borrowers expense.

18. Conditions in Favour of the Mortgagor: The Mortgagor's obligation to complete the funding transaction contemplated in this Mortgage Loan Commitment and its liability to pay any of the Fees and costs set out herein, including as set out in Section 11 hereof, are in all respects conditional on the following:

xxii. Receipt and approval of this Mortgage Commitment Letter and the terms contained herein by the Receiver.

xxiii. Receipt and approval of a discharge statement to be provided by MZ.

xxiv. Approval of this Mortgage Commitment Letter and the terms contained herein by the Court in respect of the Receivership Proceeding, including a form of order acceptable to the Borrower and Guarantor, acting reasonably, which order shall include, among other things, a discharge of the Receiver and a termination of the Receivership Proceeding.

xxv. An Escrow Account to be formed for the closing and conditions of all unsold lots.

19. Security: The security documentation required hereunder includes the following, in forms provided by and satisfactory to the Mortgagee:

a. A first priority mortgage registered in the principal amount of the Loan, with the Mortgagee's forms of standard charge terms and/or additional provisions which will include terms and conditions, covenants and representations customary for transactions of this type.

b. A first ranking general assignment of rents, leases and revenues from the Property

c. A general security agreement providing a first ranking security interest against all of the Mortgagor's present and future assets, property and undertakings

d. An assignment of the Mortgagor's insurance policies as an additional insured.

e. An unlimited joint and several guarantee from the Guarantor

f. A trustee and beneficial owner agreement if the Mortgagor holds the Property as nominee and bare trustee for the use, benefit and advantage of another person or persons.

g. Such other pledges, assignments, security agreements and documents as the Mortgagee or its solicitors may deem necessary, acting reasonably.

20. Termination: The Mortgagee shall have the right to terminate this Mortgage Loan Commitment and be relieved of all obligations in connection therewith in the event that any of the following occur prior to the time of the advance (or any final advance) of the Loan hereunder and the Standby Fee will be non-refundable:

a. The Mortgagor or the Guarantor fails or is unable to unwilling for any reason whatsoever to comply with any of the terms and conditions set out in this Mortgage Loan Commitment within the time indicated for such compliance;

b. The Mortgagor or any Guarantor fails or refuses to execute and deliver any documentation required by this Mortgage Loan Commitment or requested by the Mortgagee or its solicitors in connection herewith;

c. The Mortgagor refuses to accept any funds when advanced;

d. The Mortgagor has not complied with all the provisions of applicable provincial construction/builders/mechanics lien legislation to the Mortgagee or its solicitor's satisfaction or has not paid any sum or complied with any obligation that may confer right on a third party in respect of the Property or in the actual or anticipated revenues from the Property;

e. Any representation or warranty made by the Mortgagor or any Guarantor in this Mortgage Loan Commitment is not true and accurate as of the date of advance;

f. The Mortgagee or its solicitors are not satisfied with any of the matters related to title, security or due diligence.

g. If any person, including a federal, provincial or municipal authority, other than the Mortgagor, requires or claims from the Mortgagee the full or partial amount of any sums advanced hereunder.

h. The occurrence of any other termination event or event of default as may be set out in the Mortgage.

21. Expiration: This Mortgage Loan Commitment expires if not executed by the Mortgagor prior to **October 1, 2024, at 5:00 pm EST.**

22. Additional Terms and Conditions:

i. There shall be no existing mortgages on the Property other than a first mortgage held by CO Capital Ltd., and no further encumbrances shall be registered on title after the Closing Date.

ii. The Mortgagor shall pay all taxes as they fall due and will provide the Mortgagee with tax bills and proof of payment of taxes on request by the Mortgagee.

iii. The Loan is not automatically renewable after the Term.

iv. Mortgagor will advise Mortgagee prior to any municipal applications in respect of the Property.

v. In the event the Mortgagor is a corporation, additional shareholder loan postponements from the shareholders and personal guarantees by the directors will be provided upon request. The Mortgagor will also provide proof of required corporate filing when/if requested.

vi. This Mortgage Loan Commitment is not assignable by the Mortgagor or any Guarantor.

vii. This Mortgage Loan Commitment may be transferred or assigned by the Mortgagee without consent, and without notice. The Mortgagee may also syndicate, securitize or grant participation interests in this Loan without consent or notice.

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ix. Amendments to this Mortgage Loan Commitment must be made in writing and signed by all parties.

x. This Mortgage Loan Commitment shall be governed by the laws of the Province of Ontario.

xi. The terms and conditions of this Mortgage Loan Commitment shall, after acceptance, survive the execution and registration of the Mortgage and there shall be no merger of these provisions or conditions in the Mortgage; provided that in the event of any conflict between the provisions of this and the provisions of any legal security documents, the Mortgagee may elect which provisions shall prevail.

xii. Where more than one person is liable as Mortgagor, or as Guarantor or otherwise for any obligation under or pursuant to this Mortgage Loan Commitment, then the liability of each such person for such obligation is joint and several with each other such person.

xiii. The Administration Fees specified in Schedule “A” hereto shall apply to the Loan and be incorporate into the registered Mortgage.

xiv. Construction Management Agreement (CMA) to be provided for review. **Received and satisfied.**

Sincerely,

Felicia Bruni

CO Capital Ltd.
Name: Felicia Bruni
Title: Director

ACKNOWLEDGEMENT AND ACCEPTANCE

The undersigned Mortgagor and each undersigned Guarantor acknowledges receipt of the signed copy of this Mortgage Loan Commitment and accepts the terms and conditions as outlined above.

Accepted at _____, this _____ day of September 2024.

As Borrower/Mortgagor

2557386 Ontario Inc.

Per: _____
Name:

As Guarantors:

Mike Bettiol

Per: _____

CO CAPITAL

SCHEDULE "A"

ADMINISTRATION FEES

Administration Fees are as follows:

Possession: For attending to take possession following default: One Time Fee of $1,000.00

Maintenance: Payable for administering maintenance and security of the property in our possession $300.00 per day including, but not limited for each day of any default under this Charge/Mortgage

The Mortgagors shall pay to the Mortgagee an administration fee of $350.00 for the occurrence of any of the following events, unless otherwise indicated:

1. Missed Payment: Payable for each missed or late installment and for replacing and processing each NSF cheque or returned payment - $350.00; The Mortgagors also agree to pay an additional $75.00 administration fee for each month that such NSF/Late/Non-Payment remains outstanding.

2. Insurance: Payable for dealing with each cancellation, premium payment or other non-compliance with insurance requirements - $450.00.

3. Purchaser Approval: For processing each application for assumption, whether or not approved or completed.

4. Tax Default Fee: For failure by the Borrower to provide satisfactory confirmation of tax payments.

5. Annual Tax Account Administration Fee: For administering and maintaining a property tax account $250.00.

6. Mortgage and Discharge Statements: For preparation of each statement - $500.00

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8. Administration fee for default - $150.00 per occurrence will be charged for late or missed cheques or collection phone calls or letters.

9. Inspection fee- whether drive-by or on-site - $550.00

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All such administration fees, if applicable will be added to the principal amount then outstanding if not paid within five(5) days of demand for payment of same. In the event of a further occurrence as set out herein, the administration fee shall increase by a further sum of $50.00 and this shall be on a cumulative basis

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Pre-Authorized Debits for Business (PAD)

Borrower: _____

This Authorization is dated for reference the ___day of _____, 20___.

1. CO Capital Ltd. (the "Payee")
   Address: 8500 Leslie Street, Suite 260
   Markham, Ontario L3T 7M8
   Phone: _____

2. Payor's Name and Address – please print or type

   In this Agreement, "we", "us" and "our" refer to the Payor and its successors and permitted assigns.

   We warrant and represent that the following information is true and accurate.

Company Name (the "Payor"):	
Address:	
City & Province:	
Postal Code:	
Telephone:	
Fax:	
Mortgaged Property:	

The account that the Payee is authorized to draw upon is indicated below. We have attached to this Payor authorization (the "Authorization") a **specimen cheque for this account marked "VOID".** We will inform the Payee of any change in the information provided in this section of the Authorization prior to the next due date of the Pre-authorized Debit ("PAD"), as defined in Canadian Payments Association ("CPA") Rule H1.

Payor's Financial Institution (the "Processing Member")	

Address:	
City & Province:	
Postal Code:	
Accountholder Name (if different than Payor):	
Bank Transit & Account Number:	

3. We acknowledge that the Authorization is provided for the benefit of the Payee and the Processing Member and is provided in consideration of the Processing Member agreeing to process debits against our account, as listed above (the "Account"), in accordance with the Rules of the CPA.

4. These services are for (check one) ☐ Personal ☐ Business Use

5. We warrant and guarantee that all persons whose signatures are required to authorize withdrawals from the Account have signed the Authorization and that all persons signing this Authorization are our authorized signing officers and are empowered to enter into this Agreement.

6. We may cancel the Authorization at any time upon written notice being provided by us, with proper authorization to verify the identity of the Payor, within 30 days before the next PAD is to be issued. We acknowledge that, in order to revoke the Authorization, we must provide written notice of revocation to the Payee.

7. We acknowledge that revocation of the Authorization does not terminate the mortgage herein described or relieve us of our obligation to pay all amounts owing to the Payee by a method of payment that is satisfactory to the Payee. We acknowledge that the Authorization applies only to the method of payment and does not otherwise affect our contractual payment obligations.

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limited to, the amount, or that any purpose of payment for which the PAD was issued has been fulfilled by the Payee as a condition to honouring a PAD issued or caused to be issued by the Payee on the Account.

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    We acknowledge that in order to be reimbursed, a declaration to the effect that either (i) or (ii) above took place, must be completed and presented to the Processing Member holding the Account up to and including ten (10) business days after the date on which the PAD in dispute was posted to the Account.
    We acknowledge that when disputing any PAD beyond the time allowed in this section, it is a matter to be resolved solely between us and the Payee.
    We have certain recourse rights if any debit does not comply with this agreement. For example, we have the right to receive reimbursement for any debit that is not authorized or is not consistent with the PAD Agreement. To obtain more information on our recourse rights, please visit www.cdnpay.ca.
12. We agree that the information contained in the Authorization may be disclosed to the financial institution used by Payee as required to complete any PAD transaction.

13. We acknowledge and agree that by executing this Agreement, **we waive pre-notification of all amounts, whether fixed or variable, that the Payee will debit to the Account and of the due dates for the payment of those amounts.**

14. We understand and accept the terms of participating in this PAD plan.

15. This Authorization will be effective as of the date first above written.

16. All dollar amounts expressed in this Agreement refer to lawful currency of Canada.

17. Is bank account name other than the registered property owner?

☐Yes ☐No

If **YES,** please complete the information below:

Name: _____

Address: _____

Relationship to borrower: _____

Occupation or Principal Business: _____

_____

COMPANY NAME (the “Payor”)

by: _____
Authorized Signatory
Name:
Title:

by: _____
Authorized Signatory
Name:
Title:

This is Exhibit "P" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

From:	Rory McGovern
To:	Oliver Houghting; Felicia A1
Cc:	Mike Bettiol
Subject:	Commitment Letter for York Estates
Date:	Thursday, October 24, 2024 5:51:00 PM
Attachments:	LMA for York.pdf Construction management agreement template.docx

---

Dear Felicia and Oliver,

Attached please find the executed LMA for the Project with a Tarion registered builder along with a construction management agreement. Mike has worked really hard on completing these final two conditions.

Please confirm that all of the conditions in the Commitment Letter are now waived that that you will have funds available to complete the proposed transaction. My client will require proof of funds asap and in any case, by the end of the day tomorrow, so that we can complete the transaction and schedule the motion to contest MZ's discharge statement, which will require an expert report.

I understand from Mike that you have advised that you have retained or are in the process of retaining Miller Thomson to act for you on this. I would be pleased to speak with your counsel as soon as possible. Time is of the essence as we are required to close by November 12, 2024.

My client is eager to complete this deal and save this project. I am available to chat if you have any questions.

Yours Truly,

Rory McGovern

RORY MCGOVERN PROFESSIONAL CORPORATION

25 Adelaide St. E, Suite 1910
Toronto, Ontario, M5C 3A1

C 416-938-7679
F 647-559-9694

This email may contain information that is privileged, confidential and/or exempt from disclosure. No waiver whatsoever is intended by sending this e-mail which is intended only for the named recipient(s). Unauthorized use, dissemination or copying is prohibited. If you receive this email in error, please notify the sender and destroy all copies of this email.

This is Exhibit "Q" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

From: Rory McGovern
To: Oliver Houghting; Felicia A1
Cc: Mike Bettiol
Subject: RE: Commitment Letter for York Estates
Date: Sunday, October 27, 2024 12:03:00 PM

Hi Oliver and Felicia,

Further to my discussions with Oliver on Friday, please send your counsel a copy of the direction (and wire confirmation) that was provided to Gowlings to transfer the closing funds to MT. Oliver noted that the transfer was for $137 million which included the closing funds for York Estates along with other projects. As the funds are aggregated, the direction needs to be provided to MT so that they can separately allocate $25 million for the closing of this deal. Oliver noted that he expects to receive confirmation of funds by tomorrow afternoon.

As we do not have a lot of time, MT will need to ensure that the funds are available on Monday and may need the wire confirmation and direction to ensure same. I understand from Oliver that MT's retainer is being provided with the other funds in the transfer from Gowlings. I will arrange to have the motion contesting MZ's fees heard as soon as I receive confirmation of funds tomorrow.

To follow up on my previous email, as all of the conditions set out in the commitment letter have now been fulfilled, my client is ready to close. So that we can move quickly next week, I would suggest setting up a call with your counsel to discuss the transaction structure on Monday or Tuesday. You will also need to have your counsel reach out directly to Maya Poliak (MZ's lawyer) and Brendan Bissell (the Receiver's lawyer) to arrange the closing. Depending on the transaction structure you choose, there may be additional aspects of this that will need to be worked through with MZ and the Receiver.

As I expressed to Oliver on Friday, my client is very excited to start this new chapter with you both.

Happy to chat if either of you have any questions.

Yours Truly,

Rory McGovern

RORY MCGOVERN PROFESSIONAL CORPORATION
25 Adelaide St. E, Suite 1910
Toronto, Ontario, M5C 3A1

C 416-938-7679
F 647-559-9694

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From: Rory McGovern
Sent: Thursday, October 24, 2024 5:53 PM
To: Oliver Houghting <oliver@a1capitallenders.com>; Felicia A1 <felicia@a1capitallenders.com>
Cc: Mike Bettiol <mikeb@marimanhomes.com>
Subject: RE: Commitment Letter for York Estates

Oliver and Felicia,

Further to my note below, please disregard the previous "construction management agreement". The updated version is attached.

Rory McGovern

RORY MCGOVERN PROFESSIONAL CORPORATION
25 Adelaide St. E, Suite 1910
Toronto, Ontario, M5C 3A1

C 416-938-7679
F 647-559-9694

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From: Rory McGovern
Sent: Thursday, October 24, 2024 5:52 PM
To: Oliver Houghting <oliver@a1capitallenders.com>; Felicia A1 <felicia@a1capitallenders.com>
Cc: Mike Bettiol <mikeb@marimanhomes.com>
Subject: Commitment Letter for York Estates

Dear Felicia and Oliver,

Attached please find the executed LMA for the Project with a Tarion registered builder along with a construction management agreement. Mike has worked really hard on completing these final two conditions.

Please confirm that all of the conditions in the Commitment Letter are now waived that that you will have funds available to complete the proposed transaction. My client will require proof of funds asap and in any case, by the end of the day tomorrow, so that we can complete the transaction and schedule the motion to contest MZ's discharge statement, which will require an expert report.

I understand from Mike that you have advised that you have retained or are in the process of retaining Miller Thomson to act for you on this. I would be pleased to speak with your counsel as soon as possible. Time is of the essence as we are required to close by November 12, 2024.

My client is eager to complete this deal and save this project. I am available to chat if you have any questions.

Yours Truly,

Rory McGovern

RORY MCGOVERN PROFESSIONAL CORPORATION

25 Adelaide St. E, Suite 1910
Toronto, Ontario, M5C 3A1

C 416-938-7679
F 647-559-9694

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This is Exhibit "R" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

From:	Rory McGovern
To:	R. Brendan Bissell; Maya Poliak
Cc:	Harvey G. Chaiton; Caitlin Fell; Jasmine Landau; Ben Luder; Mitch Vininsky; shaun@sfklaw.ca; francis@storwell.com
Subject:	RE: Marshallzehr Group Inc. et al c. 2557386 Ontario Inc. et al - CV-23-00699432-0CL - Motion Record of the Respondents
Date:	Thursday, November 7, 2024 2:37:00 PM
Attachments:	image001.png

Thank you all. I will circulate an appointment for 3pm with a Zoom link.

Rory McGovern

RORY MCGOVERN PROFESSIONAL CORPORATION

25 Adelaide St. E, Suite 1910

Toronto, Ontario, M5C 3A1

C 416-938-7679
F 647-559-9694

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From: R. Brendan Bissell <bbissell@reconllp.com>
Sent: Thursday, November 7, 2024 2:35 PM
To: Rory McGovern <rory@rorymcgovernpc.com>; Maya Poliak <Maya@chaitons.com>
Cc: Harvey G. Chaiton <Harvey@chaitons.com>; Caitlin Fell <cfell@reconllp.com>; Jasmine Landau <jlandau@reconllp.com>; Ben Luder <bluder@ksvadvisory.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>; shaun@sfklaw.ca; francis@storwell.com
Subject: RE: Marshallzehr Group Inc. et al c. 2557386 Ontario Inc. et al - CV-23-00699432-0CL - Motion Record of the Respondents

This is really rather last minute, but I can make time in that window. Please let me know when you wish to speak and the coordinates for a call.

RECON
RECONSTRUCT LLP

R. Brendan Bissell
Partner
T | 416.613.0066
C | 416-992-4979
E | bbissell@reconllp.com

Reconstruct LLP | Restructuring and Litigation Lawyers
120 Adelaide Street West | Suite 2500 |Toronto ON M5H 1T1

From: Rory McGovern <rory@rorymcgovernpc.com>
Sent: Thursday, November 7, 2024 2:32 PM
To: Maya Poliak <Maya@chaitons.com>
Cc: R. Brendan Bissell <bbissell@reconllp.com>; Harvey G. Chaiton <Harvey@chaitons.com>; Caitlin Fell <cfell@reconllp.com>; Jasmine Landau <jlandau@reconllp.com>; Ben Luder

<bluder@ksvadvisory.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>; shaun@sfklaw.ca; francis@storwell.com
Subject: RE: Marshallzehr Group Inc. et al c. 2557386 Ontario Inc. et al - CV-23-00699432-0CL - Motion Record of the Respondents

Maya and Brendan,

My client's lender, the principal of which is Francis D'atri, cc'd hereon along with his counsel, Shaun Khan, would like to arrange a call today to discuss the mechanics of the closing of a proposed refinancing transaction with my client. So that your client and the receiver are aware, this is a different lender than my client had previously entered into a commitment with.

Mr. D'atri is a principal of his family office which owns significant real estate assets in Ontario as well as the Storwell self storage business. The company's website can be viewed here: https://www.storwell.com/

As this is a very urgent matter, we would appreciate if you and Brendan could make time between 230 and 4pm today to discuss this. Please let me know what times work. We look forward to hearing from you.

Yours Truly,

Rory McGovern

RORY MCGOVERN PROFESSIONAL CORPORATION
25 Adelaide St. E, Suite 1910
Toronto, Ontario, M5C 3A1

C 416-938-7679
F 647-559-9694

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This is Exhibit "S" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

DBNC GROUP INC. as of November 10, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	DBNC GROUP INC.
Ontario Corporation Number (OCN)	2505932
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	February 23, 2016
Registered or Head Office Address	3660 Hurontario Street, 305, Mississauga, Ontario, L5B 3C4, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	6

Name	FRANCIS D'ATRI-GUIRAN
Address for Service	3660 Hurontario Street, 305, Mississauga, Ontario, L5B 3C4, Canada
Resident Canadian	Yes
Date Began	February 23, 2016

Name	HORACE D'ATRI-GUIRAN
Address for Service	3660 Hurontario Street, 305, Mississauga, Ontario, L5B 3C4, Canada
Resident Canadian	Yes
Date Began	February 23, 2016

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
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Active Officer(s)

Name	FRANCIS D'ATRI-GUIRAN
Position	President
Address for Service	3660 Hurontario Street, 305, Mississauga, Ontario, L5B 3C4, Canada
Date Began	February 23, 2016

Name	HORACE D'ATRI-GUIRAN
Position	Secretary
Address for Service	3660 Hurontario Street, 305, Mississauga, Ontario, L5B 3C4, Canada
Date Began	February 23, 2016

Name	HORACE D'ATRI-GUIRAN
Position	Treasurer
Address for Service	3660 Hurontario Street, 305, Mississauga, Ontario, L5B 3C4, Canada
Date Began	February 23, 2016

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V. Quintanilla W.
Director/Registrar
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Corporate Name History

Name	DBNC GROUP INC.
Effective Date	February 23, 2016

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V. Quintanilla W.
Director/Registrar
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Active Business Names

Name	DBNC ELECTRICAL
Business Identification Number (BIN)	311135818
Registration Date	July 23, 2021
Expiry Date	July 22, 2026

Name	DBNC CONTRACTING
Business Identification Number (BIN)	311135776
Registration Date	July 23, 2021
Expiry Date	July 22, 2026

Name	DBNC FLOORING
Business Identification Number (BIN)	311135727
Registration Date	July 23, 2021
Expiry Date	July 22, 2026

Name	DBNC GLASS AND MIRROR
Business Identification Number (BIN)	311135842
Registration Date	July 23, 2021
Expiry Date	July 22, 2026

Name	DBNC FIRE AND SECURITY
Business Identification Number (BIN)	311135834
Registration Date	July 23, 2021
Expiry Date	July 22, 2026

Name	DBNC SIGNS
Business Identification Number (BIN)	311135743
Registration Date	July 23, 2021
Expiry Date	July 22, 2026

Name	DBNC DESIGN
Business Identification Number (BIN)	311135784
Registration Date	July 23, 2021
Expiry Date	July 22, 2026

Name	DBNC DEVELOPMENTS
Business Identification Number (BIN)	311135750
Registration Date	July 23, 2021
Expiry Date	July 22, 2026

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Name	DBNC MECHANICAL
Business Identification Number (BIN)	311135792
Registration Date	July 23, 2021
Expiry Date	July 22, 2026

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
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Expired or Cancelled Business Names

Name	DBNC FIRE AND SECURITY
Business Identification Number (BIN)	260528427
Status	Inactive - Expired
Registration Date	May 18, 2016
Expired Date	May 17, 2021

Name	DBNC DESIGN
Business Identification Number (BIN)	260530043
Status	Inactive - Expired
Registration Date	May 19, 2016
Expired Date	May 18, 2021

Name	DBNC CONTRACTING
Business Identification Number (BIN)	260529961
Status	Inactive - Expired
Registration Date	May 19, 2016
Expired Date	May 18, 2021

Name	DBNC FLOORING
Business Identification Number (BIN)	260530316
Status	Inactive - Expired
Registration Date	May 19, 2016
Expired Date	May 18, 2021

Name	DBNC ELECTRICAL
Business Identification Number (BIN)	260529854
Status	Inactive - Expired
Registration Date	May 19, 2016
Expired Date	May 18, 2021

Name	DBNC GLASS AND MIRROR
Business Identification Number (BIN)	260528260
Status	Inactive - Expired
Registration Date	May 18, 2016
Expired Date	May 17, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
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Name	DBNC SIGNS
Business Identification Number (BIN)	260530191
Status	Inactive - Expired
Registration Date	May 19, 2016
Expired Date	May 18, 2021

Name	DBNC MECHANICAL
Business Identification Number (BIN)	260529714
Status	Inactive - Expired
Registration Date	May 19, 2016
Expired Date	May 18, 2021

Name	DBNC DEVELOPMENTS
Business Identification Number (BIN)	260530126
Status	Inactive - Expired
Registration Date	May 19, 2016
Expired Date	May 18, 2021

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V. Quintanilla W.
Director/Registrar
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Document List

Filing Name	Effective Date
Annual Return - 2024 PAF: MARIA AKBARI	July 25, 2024
Annual Return - 2023 PAF: ERIN WHILLANS	October 03, 2023
Annual Return - 2022 PAF: ERIN WHILLANS	October 03, 2023
Annual Return - 2021 PAF: ERIN WHILLANS	October 03, 2023
Annual Return - 2020 PAF: ERIN WHILLANS	October 03, 2023
CIA - Notice of Change PAF: FRANCIS D'ATRI-GUIRAN - DIRECTOR	August 19, 2021
Annual Return - 2019 PAF: FRANCIS D'ATRI-GUIRAN - DIRECTOR	July 05, 2020
Annual Return - 2018 PAF: FRANCIS D'ATRI-GUIRAN - DIRECTOR	July 07, 2019
Annual Return - 2017 PAF: FRANCIS D'ATRI-GUIRAN - DIRECTOR	June 24, 2018
Annual Return - 2016 PAF: FRANCIS D'AIRTRI-GUIRAN - DIRECTOR	July 02, 2017
CIA - Initial Return PAF: FRANCIS D'ATRI-GUIRAN - OFFICER	April 27, 2017
BCA - Articles of Incorporation	February 23, 2016

All “PAF” (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
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Ontario

Ministère des Services au public et aux entreprises

Rapport de profil

DBNC GROUP INC. en date du 10 novembre 2024

Loi	Loi sur les sociétés par actions
Type	Société par actions de l'Ontario
Dénomination	DBNC GROUP INC.
Numéro de société de l'Ontario	2505932
Autorité législative responsable	Canada - Ontario
Statut	Active
Date de constitution	23 février 2016
Adresse légale ou du siège social	3660 Hurontario Street, 305, Mississauga, Ontario, L5B 3C4, Canada

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

V. Quintanilla W.

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Administrateurs en fonction

Nombre minimal d'administrateurs	1
Nombre maximal d'administrateurs	6

Dénomination	FRANCIS D'ATRI-GUIRAN
Adresse aux fins de signification	3660 Hurontario Street, 305, Mississauga, Ontario, L5B 3C4, Canada
Résident canadien	Oui
Date d'entrée en fonction	23 février 2016

Dénomination	HORACE D'ATRI-GUIRAN
Adresse aux fins de signification	3660 Hurontario Street, 305, Mississauga, Ontario, L5B 3C4, Canada
Résident canadien	Oui
Date d'entrée en fonction	23 février 2016

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Dirigeants en fonction

Dénomination	FRANCIS D'ATRI-GUIRAN
Poste	Président de la société
Adresse aux fins de signification	3660 Hurontario Street, 305, Mississauga, Ontario, L5B 3C4, Canada
Date d'entrée en fonction	23 février 2016

Dénomination	HORACE D'ATRI-GUIRAN
Poste	Secrétaire
Adresse aux fins de signification	3660 Hurontario Street, 305, Mississauga, Ontario, L5B 3C4, Canada
Date d'entrée en fonction	23 février 2016

Dénomination	HORACE D'ATRI-GUIRAN
Poste	Trésorier
Adresse aux fins de signification	3660 Hurontario Street, 305, Mississauga, Ontario, L5B 3C4, Canada
Date d'entrée en fonction	23 février 2016

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
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Historique des dénominations sociales

Nom	DBNC GROUP INC.
Date d'entrée en vigueur	23 février 2016

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

V. Quintanilla W.

Directeur ou registrateur

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Noms commerciaux en vigueur

Dénomination	DBNC ELECTRICAL
Numéro d'identification d'entreprise (NIE)	311135818
Date d'enregistrement	23 juillet 2021
Date d'expiration	22 juillet 2026
Dénomination	DBNC CONTRACTING
Numéro d'identification d'entreprise (NIE)	311135776
Date d'enregistrement	23 juillet 2021
Date d'expiration	22 juillet 2026
Dénomination	DBNC FLOORING
Numéro d'identification d'entreprise (NIE)	311135727
Date d'enregistrement	23 juillet 2021
Date d'expiration	22 juillet 2026
Dénomination	DBNC GLASS AND MIRROR
Numéro d'identification d'entreprise (NIE)	311135842
Date d'enregistrement	23 juillet 2021
Date d'expiration	22 juillet 2026
Dénomination	DBNC FIRE AND SECURITY
Numéro d'identification d'entreprise (NIE)	311135834
Date d'enregistrement	23 juillet 2021
Date d'expiration	22 juillet 2026
Dénomination	DBNC SIGNS
Numéro d'identification d'entreprise (NIE)	311135743
Date d'enregistrement	23 juillet 2021
Date d'expiration	22 juillet 2026
Dénomination	DBNC DESIGN
Numéro d'identification d'entreprise (NIE)	311135784
Date d'enregistrement	23 juillet 2021
Date d'expiration	22 juillet 2026
Dénomination	DBNC DEVELOPMENTS
Numéro d'identification d'entreprise (NIE)	311135750
Date d'enregistrement	23 juillet 2021
Date d'expiration	22 juillet 2026

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Dénomination	DBNC MECHANICAL
Numéro d'identification d'entreprise (NIE)	311135792
Date d'enregistrement	23 juillet 2021
Date d'expiration	22 juillet 2026

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Noms commerciaux expirés ou révoqués

Dénomination	DBNC FIRE AND SECURITY
Numéro d'identification d'entreprise (NIE)	260528427
Statut	Inactive - Expiré
Date d'enregistrement	18 mai 2016
Date d'expiration	17 mai 2021

Dénomination	DBNC DESIGN
Numéro d'identification d'entreprise (NIE)	260530043
Statut	Inactive - Expiré
Date d'enregistrement	19 mai 2016
Date d'expiration	18 mai 2021

Dénomination	DBNC CONTRACTING
Numéro d'identification d'entreprise (NIE)	260529961
Statut	Inactive - Expiré
Date d'enregistrement	19 mai 2016
Date d'expiration	18 mai 2021

Dénomination	DBNC FLOORING
Numéro d'identification d'entreprise (NIE)	260530316
Statut	Inactive - Expiré
Date d'enregistrement	19 mai 2016
Date d'expiration	18 mai 2021

Dénomination	DBNC ELECTRICAL
Numéro d'identification d'entreprise (NIE)	260529854
Statut	Inactive - Expiré
Date d'enregistrement	19 mai 2016
Date d'expiration	18 mai 2021

Dénomination	DBNC GLASS AND MIRROR
Numéro d'identification d'entreprise (NIE)	260528260
Statut	Inactive - Expiré
Date d'enregistrement	18 mai 2016
Date d'expiration	17 mai 2021

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Dénomination	DBNC SIGNS
Numéro d'identification d'entreprise (NIE)	260530191
Statut	Inactive - Expiré
Date d'enregistrement	19 mai 2016
Date d'expiration	18 mai 2021

Dénomination	DBNC MECHANICAL
Numéro d'identification d'entreprise (NIE)	260529714
Statut	Inactive - Expiré
Date d'enregistrement	19 mai 2016
Date d'expiration	18 mai 2021

Dénomination	DBNC DEVELOPMENTS
Numéro d'identification d'entreprise (NIE)	260530126
Statut	Inactive - Expiré
Date d'enregistrement	19 mai 2016
Date d'expiration	18 mai 2021

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Liste de documents

Nom du dépôt	Date d'entrée en vigueur
Rapport annuel - 2024 PRE: MARIA AKBARI	25 juillet 2024
Rapport annuel - 2023 PRE: ERIN WHILLANS	03 octobre 2023
Rapport annuel - 2022 PRE: ERIN WHILLANS	03 octobre 2023
Rapport annuel - 2021 PRE: ERIN WHILLANS	03 octobre 2023
Rapport annuel - 2020 PRE: ERIN WHILLANS	03 octobre 2023
CIA - Avis de modification PRE: FRANCIS D'ATRI-GUIRAN - DIRECTOR	19 août 2021
Rapport annuel - 2019 PRE: FRANCIS D'ATRI-GUIRAN - DIRECTOR	05 juillet 2020
Rapport annuel - 2018 PRE: FRANCIS D'ATRI-GUIRAN - DIRECTOR	07 juillet 2019
Rapport annuel - 2017 PRE: FRANCIS D'ATRI-GUIRAN - DIRECTOR	24 juin 2018
Rapport annuel - 2016 PRE: FRANCIS D'AIRTRI-GUIRAN - DIRECTOR	02 juillet 2017
CIA - Rapport initial PRE: FRANCIS D'ATRI-GUIRAN - OFFICER	27 avril 2017
BCA - Statuts constitutifs	23 février 2016

Tous les renseignements de la « PRE » (personne autorisant le dépôt) sont affichés exactement tels qu'ils sont enregistrés dans le Registre des entreprises de l'Ontario. Lorsque la PRE ne figure pas sur un document, les renseignements n'ont pas été

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enregistrés dans le Registre des entreprises de l'Ontario.

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Directeur ou registrateur

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This is Exhibit "T" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

MORTGAGE LOAN COMMITMENT

FROM: DBNC GROUP INC. ("Lender")

TO: 2557386 ONTARIO INC., ("Borrower")

RE: Mortgage Loan

DATE: November 07, 2024

Property Address(es) & Legal Description:

PIN 38148 - 0128 LT

PART WARNER NELLES TRACT DESIGNATED AS PART 1, 18R-7058; SAVE & EXCEPT PART 1, 18R-7281; T/W EASEMENT OVER PART 2, 18R-7058 AS IN HC252899; TOWNSHIP OF SENECA; HALDIMAND COUNTY

The Lender reserves the right to include additional lender(s) (the "Additional Lender(s)") later and may replace itself with the Commitment. This agreement shall be binding upon the Lender and or any Additional Lender(s) once they are confirmed in writing.

The property address, municipal details, and legal description of the property securing this mortgage (the "Property") are subject to confirmation by the Borrower's legal counsel or as otherwise requested by the Lender. The Lender reserves the right to require the Borrower's legal counsel to provide written confirmation of the accuracy of the Property's description, address, and municipal information prior to finalizing the mortgage commitment.

The Lender is prepared to provide a mortgage loan (the "Loan") in exchange for a 1st priority charge(s) on the subject property and subject to the following terms and conditions. The terms quoted are conditional on there being no outstanding writs of execution registered against Borrower/Guarantor on closing.

The purpose of this letter (the "Commitment Letter") is to confirm our mutual understanding of the general terms and conditions on which funds in the amount of $28,567,718.48 will be made available by Lender to Borrower. You are asked to review the Commitment Letter carefully. However, please note that neither the preparation nor the acceptance of the Commitment Letter shall bind Lender to advance any amount under the Mortgage Advance unless and until the terms and conditions of the Commitment Letter have been satisfied and until all required security and loan documentation has been completed by Borrower and Guarantor, if applicable (the "Security Documentation").

Lender has agreed to the Mortgage Advance to be secured by a valid first mortgage on the Lands (as defined below) with the following terms and conditions:

SECURITY: Mortgage/Charge of Land in favor of Lender against the following lands (collectively, the "Lands"), along with General Security Agreements and any further legal security as requested by Lender or its solicitor in their sole and absolute discretion.

Mortgagor/Borrower:	2557386 ONTARIO INC
Mortgagee/Chargee:	DBNC GROUP INC.
Credit Parties:	In this Commitment each of the persons and entities Individually comprising each of the Borrower, the Guarantor is hereinafter called a "Credit Party" and all such persons, firms, corporations and entities together may hereinafter be called the "Credit Parties"

Mortgage Amount:	$28,567,718.48
Rate:	14.99%
Legal Fees:	Legal Fees and Disbursements, to be deducted from the Mortgage Advance and paid to Lender's solicitor on closing.
Term:	One Year
First Payment Date:	January 30, 2025
Payments:	$356,858.42 Monthly Interest Only (Pre-Paid from Advance for Term)
Balance Due Date:	December 30 2025
Priority of Mortgage:	1st Priority
Closing Date:	December 30, 2024
Non-Refundable Commitment/Lender Fee	8% = $2,285,417.48 paid from advance. The Borrower acknowledges and agrees that, forthwith upon acceptance of this Commitment, the Borrower shall pay to the Lender and the Lender shall be deemed to have earned its non- refundable Commitment Fee (the "Commitment Fee") in the sum of $2,285,417.48 (8% of Loan Amount). The Commitment Fee is in addition to the Borrower(s) obligation to pay all legal costs of this transaction as may be charged by the Lender(s) solicitors. The Borrower further acknowledges and agrees that the Commitment Fee shall represent compensation to the Lender only in respect of the original Term of the Loan as stipulated herein, and any extension or renewal of the Loan, if applicable, for any period beyond such original Term shall be subject to such additional fees as may be agreed between the Borrower and the Lender.
Interest Adjustment Date:	December 30 2024
Guarantor:	2363823 Ontario Inc. and Michael Bettiol
PREPAYMENT:	The loan is open with 30 days notice. All payments received by the Lender will be applied first to any interest In arrears, then to the interest. The Loan is open for prepayment at any time or times by the Borrower with 30 days notice to the lender.
Purpose:	Replacing the current First Mortgage -By paying out the existing first mortgage on the property, and existing lien(s)

Pre-Paid Interest

Interest in the amount of $4,282,301.00 for the term will be prepaid for 12 months, from the mortgage advance.

Both parties may propose to alter or amend the terms of this Agreement if required. Any changes or modifications must be mutually agreed upon in writing prior to the funding and closing of the transaction.

CONDITIONS PRECEDENT

The Lender is prepared to provide a mortgage loan (the "Loan") subject to the following terms and conditions hereinafter set out:

1. The borrower and guarantor, if applicable, agree to be bound by and abide by the Lender's normal procedures.

2. As of the day of closing of the mortgage transaction as hereinafter set out, there shall be no outstanding writs of execution registered against Borrower and Guarantor, if applicable, on closing.

3. The commitment is conditional upon obtaining court approval from the Ontario Superior Court of Justice referencing to Court File No: 23-00699432-00CL, which is to be obtained no later than November 22, 2024. The Lender shall be under no obligation to fund the loan until such court approval is obtained.

4. Conditional on Refinance of 85 Executive Court, Toronto, Ontario – This commitment is conditional upon the Lender or its controlling officer, refinancing the property municipally known as Storwell Self Storage Scarborough, located at 85 Executive Court, Toronto, Ontario, which is owned by its affiliate company, no later than December 27, 2024. This condition is solely for the benefit of the Lender and may be waived by the Lender at its sole discretion.

LENDER'S FINANCIAL CAPACITY TO FUND THE MORTGAGE

The Lender hereby affirms that it possesses sufficient assets available for the purpose of funding this mortgage loan, including but not limited to the property located at 85 Executive Court, Toronto, Ontario, the Lender further confirms that this property subject to the refinancing has been appraised at an estimated value of **CAD $57,000,000**, as determined by an independent appraisal report conducted by Colliers International as of October 15, 2024.

A copy of the appraisal extract, detailing the valuation, is attached as **Schedule A to this commitment.**

Additionally, the Lender confirms that the only encumbrance on the subject property is a mortgage/charge registered as instrument no AT3537600 in favour of **BUSINESS DEVELOPMENT BANK OF CANADA** . with an approximate outstanding balance of **$6,000,000**

A copy of the Parcel/PIN page and registered Charge in favour of **BUSINESS DEVELOPMENT BANK OF CANADA** is attached as **Schedule B to this commitment.**

A sworn declaration signed by the A.S.O of the Lender, confirming that the principal balance with reference to the existing first mortgage in favor of BUSINESS DEVELOPMENT BANK OF CANADA is approximately $6,000,000.00, as of today's date, attached as **Schedule C to this commitment.**

AIM AND INTENT OF THIS COMMITMENT

The purpose of this letter (the "Commitment Letter") is to confirm our mutual understanding of the general terms and conditions on which funds in the amount of $28,567,718.48 (the "Mortgage Advance") will be made available by Lender to Borrower with the Guarantor as a personal guarantor, if applicable.

You are asked to review the Commitment Letter carefully. However, please note that neither the preparation nor the acceptance of the Commitment Letter shall bind Lender to advance any amount under the Mortgage Advance unless and until the terms and conditions of the Commitment Letter have been satisfied and until all required security and loan documentation has been completed by Borrower and Guarantor, if applicable (the "Security Documentation").

THE MORTGAGE ADVANCE

Lender has agreed to the Mortgage Advance to be secured by a valid mortgage on the Lands with the following terms and conditions:

1. Title insurance shall be required.
2. Lender shall receive an insurance binder with Lender as the Loss Payee and any other Insurance as may be reasonably required by the Lender.
3. Property taxes of the Lands shall be up to date.
4. This Mortgage Loan shall be open with 30 days notice for the term.
5. Execution searches shall be done on Borrower and Guarantor, if applicable, and shall be clear from any outstanding writs of seizure and sale of Lands (executions).
6. **Such other reasonable legal security as requested by Lender or its solicitor in their sole and absolute discretion, included but not limited to;**

a. Freehold Charge of the real property comprising the Property

b. Unlimited guarantee from Michael Bettiol and 2363823 Ontario Inc. (the Guarantor)

c. General Security Agreement granting a charge over all personal property assets owned by the Borrower, which agreement is to be registered under the Personal Property Security Act (Ontario).

d. Assignment of Rents and Leases for all leases and rents, income, profits and reimbursables arising from or in connection with the Property.

e. Assignment of Insurance for all insurance required to be assigned satisfactory to the Lende. The Lender to be named loss payee and/or additional insured as first and second mortgagee where applicable.

f. Environmental Warranty and Indemnity Agreement by the Credit Parties stated to survive repayment of the Loan

g. Cost Overrun and Completion Agreement from the Credit Parties to keep the Project clear of all construction liens, to complete the Project and to cover all cost overruns from their own personal resources.

h. Assignment of Material Agreements assigning the Borrower's rights and interest (but not the Borrower's obligations) in all professional, construction, management and other contracts, plans, specifications, working drawings, budgets and schedules for the provision of materials, equipment and services to the Property, whereby the Lender *may* assume upon demand the rights of the Borrower under said contracts if the Borrower is in default.

i. Subordination and Standstill Agreement prepared on the Lender's standard form and satisfactory to the Lender for any subsequent encumbrance approved in writing by the Lender to be executed and delivered to the Lender by such subordinate lender, if agreeable and allowed by the Lender.

j. an unlimited environmental indemnity from the Borrower and Guarantors on a joint and several basis in favour of the Lender;

k. Undertaking from the Borrower and Guarantors to pay all realty taxes (to the extent they are eligible and owing) and to keep the Project free from all liens and work orders;

l. an indemnity and warranty for priority claims executed by the Borrower and Guarantors on a joint and several basis in satisfactory

m. Any other documents, instruments, agreements, security and/or assurances as may reasonably be requested by the Lender or its solicitors.

7. Statutory and Regulatory Compliance: The Borrower shall provide evidence satisfactory to the Lender or its solicitor that the Land complies with all applicable laws and regulation and the Borrower is not subject to any work orders and licensing issues.

8. Most up-to-date Property Tax information.

9. Identification (Front and Back).

10. You are to provide a non-refundable fee for our Solicitors' Legal fees in the amount of $10,000.00 payable to SFK Law, in Trust. These fees are deemed payable if the transaction is not complete for any reason. If the transaction closes, you will receive credit for this Fee.

11. The borrower will attend to the lawful execution and delivery of such documents, as the solicitors for the lender may deem necessary or advisable to fulfill the terms and conditions of this Agreement.

12. Lender's lawyer must be satisfied that you have good marketable title to the Property.

13. Loan to Value must not exceed 73%.

14. The existing encumbrance (charge) in favour of MARSHALLZEHR GROUP INC registered in the amount of $35,000,000.00 must be discharged and paid out in full and any sums owed to the receiver in connection with Court File No: 23-00699432-00CL.

15. The Instrument Restriction – Land registered as CH118771 on 2022/06/30 must be deleted and discharged from title on closing.

16. The existing Construction lien registered as Instrument CH128011 in the registered amount of $1,709,901 in favour of VANROOYEN EARTHMOVING LTD, must be discharged and paid out in full on closing.

17. Throughout the term of this mortgage, the borrower shall ensure compliance with all relevant provisions of the Planning Act of Ontario, as well as any other applicable zoning regulations, land use planning policies, and municipal bylaws. The borrower agrees not to undertake any activities or developments on the mortgaged property that would violate the Planning Act or any other relevant regulations. In the event of any violation of said provisions, the borrower shall promptly rectify the situation at their own expense. The borrower acknowledges that any such violation may constitute an event of default under this mortgage agreement, entitling the lender to exercise remedies as provided herein or by law.

18. The Funds shall be exclusively for the benefit of the Borrower and shall not be utilized for the benefit of any third party unless otherwise agreed between the parties.

19. PPSA REGISTRATION: The Lender and/or its legal representatives reserve the right to secure the mortgage transaction through the registration of a General Security Agreement (GSA) under the Personal Property Security Act (PPSA). This registration shall encompass all assets and inventory of the Borrowers, including but not limited to tangible and intangible assets, present and future, owned or acquired by the Borrowers, to secure the fulfillment of obligations under this mortgage commitment.

    The Borrowers hereby acknowledge and agree to consent to the registration of such General Security Agreement (GSA) under the PPSA and agree to execute any and all necessary documents and provide any information required by the Lender or its legal representatives for the purpose of effecting such registration if required by the Lender/its representative.

Furthermore, the Borrowers acknowledge that the registration of the General Security Agreement (GSA) under the PPSA shall not be limited to the assets and inventory specifically described herein but shall extend to all assets and inventory of the Borrowers, present and future, to the fullest extent permitted by law

20. AML/AFT Requirements: The Borrower's solicitor reviewing and completing the list of FINTRAC requirements regarding the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and providing the information to the Lender for approval with respect to the Borrower, the Guarantors and including Client identification certification

21. The borrower represents and warrants and shall provide assurance regarding environmental concerns associated with the properties. The borrower shall furnish any environmental assessment reports pertaining to the properties upon request by the lender. The borrower confirms that all necessary environmental assessments have been conducted in compliance with relevant regulations, and there are no known environmental hazards or liabilities associated with the properties.

Construction Lien Act:

The provisions of the Construction Lien Act are to apply.

Applicable Law:

All matters relating to the Mortgage Advance including, but without limitation, the Security Documentation entered into pursuant to the Commitment Letter, shall be governed by and construed under the laws of the Province of Ontario, Canada.

Solicitors:

The Security Documentation shall be prepared by Lender's solicitor and an opinion as to the validity and enforceability of the Security Documentation shall be provided by the solicitor acting on behalf of Borrower. Lender's solicitor for this transaction will be:

SFK Law, SHAUN F. KHAN

3660 Hurontario St. Suite 203, Mississauga, ON L5B 3C4
Tel: 905-232-3735
Email: shaun@sfklaw.ca
Closing Date: December 30, 2024 or as the Solicitors may direct

FURTHER TERMS

1. **PREPAYMENT**

   The Loan is open after 30 days.

2. **INTEREST CALCULATION**

   For the purpose of the calculation of interest, any payment of principal received after 1:00 p.m. EST shall be deemed to have been received on the next following banking day (being any day other than Saturday, Sunday, or statutory holiday in Ontario).

3. **SEVERABILITY**

   Should any clause and/or clauses contained in the Security Documentation be found to be illegal, void as against public policy or unenforceable in law, the offending clause or clauses as the case may be, are to be severed from the Security Documentation and deemed never to be a part of the Security Documentation.

4. **REALTY TAXES**
All realty taxes with respect to the Lands, together with any applicable penalties, shall be paid in full by Borrower, failing which, all funds advanced under the Mortgage Advance together with all interest accrued thereunder shall become forthwith due and payable, at Lender's option.

5. **ESCROW ADVANCES**
Where Lender agrees to advance funds to a solicitor prior to the receipt of all the Security Documentation by Lender, all such advances shall be received by the solicitor in trust for Lender and the solicitor shall not make any advance or other distribution of the advances so received until such times as all required security is in place.

6. **LEGAL COSTS**
The borrower shall be responsible for all legal costs with respect to the Mortgage Advance, plus disbursements and HST. Provided that if there are any problems, the legal costs may be increased for the additional time required to deal with the problems, as determined by Lender's solicitor, acting reasonably and in accordance with Lender's solicitor's standard hourly rates.

7. **INSURANCE**
The Lands must be fully insured to the extent of their full value against fire and all other perils customarily covered under comprehensive insurance policies, and all applicable policies must contain an endorsement naming Lender as mortgagee and conferring upon Lender the standard rights of a mortgagee under the standard wording approved by the Insurance Bureau of Canada.

8. **PAYMENT APPLICATION**
All payments received by Lender with respect to the Mortgage Advance shall be applied first to the payment of costs and charges payable by Borrower, second to the repayment of arrears of interest, third to current interest charges, and fourth to the repayment of principal amounts under the Mortgage Advance.

9. **INTEREST PERIOD**
Interest shall be payable by Borrower at the rate specified herein from and including the date: 30th day of each and every month.

10. **TITLE**
Lender will be given a valid, registered, freehold mortgage on the Lands (which, for the purposes of the Security Documentation, includes all improvements). Title to the Lands will be satisfactory to Lender's solicitors, and Borrower acknowledges that the mortgages shall be title insured.

11. **TIME OF THE ESSENCE**
Time is of the essence under the Commitment Letter and in respect of the performance of the obligations of Borrower under the terms of the Mortgage Advance, the Commitment Letter, and the Security Documentation.

12. **EXECUTION**
The Commitment may be executed in any number of counterparts, each of which when executed and delivered is an original, but all of which taken together constitute one and the same instrument. Delivery of the Commitment Letter via facsimile or other electronic transmission shall be binding upon Borrower and Lender and their respective heirs, executors, administrators, successors, and assigns.

13. **APPROVAL OF TERMS OF MORTGAGE ADVANCE**

Please signify your acceptance of the terms and conditions outlined above by signing and returning a duplicate copy of the Commitment Letter on or before November 09 2024.

14. **CANCELLATION COSTS**

In the event that Borrower decides not to close on this Commitment Letter, then any and all costs incurred by Lender (Legal Fees as mentioned above) shall be paid jointly and severally by Borrower and Guarantor, if applicable, as long as the cancellation of this Commitment Letter is not caused by Lender's default.

15. **SCHEDULE "A, B, C, D"**

Attached Schedule "D" shall form part of the registered charge and this Commitment Letter.

16. Borrower1's Contact Information

Occupation:
Employer:
Employer Address:
Contact/Mailing Address:
Phone Number:
Email address:
Emergency Contact and number:

ACCEPTANCE:

The undersigned hereby confirms the terms and conditions contained in the Commitment Letter this ___ day of November , 2024.

DBNC GROUP INC. ("Lender")

Per: Francis D'Atri-Guiran (Nov 8, 2024 10:57 EST)
Name: Francis D'Atri-Guiran
Title: Director
I have authority to bind the corporation:

2557386 ONTARIO INC. ("Borrower")

Per:
Name: _____
Title: Director
I have authority to bind the corporation:

2363823 Ontario Inc. ("Guarantor")
Per:
Name: _____
Title: Director
I have authority to bind the corporation:

_____
Michael Bettiol ("Guarantor")

SCHEDULE "A" to Mortgage Commitment Dated November 07, 2024

Narrative Appraisal

Storwell Self Storage Scarborough
85 Executive Court
Toronto, Ontario
Effective Date: October 15, 2024
Report Date: October 18, 2024

Prepared For
Francis D'Atri
Storwell Self Storage

Prepared By
Oliver Tighe B.A., AACI, P.App
Executive Director, Ottawa
Valuation & Advisory Services

340 Albert Street
Suite 930
Ottawa, ON K1R 7Y6
www.colliers.com

MAIN 613 567 8050
FAX 613 567 8035

Our File: OTT240482

October 18, 2024

Storwell Self Storage
3660 Hurontario Street,
Mississauga, ON L5B 3C4

Attention: Francis D'Atri

Re: Appraisal of Storwell Self Storage Scarborough
85 Executive Court, Toronto, Ontario

In accordance with your request, we have carried out an analysis of the above mentioned property in order to estimate its as is market value as an operating self storage facility. Based on our investigations, it is our opinion that the as is market value as an operating self storage facility of the fee simple interest in the Subject Property, as of October 15, 2024, is estimated to be as follows:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As Is Market Value As An Operating Self Storage Facility	**Fee Simple**	**October 15, 2024**	**$57,000,000**

The above value estimate is based on an exposure period of six months or less, assuming the basis of a transaction involving cash to the vendor, and is in conjunction with the Assumptions and Limiting Conditions stated within this appraisal. Of particular note are the Hypothetical Conditions, Extraordinary Assumptions and Extraordinary Limiting Conditions outlined within the Terms of Reference section.

This report describes the methods and approaches to value in support of the above conclusion, and contains the pertinent data gathered in our investigation of the market.

Should you have any questions, we would be pleased to discuss the valuation further.

Yours very truly,

COLLIERS INTERNATIONAL REALTY ADVISORS INC.

DRAFT

Oliver Tighe B.A., AACI, P.App
Executive Director, Ottawa

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Executive Summary

The subject property is a commercial building which was partially retrofitted into self storage in 2019 and 2021. The property has 225,000 square feet of gross space with 89,728 square feet of office, industrial and flex commercial space. The main building features 100,134 square feet of climate controlled rentable self storage space. The self storage areas features a total of 1,158 units. The building represents good quality construction and was in good condition as of the effective date of the report.

Storwell Self Storage Scarborough
85 Executive Court
Toronto, Ontario

Final Value Estimate
$57,000,000

PROPERTY INFORMATION			
Property Type	Industrial / Self-Storage	Size (SF)	112,936
Year Built	2006	Occupied (93.7%)	93.71%
Quality / Condition	Good / Good	District	Scarborough
Site Area (acres)	11.27	Clear Height	9
Density	0.23	Cranes	No
Excess Density	No	Loading (Dock / Grade / Rail)	No / Yes / No
Land Use/Zoning	E 0.7 (Employment Industrial)		

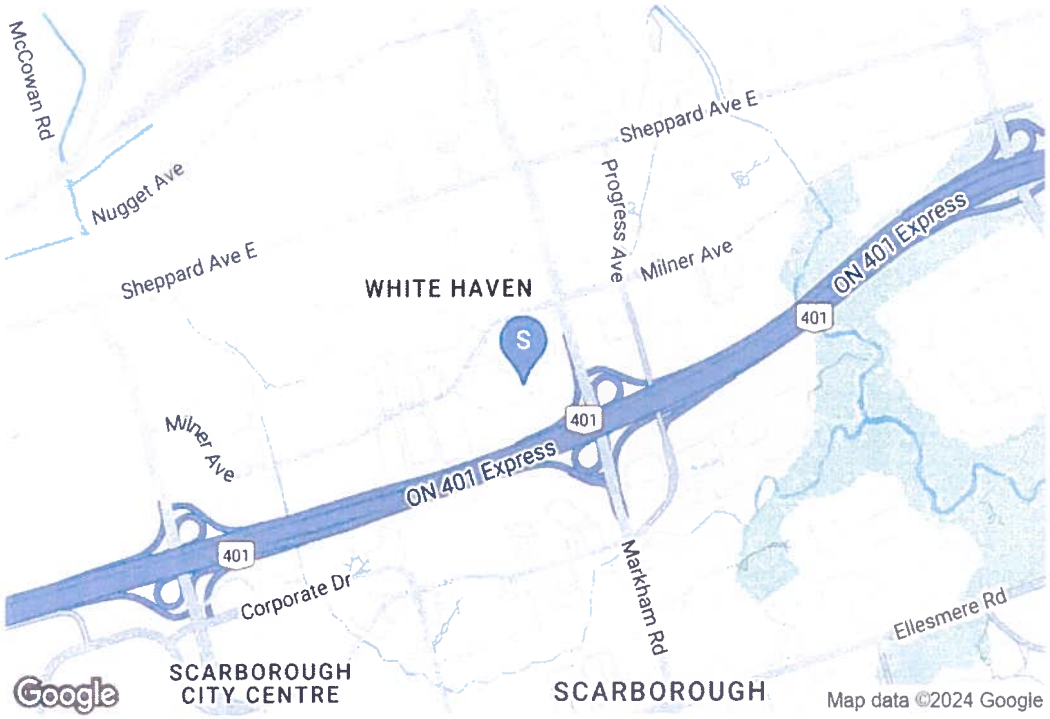
VALUE CONCLUSION		VALUATION SUMMARY	
Final Value Estimate	**$57,000,000**	Direct Comparison Approach	$57,025,000
Effective Date	October 15, 2024	Income Approach	
Value per SF	$505	Direct Income Capitalization	$56,750,000
Going-In Capitalization Rate	5.48%	Discounted Cash Flow	$57,575,000

DIRECT INCOME CAPITALIZATION		DIRECT COMPARISON APPROACH	
		Concluded Unit Value/SF	$505
Stabilized Net Operating Incom	$3,121,878	Initial Value	$57,025,000
Vacancy Allowance	8.50%	Adjustments	$0
Structural / Contingency	5.00%	Adjusted Value	$57,025,000
Overall Capitalization Rate	5.50%	Value per SF	$505
Initial Value	$56,750,000		
Adjustments	$0		
Adjusted Value	$56,750,000		
Value per SF	$502		

DISCOUNTED CASH FLOW ANALYSIS	
Investment Horizon	10 Years
Discount Rate	6.50%
Terminal Capitalization Rate	6.50%
Value	$57,575,000
Value per SF	$510

The above value estimate is in conjunction with the Assumptions and Limiting Conditions stated within this appraisal. Of particular note are the Hypothetical Conditions, Extraordinary Assumptions and Extraordinary Limiting Conditions outlined within the Terms of Reference section.

General Location Map



Aerial Photograph

SCHEDULE "B" to Mortgage Commitment Dated November 07, 2024

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

Ontario ServiceOntario

LAND REGISTRY OFFICE #66

06171-0102 (LT)

PREPARED FOR shaun001

ON 2024/11/07 AT 19:10:20

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

PROPERTY DESCRIPTION: PART OF BLOCK 1 ON PLAN M2021 SCARBOROUGH DESIGNATED AS PARTS 2 TO 5 & 8 TO 11 ON PLAN 66R21926, SCARBOROUGH, CITY OF TORONTO; S/T EASEMENT AS IN SC587175 (A904131); S/T EASEMENT AS IN AT467085; T/W EASEMENT OVER PART OF BLOCK 1 ON PLAN M2021 DESIGNATED AS PARTS 6,7,12 & 13 ON PLAN 66R21926 UNTIL SUCH TIME AS THE SAID PARTS 6,7,12 & 13 HAVE BEEN DEDICATED FOR PUBLIC HIGHWAY PURPOSES AS IN AT1118135.

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 06171-0010

PIN CREATION DATE:
2006/05/12

OWNERS' NAMES
STORWELL EXECUTIVE COURT INC.

CAPACITY SHARE
BENO

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
*** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2006/05/12 **						
A943123	1981/08/25	NOTICE AGREEMENT				C
66R21061	2004/04/23	PLAN REFERENCE				C
	REMARKS: PLAN OF SURVEY OF BLOCK 1, PLAN 66M2021 AND LOT 37, PLAN 10620, SCARBOROUGH, CITY OF TORONTO.					
AT467085	2004/04/28	TRANSFER	$4,650,000	1434113 ONTARIO INC.	STORWELL EXECUTIVE COURT INC.	C
	REMARKS: PLANNING ACT STATEMENTS					
AT467183	2004/04/28	NOTICE	$2	STORWELL EXECUTIVE COURT INC.	1434113 ONTARIO INC.	C
66R21926	2005/08/02	PLAN REFERENCE				C
AT957387	2005/10/24	CHARGE		*** DELETED AGAINST THIS PROPERTY *** STORWELL EXECUTIVE COURT INC.	THE EQUITABLE TRUST COMPANY	
AT1055524	2006/02/06	CHARGE		*** DELETED AGAINST THIS PROPERTY *** STORWELL EXECUTIVE COURT INC.	THE EQUITABLE TRUST COMPANY	
AT1055533	2006/02/06	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** STORWELL EXECUTIVE COURT INC.	THE EQUITABLE TRUST COMPANY	
	REMARKS: AT1055524					
AT1055624	2006/02/06	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** THE EQUITABLE TRUST COMPANY	THE EQUITABLE TRUST COMPANY	
	REMARKS: AT957387 TO AT1055524					
AT1055625	2006/02/06	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** THE EQUITABLE TRUST COMPANY	THE EQUITABLE TRUST COMPANY	
	REMARKS: AT957387 TO AT1055533					
AT1118134	2006/04/24	NOTICE	$2	CITY OF TORONTO	STORWELL EXECUTIVE COURT INC.	C

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

0286

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT1568699	2007/09/07	CHARGE		*** COMPLETELY DELETED *** STORWELL EXECUTIVE COURT INC.	THE EQUITABLE TRUST COMPANY	
AT1568700	2007/09/07	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** STORWELL EXECUTIVE COURT INC.	THE EQUITABLE TRUST COMPANY	
REMARKS: AT1568699 - RENTS						
AT1569488	2007/09/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE EQUITABLE TRUST COMPANY		
REMARKS: RE: AT957387						
AT1569489	2007/09/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE EQUITABLE TRUST COMPANY		
REMARKS: RE: AT1055524						
AT2044378	2009/04/08	CHARGE		*** COMPLETELY DELETED *** STORWELL EXECUTIVE COURT INC.	BUSINESS DEVELOPMENT BANK OF CANADA	
AT2044379	2009/04/08	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** STORWELL EXECUTIVE COURT INC.	BUSINESS DEVELOPMENT BANK OF CANADA	
REMARKS: RENTS-AT2044378						
AT2097041	2009/06/18	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE EQUITABLE TRUST COMPANY		
REMARKS: AT1568699.						
AT3537600	2014/03/13	CHARGE	$20,000,000	STORWELL EXECUTIVE COURT INC.	BUSINESS DEVELOPMENT BANK OF CANADA	C
AT3537618	2014/03/13	NO ASSGN RENT GEN		STORWELL EXECUTIVE COURT INC.	BUSINESS DEVELOPMENT BANK OF CANADA	C
REMARKS: AT3537600.						
AT3717089	2014/10/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** BUSINESS DEVELOPMENT BANK OF CANADA		
REMARKS: AT2044378.						

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

Properties

PIN	06171 – 0102 LT	*Interest/Estate*	Fee Simple
Description	PART OF BLOCK 1 ON PLAN M2021 SCARBOROUGH DESIGNATED AS PARTS 2 TO 5 & 8 TO 11 ON PLAN 66R21926, SCARBOROUGH, CITY OF TORONTO; S/T EASEMENT AS IN SC587175 (A904131); S/T EASEMENT AS IN AT467085; T/W EASEMENT OVER PART OF BLOCK 1 ON PLAN M2021 DESIGNATED AS PARTS 6,7,12 & 13 ON PLAN 66R21926 UNTIL SUCH TIME AS THE SAID PARTS 6,7,12 & 13 HAVE BEEN DEDICATED FOR PUBLIC HIGHWAY PURPOSES AS IN AT1118135.		
Address	85 EXECUTIVE COURT TORONTO		

Chargor(s)

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

Name	STORWELL EXECUTIVE COURT INC.
Address for Service	300 Evans Avenue Toronto, Ontario M8Z 6C8

I, Gregory D'Atri–Guiran, President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Chargee(s) *Capacity* *Share*

Name	BUSINESS DEVELOPMENT BANK OF CANADA
Address for Service	121 King Street West Suite 1200 Toronto, Ontario M5H 3P9

Statements

Schedule: See Schedules

Provisions

Principal	$20,000,000.00	*Currency*	CDN
Calculation Period	SEE SCHEDULE A		
Balance Due Date	SEE SCHEDULE A		
Interest Rate	SEE SCHEDULE A		
Payments			
Interest Adjustment Date			
Payment Date	SEE SCHEDULE A		
First Payment Date			
Last Payment Date			
Standard Charge Terms	20011		
Insurance Amount	full insurable value		
Guarantor			

Signed By

Maggie Pyz	800–150 York St. Toronto M5H 3S5	acting for Chargor (s)	Signed 2014 03 13

Tel 416–364–1553
Fax 416–364–1453

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

Submitted By

MACDONALD SAGER MANIS LLP
800–150 York St.
Toronto
M5H 3S5
2014 03 13

Tel 416–364–1553
Fax 416–364–1453

Fees/Taxes/Payment

Statutory Registration Fee	$60.00
Total Paid	$60.00

SCHEDULE "C" to Mortgage Commitment
Dated November 07, 2024

CANADA PROVINCE OF ONTARIO	)	IN THE MATTER OF Mortgage Commitment Dated November 07 2024, issued by DBNC GROUP INC. to 2557386 ONTARIO INC. Property Legally described as PART WARNER NELLES TRACT DESIGNATED AS PART 1, 18R-7058; SAVE & EXCEPT PART 1, 18R-7281; T/W EASEMENT OVER PART 2, 18R-7058 AS IN HC252899; TOWNSHIP OF SENECA; HALDIMAND COUNTY

TO WIT:

I, Francis D'Atri-Guiran of the City of Oakville, DO **SOLEMNLY DECLARE** that:

1. I am a Director of the Corporation, STORWELL EXECUTIVE COURT INC. and as such have knowledge of the matters hereinafter declared.

2. The Charge registered against the property 85 EXECUTIVE COURT TORONTO, in favor of Business Development Bank of Canada, registered as Instrument AT3537600, has an approximate balance of $6,000,000 as of today's date.

And we make this solemn declaration conscientiously believing it to be true and knowing it is of the same force and effect as if made under oath.

DECLARED Remotely by Francis D'Atri-Guiran stated as being in the City of Oakville, in the Province of Ontario, before me at the City of Mississauga in the Province of Ontario this 07 day of November, 2024. In accordance with O.Reg 431.20	)	Francis D'Atri-Guiran (Nov 7, 2024 19:49 EST) Francis D'Atri-Guiran

A COMMISSIONER, ETC.

shaun khan

revised stat dec

Final Audit Report 2024-11-08

Created:	2024-11-08
By:	shaun khan (shaun@sfklaw.ca)
Status:	Signed
Transaction ID:	CBJCHBCAABAA1ML_8vw_4Hfpufpw3BhK-K10AfofgON0

"revised stat dec" History

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2024-11-08 - 0:46:50 AM GMT

Document emailed to francis@dbncgroup.com for signature
2024-11-08 - 0:46:53 AM GMT

Document emailed to shaun khan (shaun@sfklaw.ca) for signature
2024-11-08 - 0:46:53 AM GMT

Email viewed by francis@dbncgroup.com
2024-11-08 - 0:47:46 AM GMT

Signer francis@dbncgroup.com entered name at signing as Francis D'Atri-Guiran
2024-11-08 - 0:49:11 AM GMT

Document e-signed by Francis D'Atri-Guiran (francis@dbncgroup.com)
Signature Date: 2024-11-08 - 0:49:13 AM GMT - Time Source: server

Email viewed by shaun khan (shaun@sfklaw.ca)
2024-11-08 - 0:50:09 AM GMT

Document e-signed by shaun khan (shaun@sfklaw.ca)
Signature Date: 2024-11-08 - 0:50:21 AM GMT - Time Source: server

Agreement completed.
2024-11-08 - 0:50:21 AM GMT

Adobe Acrobat Sign

Schedule "D" Additional Terms

In consideration of the sum of Ten Dollars ($10.00) now paid by the Chargee to the Chargor (the receipt and sufficiency of which are hereby acknowledged) and as continuing collateral security for the payment to the Chargee of the Indebtedness Secured Hereby and for the performance of all the terms, agreements, provisions, conditions, obligations and covenants of the Chargor set out in this Charge and in any document, instrument, agreement or other writing entered into between the Chargor and the Chargee, the Chargor:

(a) grants, conveys, mortgages, charges, pledges and assigns to and in favour of the Chargee, its successors and assigns, all of the Chargor's rights, benefits, title and interest, present and future, in and to:

(i) the Property; and

(ii) all rights-of-way, easements, licences, concessions, franchises, tenements, hereditaments, privileges, rights and interests of every nature and kind appurtenant or appertaining to the Property; and

(b) assigns, transfers and sets over to and in favour of the Chargee, its successors and assigns, all of the Chargor's rights, benefits, title and interest, present and future, in and to:

(i) all rents and other amounts payable by tenants, licencees and other occupiers or users of space in the Property (hereinafter sometimes collectively called the "**Tenants**") pursuant to the Leases;

(ii) all benefits, advantages and powers to be derived from the Leases, with full power and authority to demand, sue for, recover, receive and give receipts for all rents and all other amounts payable thereunder and otherwise to enforce the rights of the landlord thereunder;

(iii) the benefit of any guarantees of, and indemnities with respect to, the Leases and the performance of any or all of the obligations of any Tenant;

(iv) all present and future agreements of purchase and sale, agreements, licences, permits, consents, construction contracts (including construction management contracts and trade contracts thereunder), performance and material and labour bonds, industrial property rights and other similar rights, pertaining to the Property or any part thereof, other than the Leases (collectively the "**Material Documents**");

(v) all contracts, securities, bills, notes, judgments, chattel mortgages, mortgages, warranties, letters of credit, letters of guarantee and other rights and benefits which now are or may hereafter be vested in the Chargor in respect of or as security for any of the Leases and Material Documents (collectively the "**Rights**"); and

(vi) all books, accounts, invoices, letters, papers and documents in any way evidencing or relating to any of the Leases, Material Documents and Rights (collectively the "**Books**").

To have and to hold the Charged Property and all rights hereby conferred unto the Chargee, its successors and assigns, forever, for the uses and purposes, with the powers and authorities and subject to the terms and conditions set forth in this Charge.

Last Day of Leases:

The mortgage, charge, pledge, assignment and transfer hereby created shall not extend or imply to the last day of the term of each of the Leases, and such last day does not and shall not form part of the Charged Property, but the Chargor shall stand possessed of such last day and shall hold it in trust for the Chargee to assign and dispose of as the Chargee shall, for such purpose, direct. Upon any sale or sales of such leasehold interests or any part thereof, the Chargee, for the purpose of vesting the last day of any such term or renewal thereof, in any purchaser or purchasers, shall be entitled by deed or writing to assign such last day to any such purchaser or purchasers or any other person or persons and to vest the same accordingly, freed and discharged from any obligation respecting the same.

Fixtures:

Except for any fixtures which are, under the terms of the Leases, the property of tenants of the Charged Property and which they are entitled to remove in accordance with the terms of their Leases, all buildings, erections and improvements now or hereafter erected or placed upon the Lands or now or hereafter attached to or used in connection with the Charged Property including, without limitation, all elevators, machinery, motors, furnaces, boilers, oil and gas burners, stokers, blowers, water heaters, television antennae, tanks, electric light fixtures, floor coverings, window blinds, partitions, fire alarm and protective equipment and systems, sprinklers, screen doors and windows, refrigerators, stove and air-conditioning, ventilating, plumbing, electrical, cooking, lighting, heating, cooling and refrigeration fixtures and equipment, and all things appurtenant thereto, shall for all purposes of this Charge be fixtures and form part of the Charged Property whether or not affixed at law to the Lands.

Prepayment

Provided that the Chargor has not been in default hereunder and is not presently in default, the Chargor shall, at any time, have the privilege of prepaying the whole or any part of the Principal Sum outstanding upon 30 Days written notice to the Chargee.

Place and Manner of Payment:

The Indebtedness Secured Hereby shall be paid to the Chargee at its address set out on the electronic charge/mortgage to which this schedule is attached, on or before 1:00 p.m. on a Business Day. Any amounts received by the Chargee after 1:00 p.m. on a Business Day shall be deemed to have been paid, and received by the Chargee, on the next Business Day.

Application of Payments:

Any and all payments made in respect of the Indebtedness Secured Hereby including, without limitation, all monies realized from any Security Hereby Constituted (including, without limitation, monies realized on any enforcement of this Charge), may be applied or imputed to such part or parts of the Indebtedness Secured Hereby as the Chargee may see fit in its sole discretion and the Chargee shall at all times and from time to time have the right to change, in its sole discretion, any such application or imputation.

Charge Valid Irrespective of Advance of Monies:

The Security Hereby Constituted shall be and be deemed to be valid and effective and shall have effect whether or not the Indebtedness Secured Hereby including, without limitation, the Principal Sum or any part thereof shall be advanced before, after or upon the date of the issue of this Charge or the date of the execution of this Charge.

Repayment Following Default or Maturity

If prepayment of any part of the principal sum secured hereunder is made by reason of payment after acceleration upon the occurrence of a default, the Chargor agrees to pay to the Chargee three (3) months' interest on the principal amount prepaid at the rate of interest chargeable hereunder at the time of prepayment as hereinbefore set out.

If the principal sum, accrued interest thereon and any of the sums which may be due hereunder is not repaid on or before the Balance Due Date, then the Chargor agrees to pay to the Chargee in addition to the amounts required to obtain a discharge, three months interest at the rate of interest chargeable hereunder on the principal amount outstanding on the Balance Due Date.

COVENANTS OF THE CHARGOR

Covenants in respect of the Indebtedness Secured Hereby:

The Chargor covenants and agrees with the Chargee that:

(a) the Chargor will duly and punctually pay or cause to be paid to the Chargee, the Indebtedness Secured Hereby including, without limitation, the Principal Sum, all Interest with respect thereto and any other monies owing to the Chargee hereunder in the manner set forth in this Charge;

(b) that no part of the Indebtedness Secured Hereby existing at the date of the Charge or incurred or arising thereafter, shall be deemed to be unsecured by the Charge;

(c) that the Charge is and shall be a continuing collateral security to the Chargee for the amount of the Indebtedness Secured Hereby and interest and costs as provided in the Charge and shall be deemed to be taken as security for the ultimate balance of the Indebtedness Secured Hereby and the Charge shall not, nor shall anything therein contained operate so as to create any merger or discharge of any debt owing to the Chargee or of any lien, bond, promissory note, bill of exchange or other security held by the Chargee either before or after registration of the Charge from the Chargor or from any other person or persons and the Charge shall not in any way prejudicially affect any security held either before or after the registration of the Charge by the Chargee for the Indebtedness Secured Hereby or any part thereof, or the liability of any endorser or any other person or persons upon any such lien, bond, bill of exchange, promissory note or other security or contract or any renewal or renewals thereof held by the Chargee for or on account of the Indebtedness Secured Hereby or any part or parts thereof, nor shall the remedies of the Chargee in respect thereof be prejudiced or delayed in any manner whatsoever by the taking of the Charge;

(d) that any and all payments made in respect of the Indebtedness Secured Hereby and interest and the monies or other proceeds realized from the sale of any securities held therefor, including the Charge, may be applied and reapplied notwithstanding any previous application on such part or parts of such Indebtedness Secured Hereby or interest as the Chargee may see fit or may be held unappropriated in a separate collateral account for such time as the Chargee may see fit;

(e) the Chargee may at all times release or discharge any part or parts of the Charged Property or any other security or any surety for payment of all or any part of the Indebtedness Secured Hereby without thereby releasing or discharging any other part of the Charged Property, or any other securities or covenants contained in the Charge, it being especially agreed that notwithstanding any such release or discharge, the Charged Property, securities and covenants remaining unreleased shall stand charged with the whole of the Indebtedness Secured Hereby and all legal and other expenses incurred by the Chargee in connection with such release or releases;

The Chargor covenants and agrees with the Chargee that:

(a) **Title to Charged Property**:

(i) the Chargor is the registered and, unless otherwise disclosed in writing to the Chargee, beneficial owner of the Property and all appurtenances thereto with a good and marketable title in fee simple without any reservations, limitations, provisos or conditions, except the Permitted Encumbrances;

(ii) the Chargor has good right and lawful authority to grant, convey, mortgage, charge, pledge, assign, transfer and set over to the Chargee the Charged Property in accordance with the provisions hereof; and

(iii) the Charged Property is free and clear of any other mortgage, charge, debenture, lien, claim for lien, lease, assignment, sublease, adverse claim, security interest, restriction, easement or other encumbrance, except for the Permitted Encumbrances;

and that the Chargor will defend its right, title and interest thereto against all claims and demands whatsoever of all Persons whomsoever;

(b) **To Permit Access**:

at all times the Chargor will permit or cause to be permitted any Person designated by the Chargee to visit and, subject to the rights of the Tenants under their Leases, inspect the Charged Property or any part thereof and will ensure that such Person has free and unrestricted access to the Charged Property and any part thereof, and that the Chargor will provide such Person with such information and data relating to the Charged Property or any part thereof as such Person may request;

(c) **To Maintain Existence**:

the Chargor will maintain in good standing its corporate existence under the laws of the Province of Ontario and will qualify and remain duly qualified to do business and own property (including the Charged Property) in each jurisdiction in which such qualification is necessary in view of its business and operations;

(d) **Compliance With Law**:

the Chargor shall comply in all respects with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, paying and discharging when due all Preferred Claims, taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or any property belonging to it;

(e) **Not to Permit Liens**:

the Chargor will prevent any construction lien or claim for lien from being filed, registered or otherwise asserted against the Property or any part thereof and the Chargor will promptly cause the discharge of any such construction lien or claim for lien; provided that the Chargor may contest in good faith and with reasonable diligence the validity of any such lien or claim for lien upon first furnishing such security, bond or indemnity with respect thereto as the Chargee may require;

(f) **To Repair**:

the Chargor will repair or will cause others to repair, at all times, and keep in repair and good order and condition, or cause to be so repaired and kept in repair and good order and condition, the Improvements and each and every part thereof, as would a prudent owner of a comparable Property up to a modern standard, and renew and replace or cause to be renewed and replaced all and any of the same which may become worn, dilapidated, unserviceable, inconvenient or destroyed, and which are necessary for efficient operation of the Charged Property and will comply with all zoning by-laws, building codes and other standards and not cause or permit to exist any governmental or quasi-governmental work orders, notices of violation or deficiency notices in respect of the Property or any part thereof;

(g) **Material Adverse Change**:

the Chargor will provide the Chargee with prompt written notice of any material adverse change in its financial condition, in or of any matter, act or thing financial or otherwise materially and adversely affecting the Charged Property, its interest therein or the construction of the Property, or of any material loss, destruction, damage of or to the Charged Property;

(h) **To Perform Obligations with the Chargee**:

the Chargor will fully and punctually keep, observe, comply with, fulfill, perform and satisfy each and every term, covenant, agreement, condition and obligation on its part to be kept, observed, complied with, fulfilled, performed and satisfied under this Charge (including without limitation to pay or cause to be paid to the Chargee the Indebtedness Secured Hereby at the times and in the manner set forth herein) and under any agreement, guarantee, instrument, document or writing, present and future, entered into between the Chargor and the Chargee, or delivered by the Chargor to the Chargee;

(i) **Not to Encumber**:

the Chargor will not create, assume or permit to exist any mortgage, charge, hypothec, pledge, lien or other encumbrance or security interest with respect to the Charged Property or any part thereof, any personal property associated therewith or any property substituted therefor other than Permitted Encumbrances without the prior written consent of the Chargee, which consent may be unreasonably or arbitrarily withheld, notwithstanding any statutory or other provision of law inconsistent therewith;

(j) **Change of Control**:

the Chargor shall not, nor will it permit, any transfer by sale, assignment, pledge, grant of security interest, exchange, operation of law or other disposition, or by issue, subscription, allotment, cancellation or redemption, of all or any part of the issued and outstanding shares of the Chargor having voting rights, whether contingent or direct, nor permit any reorganization or amalgamation, in any such case so as to result in any change in the present effective voting control of the Chargor from the Person or Persons holding such voting control on the date of this Charge without first obtaining the written consent of the Chargee in each instance (which consent may be withheld at the Chargee's discretion notwithstanding any statutory or other provision of law inconsistent therewith). Any subsequent change in control shall similarly be subject to the prior written consent of the Chargee. The Chargor shall make available to the Chargee or its lawful

representatives all of its corporate books and records for inspection at all reasonable times in order to ascertain whether there has been any change in control;

(k) **Not To Change Name**:

the Chargor will not change its name unless thirty (30) days' prior written notice thereof has been given to the Chargee;

(l) **Covenant for Quiet Possession**:

from and after the occurrence of an Event of Default the Chargee shall, subject only to the Permitted Encumbrances, be lawfully entitled to peaceably and quietly enter into, have, hold, use, occupy, possess and enjoy the Charged Property and any and each part thereof together with their appurtenances, without hinderance, interruption or denial by the Chargor or any other Person;

(m) **Not to Commit Waste**:

the Chargor will not commit or permit waste to be committed or suffered on the Charged Property or any part thereof;

(n) **Not to Remove or Destroy Buildings**:

the Chargor will not remove, destroy or authorize or permit the removal or destruction of the Improvements or any part or parts thereof, without the written consent of the Chargee, which consent may be withheld at the Chargee's sole discretion notwithstanding any statutory or other provision of law inconsistent therewith;

(o) **Other Information**:

the Chargor will provide the Chargee with such information and reports relating to the Chargor and the Charged Property and any part thereof as the Chargee may from time to time require;

(p) **Further Assurances**:

the Chargor will at any and all times and at its expense do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered all and every such further acts, deeds, conveyances, mortgages, transfers, assignments, leases and assurances as the Chargee shall require for the purpose of giving the Chargee a valid mortgage and charge and security of the nature herein specified upon the Charged Property and for the better assuring, conveying, mortgaging, charging, and assigning the Charged Property to and in favour of the Chargee;

(q) **Maintain Security**:

the Chargor will fully and effectually maintain and keep maintained the Security Constituted Hereby as a valid and effective security at all times so long as any Indebtedness Secured Hereby remains outstanding or any obligation of the Chargor or any other Person to the Chargee under any other agreement relating to the Property remains unfulfilled, unsatisfied or unperformed and shall record, file, enter or register this Charge or notice thereof and all other instruments of further assurance wherever, in the opinion of the Chargee, it would be of advantage in preserving and protecting the Security Constituted Hereby or intended so to be, and renew such recordings, filings, enterings or registrations from time to time as and when required;

(r) **Litigation**:

the Chargor will promptly give the Chargee notice in writing of any litigation affecting the Chargor where the potential liability of the Chargor exceeds the sum of $25,000.00;

(s) **Compliance with Agreements**:

the Chargor will do, observe and perform all of its obligations, covenants, conditions and agreements under the Permitted Encumbrances and any other agreements entered into by the Chargor with the Chargee, made by the Chargor in favour of the Chargee or assigned by the Chargor to the Chargee;

(t) **Use of Advances**:

the Chargor will use the proceeds of this Charge only for the purpose(s) set out in the Commitment Letter.

(u) **Indemnify Chargee**:

the Chargor shall, from time to time, indemnify the Chargee and hold the Chargee harmless from and against any and all costs, losses, liabilities or expenses (including losses of profits) whether on account of interest paid by the Chargee to lenders of funds borrowed by it or depositors of funds deposited with it to make or maintain any advance, maintain any outstanding amount in default, or otherwise, which it may suffer or incur, including without limitation as a result of:

(i) any default by the Chargor in the due and punctual payment of any Indebtedness Secured Hereby, then due under this Charge, or

(ii) any failure by the Chargor to borrow any funds after requesting an advance (except where such failure is the result of the refusal of the Chargee to make such funds available where the Chargor is entitled to borrow such funds hereunder);

(v) **Payment of Costs and Expenses:**

the Chargor will immediately pay or cause to be paid to the Chargee or pursuant to the Chargee's direction, upon demand, all costs, charges, fees and expenses, including, without limitation, legal fees and disbursements on a solicitor and his own client basis, court costs, appraisal fees and disbursements, the Chargee's consultant fees and disbursements and any other out-of-pocket costs and expenses, incurred by the Chargee in connection with or arising out of or in respect to this Charge including, without limitation, any one or more of the following:

(i) the negotiation, preparation, execution and enforcement of this Charge and all documents, agreements and other writings incidental or ancillary hereto;

(ii) any act done or taken pursuant to this Charge including, without limitation, recovering the Indebtedness Secured Hereby and registering and discharging this Charge;

(iii) the preservation, protection, enforcement or realization of the Charged Property or the Security Hereby Constituted or both, including, without limitation, retaking, holding, repairing, preparing for disposition and disposing of the Charged Property;

(iv) any action or other proceeding instituted by the Chargor, the Chargee or any other Person, in connection with or in any way relating to any one or more of the following:

(A) this Charge or any part hereof;

(B) the preservation, protection, enforcement or realization of the Charged Property or the Security Hereby Constituted or both; and

(C) the recovery of the Indebtedness Secured Hereby; and

together with interest thereon from the due date of such expenses at the Interest Rate, calculated daily and compounded monthly and payable on demand. Whether any action or any judicial proceedings to enforce the aforesaid payments has been taken or not, the amount owing to the Chargee under this Section shall be added to the Indebtedness Secured Hereby and shall be secured by the Security Hereby Constituted;

Chargee May Perform Covenants:

If the Chargor shall fail to perform any term, condition, obligation or covenant set out in this Charge or in any Permitted Encumbrance or any other agreement, charge or encumbrance now or hereafter existing or claimed against the Charged Property or any part thereof (collectively the **"Charges"**) the Chargee may (but shall not be obliged to) at any time and from time to time, perform any of such terms, conditions, obligations or covenants capable of being performed by it and including without limitation the Chargee may, whenever it deems necessary, by its agent enter upon and make such repairs as it deems necessary and may satisfy (without any obligation or liability to so do) the whole or any part of or any of the Charges whether any of such Charges is satisfied out of the moneys advanced under this Charge or otherwise and, if any such performance, from time to time, by the Chargee requires the payment or expenditure of money, it may make such payment or expenditure with its own funds or with money borrowed by or advanced to it for such purpose, but shall be under no obligation so to do. All sums so expended or advanced shall be at once payable by the Chargor to the Chargee, shall bear interest at the Interest Rate, shall be added to the Indebtedness Secured Hereby and shall be secured by the Security Hereby Constituted, but no such performance or payment shall be deemed to relieve the Chargor from any default hereunder. The Chargor hereby expressly grants to the Chargee and agrees that the Chargee shall have the absolute and immediate right to enter in and upon the Charged Property or any part thereof to such extent and as often as the Chargee, in its sole and absolute discretion deems necessary or desirable in order to prevent or to cure any such default by the Chargor. The Chargee shall not by reason of such entry become a mortgagee in possession. If the Chargee makes any payment under any of the Charges, the Chargee shall be entitled to all of the equities, securities and remedies of any and all persons so paid.

Remedies and Enforcement by Chargee:

Upon the occurrence of an Event of Default, the Security Hereby Constituted shall become enforceable and the Chargee may, without any notice, in its sole discretion exercise and enforce its rights and remedies, including without limitation, any one or more of the following remedies, which remedies may be exercised from time to time separately or in combination and are without prejudice to and are in addition to any other rights and remedies given in this Charge or in any other agreement or document with the Chargee or which the Chargee may have at law:

(a) **Power of Sale**: Provided that the Chargee on default of payment in respect of any of the Indebtedness Secured Hereby may on fifteen (15) days' notice enter on and lease the Charged Property or any part or parts thereof and receive and take the rents, issues and profits thereto or on default of payment for at least fifteen (15) days may on at least thirty-five (35) days' notice sell the Charged Property; provided that the Chargee on default by the Chargor of the observance or performance of any of the provisions of this Charge other than a default of payment of any moneys hereby secured may on fifteen (15) days' notice enter on and lease the Charged Property or any part or parts thereof, or on default of such observance or performance for at least fifteen (15) days may on at least thirty-five (35) days' notice sell the Charged Premises, provided that should default of such observance or performance continue for thirty (30) days the Chargee may enter on and lease the Charged Property or any parts thereof without notice; any notice under this Section shall be sufficiently given for all purposes if given in accordance with Part III of the Mortgages Act (Ontario), as amended from time to time or under such statutory provision as may be enacted in substitution for or amendment of Part III; such notice shall not be required or lesser notice may be given if and to the extent permitted or authorized under or pursuant to Part III and shall be sufficient although not addressed to any person or persons by name or designation, and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. The rights in this Section given to the Chargee are without prejudice to and are in addition to any other rights and remedies given in this Charge to the Chargee or which the Chargee may have at law;

(b) **Possession**: (i) Provided that the Chargee may lease or sell as provided in Section 7.03(a) without entering into possession of the Charged Property; and (ii) immediately take possession of all or any part of the Charged Property, with power among other things, to:

(A) exclude the Chargor; and

(B) preserve and maintain the Charged Property and make additions and replacements thereto;

(c) **Sale**: Any sale hereunder may be by public auction or private sale or partly by one and partly by the other, for such price as can reasonably be obtained therefor and may be either for cash or on credit, or part cash and part credit and with such conditions of sale or otherwise as the Chargee in its discretion shall deem proper. The proceeds of any sale or lease of the Charged Property may be applied in payment of any costs, charges and expenses including surveyor's charges, solicitor's charges as between a solicitor and his

own client and agent's charges or commissions, including realtor's and appraiser's fees and commissions incurred in taking, recovering, keeping possession of the Charged Property or in leasing or selling the Charged Property or by reason of non-payment or endeavouring to procure payment of the Indebtedness Secured Hereby (including sums which the Chargee has paid for Taxes, insurance and maintenance) as well as to payment of the Principal Sum and Interest and all other moneys payable under this Charge to the Chargee. Sales may be made from time to time of portions of the Charged Property (including sales of all or any part of the Improvements), or of the whole of the Charged Property, to satisfy Interest or parts of the Principal Sum overdue. The Chargee may make any stipulations as to title or evidence or commencement of title, or otherwise which the Chargee shall deem proper and may rescind or vary any contract for sale of any of the Charged Property and may buy in and resell without being answerable for loss occasioned thereby. On any sale hereunder, the Chargee shall be accountable only for moneys actually received in cash as and when so received and for such purposes may make and execute all agreements and assurances as the Chargee shall think fit. The purchaser at any sale hereunder or the lessee under any such lease shall not be bound to see to the legality, propriety or regularity thereof, or that default has happened on account of which the sale or lease is made, and no want of default or of notice (other than as required by law) shall invalidate any sale or lease hereunder and the remedy of the Chargor shall be in damages only. No sale or other dealing by the Chargee with the Charged Property or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies secured by this Charge;

(d) **Attorney:** the Chargor hereby appoints the Chargee as the Chargor's true and lawful attorney and agent to do all things and execute all documents to effectually complete any such sale or lease;

(e) **Preserve Charged Property:** preserve and maintain the Charged Property and make such repairs, replacements and additions thereto as it deems appropriate;

(f) **Receive Rents:** receive and collect the rents, deposits, monies, fees, incomes and profits of all kinds derived from the Charged Property and all other monies due and becoming due in connection with the Charged Property and pay therefrom all expenses of maintaining, preserving, protecting and operating the Charged Property and all charges against the Charged Property ranking in priority to this Charge or payment of which may be necessary to preserve or protect the Charged Property, renew from time to time any or all of the Leases and enjoy and exercise all powers necessary to the performance of all functions provided for in this subsection including, without limitation, the power to purchase on credit, borrow money in the Chargor's or its own name, advance its own monies at the Interest Rate and to enter into contracts and undertake obligations for the foregoing purposes and whether upon the security of the Charged Property or otherwise. Without limiting the generality of the foregoing and whether or not the Chargee shall have entered into or taken possession of the Charged Property or any part thereof, the Chargee shall have the right to give notice either in its own name or in the name of the Chargor or to require the Chargor to give notice to Tenants under all or any of the Leases requiring that all rental and other payments falling due under such Leases shall, until further notice, be paid directly to the Chargee;

(a) **Foreclosure**: exercise the right of foreclosure of the fee simple interest or equity of redemption of the Chargor in the Charged Property;

(g) **Exercise Powers and Rights of Chargor:** have, enjoy and exercise all of the powers and rights of and enjoyed by the Chargor with respect to the Charged Property or incidental, ancillary, attaching or deriving from the ownership by the Chargor of the Charged Property, including without limitation the powers of the receiver set out in Section 7.03(h) and the power to enter into agreements, to grant or agree to mortgages and other encumbrances, and to grant or reserve easements, rights-of-way, rights in the nature of easements and licences, in each case over or pertaining to the whole or any part of the Charged Property; and

(h) **Other**: exercise any of the other rights to which the Chargee is entitled by this Charge, by law or otherwise including the right to take proceedings in any court of competent jurisdiction for the appointment of a receiver or receiver and manager, for the sale, lease, sublease or other disposition of the Charged Property or any part thereof, for foreclosure, to enforce any covenant and agreement referred to in this Charge or in any other agreement, instrument or document referred to in this Charge, enforce the payment of principal, interest and other monies forming part of the Indebtedness Secured Hereby and the right to take any other action, suit, remedy or proceeding authorized or permitted under this Charge or by law or in equity in order to enforce the Security Hereby Constituted.

GENERAL

PROVISIONS

Amendments:

This Charge may not be modified or amended except with the written consent of the Chargee and the Chargor.

Assignment:

The Chargee have the right, in their sole discretion, to transfer, pledge, sell or assign or otherwise dispose of their interest in the Indebtedness Secured Hereby or any part thereof and this Charge and/or servicing or management rights with respect thereto, to grant participations therein (the "**Participations**") or to issue securities (such sale and/or issuance, the "**Securitization**") evidencing a beneficial interest in a rated or unrated public offering or private placement (the "**Securities**"). If the Chargee determines at any time to sell, pledge, transfer or assign the Indebtedness Secured Hereby or any part thereof and this Charge and any or all servicing or management rights with respect thereto, or to grant Participations or issue securities constituting a Securitization, the Chargee may forward to each purchaser, transferee, assignee, servicer, participant, investor, or their respective successors in such Participations and/or Securities (collectively, the "**Investor**") or any Rating Agency rating such Securities and each prospective Investor, all documents and information which the Chargee now has or may hereafter acquire relating to the Indebtedness Secured Hereby or any part thereof and to the Chargor or any guarantor, and the Charged Property (including without limitation, all financial statements), which shall have been furnished by the Chargor or any guarantor, as the Chargee determines necessary or desirable. The Chargor agrees to co-operate with the Chargee in connection with any transfer made or any Securities created pursuant to this Section, including, without limitation, the delivery of an estoppel or status certificate and such other documents as may be reasonably requested by the Chargee and, upon the Chargee's reasonable request, meeting with any Rating Agency for due diligence purposes. The Chargor shall also furnish and the Chargor consents to the Chargee furnishing to such Investors or such prospective Investors or any Rating Agency any and all information concerning the Charged Property, the financial condition of the Chargor and any guarantor as may be requested by the Chargee, any Investor or any prospective Investor or Rating Agency in connection with any sale, transfer or Participation.

Survival:

All covenants, undertakings, agreements, representations and warranties made by the Chargor herein or in any other agreement entered into between the Chargor and the Chargee or delivered by the Chargor to the Chargee, including without limitation the Commitment Letter, and in any certificates, reports, statements, information, data, documents or instruments delivered to the Chargee shall survive the execution, registration and delivery of this Charge and shall continue in full force and effect. In the event of any conflict or inconsistency between the terms of the Charge and the terms of such Commitment Letter, the Chargee may, in its sole discretion, determine which shall prevail.

Successors and Assigns:

This Charge and each of the terms, conditions and covenants herein set out shall enure to the benefit of the successors and assigns of the Chargee and be binding upon the successors and permitted assigns of the Chargor.

No Obligation to Advance:

Neither the issue, the delivery nor the registration of this Charge shall obligate the Chargee to advance any money including any amount hereby secured to the Chargor and that the advance of a part of the monies expressed to be secured hereunder shall not bind the Chargee to advance any unadvanced portion thereof and all advances are to be made in such manner and at such times as the Chargee may in its sole and unfettered discretion decide.

Maximum Interest Rate:

Notwithstanding anything to the contrary contained herein, the aggregate "interest" (as that term is defined in Section 347(1) of the Criminal Code (Canada) as the same may be amended, replaced or re-enacted from time to time), payable by the Chargor hereunder shall not exceed the effective annual rate of interest on the "credit advanced" (as defined therein) lawfully permitted under that section. The effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles over the term of any loan secured by this Charge and in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Chargee will be conclusive for the purposes of such determination.

Renewal and Extension Rights:

There shall be no renewal or extension rights except as specifically provided herein. This clause supersedes any prior agreements. The borrower may extend the loan for a total of one term of 6 months , with the extension incurring a fee of 4.00% of the registered mortgage amount. The borrower acknowledges that these terms have been freely and reasonably negotiated at the borrower's request.

2557386 ONTARIO INC., ("Borrower")

Per:
Name: _____
Title: Director
I have authority to bind the corporation:

2363823 Ontario Inc. ("Guarantor")

Per:
Name: _____
Title: Director
I have authority to bind the corporation:

_____
Michael Bettiol ("Guarantor")

This is Exhibit "U" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

From:	Rory McGovern
To:	Maya Poliak
Cc:	R. Brendan Bissell; Harvey G. Chaiton; Caitlin Fell; Jasmine Landau; Ben Luder; Mitch Vininsky; shaun@sfklaw.ca; francis@storwell.com; MICHAEL BUROKAS
Subject:	RE: Marshallzehr Group Inc. et al c. 2557386 Ontario Inc. et al - CV-23-00699432-0CL - Motion Record of the Respondents
Date:	Friday, November 8, 2024 11:32:00 AM
Attachments:	Construction Management Agreement - Opinion, CMA and HCRA Advisory - 7 NOV 2024.pdf Francis York Commitment.pdf

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Dear Maya and Brendan:

Attached please find the lender's package in connection with the proposed re-financing. The package includes information intended to satisfy MarshallZehr ("**MZ**") and the Receiver that the closing funds will be available upon completion of the lender's proposed refinancing. If there are any other assurances MZ or the receiver needs, please kindly advise of same.

In addition, please find attached a package containing some information on construction management agreements and an opinion from Michael Burokas, my client's lawyer. I have cc'd Michael on this communication as well. My client has also made arrangements with Tarion certified builders in case there are any issues that arise after closing.

My client is of the view that if this proposed transaction is permitted to close that it will result in a much better outcome for the stakeholders, especially MZ and the purchasers. This deal would ensure that MZ is paid all amounts lawfully owing to it under the mortgage commitment and allows the project in respect of York Estates to move forward.

My client understands that time is of the essence and as consideration for MZ and the Receiver granting additional time to close this transaction (and confirming the extension with the court by way of a variance to the order in place), my client is prepared to provide $500,000 by way of wire transfer to the Receiver or MZ as soon as possible and in any case, by 2 pm on Tuesday November 12, 2024. Provided MZ and the Receiver accept the extension of time to close the transaction until December 30, 2024, and the court approves same, the $500,000 will be non-refundable in the event that the transaction does not close. In the event that the court does not approve the extension, the $500,000 will be returnable to my client forthwith, without deduction. If the transaction does close, the $500,000 will be treated as a refinancing deposit and used to reduce the amounts lawfully owed to MZ to discharge its mortgage, along with other fees payable to the receiver upon closing.

In any case, we will need an urgent attendance before justice Black on Tuesday of next week in order to vary the order and delay its implementation until January 1, 2025. I will be emailing the court proactively to get the ball moving on this. Please advise of your client's position as soon as possible.

In addition, Mr. D'Atri will be reaching out to Cecil this afternoon. Please advise if you have any objection to this.

I am available for a call at either of your leisure.

Yours Truly,

Rory McGovern

RORY MCGOVERN PROFESSIONAL CORPORATION
25 Adelaide St. E, Suite 1910
Toronto, Ontario, M5C 3A1

C 416-938-7679
F 647-559-9694

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From: Maya Poliak <Maya@chaitons.com>
Sent: Thursday, November 7, 2024 2:34 PM
To: Rory McGovern <rory@rorymcgovernpc.com>
Cc: R. Brendan Bissell <bbissell@reconllp.com>; Harvey G. Chaiton <Harvey@chaitons.com>; Caitlin Fell <cfell@reconllp.com>; Jasmine Landau <jlandau@reconllp.com>; Ben Luder <bluder@ksvadvisory.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>; shaun@sfklaw.ca; francis@storwell.com
Subject: RE: Marshallzehr Group Inc. et al c. 2557386 Ontario Inc. et al - CV-23-00699432-0CL - Motion Record of the Respondents

I can make myself available during that time period.

Maya Poliak | Partner
Chaitons LLP | T: 416.218.1161

From: Rory McGovern <rory@rorymcgovernpc.com>
Sent: Thursday, November 7, 2024 2:32 PM
To: Maya Poliak <Maya@chaitons.com>
Cc: R. Brendan Bissell <bbissell@reconllp.com>; Harvey G. Chaiton <Harvey@chaitons.com>; Caitlin Fell <cfell@reconllp.com>; Jasmine Landau <jlandau@reconllp.com>; Ben Luder <bluder@ksvadvisory.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>; shaun@sfklaw.ca; francis@storwell.com
Subject: RE: Marshallzehr Group Inc. et al c. 2557386 Ontario Inc. et al - CV-23-00699432-0CL - Motion Record of the Respondents

CAUTION: [External]

Maya and Brendan,

My client's lender, the principal of which is Francis D'atri, cc'd hereon along with his counsel, Shaun Khan, would like to arrange a call today to discuss the mechanics of the closing of a proposed refinancing transaction with my client. So that your client and the receiver are aware, this is a different lender than my client had previously entered into a commitment with.

Mr. D'atri is a principal of his family office which owns significant real estate assets in Ontario as well as the Storwell self storage business. The company's website can be viewed here: https://www.storwell.com/

As this is a very urgent matter, we would appreciate if you and Brendan could make time between 230 and 4pm today to discuss this. Please let me know what times work. We look forward to hearing from you.

Yours Truly,

Rory McGovern

RORY MCGOVERN PROFESSIONAL CORPORATION
25 Adelaide St. E, Suite 1910
Toronto, Ontario, M5C 3A1

C 416-938-7679
F 647-559-9694

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telephone: 647-863-6563
email: michael@burokaslaw.ca
website: burokaslaw.ca
197 Spadina Avenue, Unit 400
Toronto, ON, M5T 2C8

November 7, 2024

Michael Bettiol
558 Upper Gage Avenue, Suite 363
Hamilton, ON, L8V 4J6

Dear Mr. Bettiol,

Re: Construction Management Agreement Building Model

I write to explain how a construction management agreement building model can be utilized to assist in the construction of a new home without requiring licensure from the Home Construction Regulatory Authority (**HCRA**) under the *New Home Construction Licensing Act* (***NHCLA***) or warranty enrollment from the Tarion Warranty Corporation (**Tarion**) under the *Ontario New Home Warranties Plan Act* (***ONWHPA***).

The forgoing legal obligations under their respective authorities are only triggered if one acts as either a "builder" or "vendor" as defined by both Acts:

> "builder"- except in relation to a condominium conversion project, a person who undertakes the performance of all the work and supply of all the materials necessary to construct a completed home, whether for the purpose of sale by the person or under a contract with a vendor or owner.

This definition applies both to building a new home on land the builder owns (or owned by a third party) and building a home on land owned by a purchaser.

> "vendor"- except in relation to a residential condominium conversion project, a person who, on the person's own behalf, sells a home not previously occupied to an owner and includes a builder, as defined in clause (a) of the definition of "builder", who acts as such under a contract with the owner.

This definition applies both to selling a new home and land as a package or building a home on land owned by a purchaser.

A properly executed construction management agreement involves a consumer acting as an "owner-builder" in constructing their own home on their own land for their own personal use and occupation. The construction manager simply assists the owner-builder in the construction of their own home as a consultant and agent. As such, there is no "builder" or "vendor" triggering the forgoing legal obligations.

I enclose an advisory from the HCRA on the definition of "builder" for review (**the advisory**). I suggest reviewing it. Within it is a table outlining common indicia of an owner-built home vs. builder contracted home requiring licensure and warranty enrollment. The key is whether work or materials supplied by the owner are significant enough to result in the owner being in control of the build.

I also enclose a draft construction management agreement (**the CMA**), which reflects an owner-built home as outlined by the HCRA in the advisory. The respective obligations of owner-builder and contractor accord with being an owner-built home if they are complied with in reality. They cumulatively place control of the build in the hands of an owner-builder. Such examples include:

1) Applying for building permits
2) Making design choices
3) Contracting and paying trades and suppliers
4) Overseeing construction

The construction manager's responsibility is to support the owner-builder in these efforts as outlined in the CMA. Their efforts must never extend to the point where they are in control of the build, or they risk becoming a builder and vendor on the project. The CMA guards against this risk if strictly followed.

I note that section 3-21 of the CMA may be altered to the preferences of the parties so long as nothing therein effects the owner-builder / construction manager relationship described herein and in sections 1 and 2.

Please reach out to me directly if you, or anyone else relying on this letter, require further guidance on this prior to reliance.

Sincerely,

Michael Burokas
Counsel
Burokas Law

Encl.

CONSTRUCTION MANAGEMENT AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 202X,

B E T W E E N:

XXXXXXXXXX
(hereinafter caller "the Contractor")

and

XXXXXXXXXXXXXX
(hereinafter called "the Owner-Builder")

WHEREAS the Contractor is in the business of providing construction design, management, and advisory services;

AND WHEREAS the Owner-Builder is the registered Owner of the property known municipally as XXXXXXXXXXX in the Province of Ontario ("the Property");

AND WHEREAS the Owner-Builder seeks to undertake construction on the Property of a residential dwelling ("the House") for their own personal use and occupation.

AND WHEREAS the Contractor shall provide design and construction management services as hereinafter provided for in this Agreement in respect of the construction of the House.

AND WHEREAS the Owner-Builder shall compensate the Contractor for the provision of these Services as hereinafter provided;

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **Duties of the Contractor:**

The Contractor shall be responsible for providing the Owner-Builder with the following services ("the Services"):

a. Provide design services as directed and needed by the Owner-Builders to complete the Work.

b. Provide the Owner-Builder with an estimated Budget for the completion of the Work. A preliminary draft of the Budget is attached to this Agreement as Schedule A. The Budget will be updated by the Contractor after zoning for the Property is confirmed and then again after a building permit is secured by the Owner-Builder. The figures in the Budget will act as an outline only and does not include HST. A final budget will be subject approval by the Owner-Builder and attached to this Agreement as

Schedule B The Parties acknowledge and agree that the final Budget is still subject to reasonable adjustments when actual costs are determined, and bills are received during the construction process. All such adjustments are to be pre-approved by the Owner-Builder.

c. Assist the Owner-Builder in their application for the required building permit for the Work and assist them in obtaining any necessary zoning amendment or minor variance requirements, if required.

d. Present the Owner-Builder with quotes for materials and contractors required for the Work and make its recommendation, if possible, to the Owner-Builder for their hiring choice based upon quality, timing, and price. The Contractor is not responsible for the work and materials of the trades and suppliers chosen by the Owner-Builder.

e. Act as the Owner-Builder's agent, as necessary, to ensure all required inspections by municipal officials in respect of the Work are undertaken and any deficiencies corrected.

f. Act as the Owner-Builder's agent, as necessary, to supervise their trades and suppliers when the Owner-Builder is unable to do so. The Owner-Builder is primarily responsible for such supervision.

g. Act as the Owner-Builder's agent, as necessary, to make best efforts to minimize disruption to neighbors in provision of the Work when the Owner-Builder is unable to do so.

h. Perform its obligations hereunder diligently in accordance with good quality residential standards.

i. Consult the Owner-Builder in their provision of the Work to ensure their compliance with applicable law, all applicable Health and Safety Legislation, the Ontario Building Code, Ontario Hydro Inspections, Municipal Building, Plumbing, Heating Inspections, and all other authorities having jurisdiction.

j. Perform any other duties as mutually agreed upon in writing that are consistent with the respective roles of the parties and applicable legislation.

2. **Duties of Owner-Builder:**

Owner-Builder shall be responsible for the following:

a. Apply for and obtain the building permit and all other required permits for the Work.

b. Pay the Contractor the amounts set out in Section 3 in a timely manner as described therein.

c. Make design choices in a timely fashion so as not to delay the building process.

d. Contract with all trades and suppliers necessary to complete the Work. If possible, the Contractor shall make suggestions for trades and suppliers for the Owner-Builder's approval. The Owner-Builder is not bound to select from the Contractor's suggestions and may select which ever trades and suppliers it wishes.

e. Pay for all amounts due to their trades and suppliers for the completion of the Work in a timely manner.

f. Oversee, manage, direct, supervise, and advise all trades and suppliers necessary to complete the Work. The Contractor shall assist the Owner-Builder as required but only as an agent and shall have no control over the Design or the Work without pre-approval by the Owner-Builder.

g. Take out and maintain Broad Form Builders' Risk insurance covering the total building and renovation work including materials on site. Such policy is to be in the name of the Owner-Builder and shall name the Contractor as a co-insured and include the interest of the any mortgagee/lien holder. The Owner-Builder agrees to fully disclose the nature and scope of the construction work to be completed to their insurance company(ies) so that they are fully aware of any material change in risk. If the Owner-Builder is not able to obtain the insurance coverage as required, the Contractor may secure the coverage on the Owner-Builders' behalf as their agent but is under no obligation to do so. Any premiums incurred by the Contractor in placing insurance on behalf of the Owner-Builder will be added to the Contract Price or as an extra.

h. Provide the Contractor with access to the Property.

i. Ensure the safety of suppliers and trades. They should be always aware that they are in construction zones and take precautions must be always taken during and after the construction day. Owner-Builders and trades should always wear appropriate safety gear while in the construction zone until such time that the project has been completed. During the entire construction project, at all times, the site is under the responsibility of the Owner-Builder and the presence of themselves or guests are done at their risk. The Contractor shall not assume responsibility for unauthorized or unescorted person(s) on the Property.

j. Ensure that any of its employees working at the Property and all subcontractors hired by the Owner-Builder are covered under the *Workplace Safety and Insurance Act* (Ontario) and have certificates of compliance thereunder.

k. Ensure all required inspections by municipal officials in respect of the Work are undertaken and any deficiencies corrected.

l. Perform any other duties as mutually agreed upon in writing that are consistent with the respective roles of the parties and applicable legislation.

3. **Payments by Owner-Builder:**

   a. XXXXXXXXXXX

4. **Discrepancies, omissions, deletions and additions to the drawings:** Although careful attention is put forth into all project drawings, after the Agreement is signed and the pricing established, the Owner-Builder acknowledges that aspects of the drawings may require changes at their own discretion.

5. **Unforeseen, unavoidable conditions:** The Owner-Builder acknowledges construction projects will often encounter conditions that were not initially apparent, were hidden from view, directly or indirectly caused by the construction process, trade and materials supply, or be a result of nature. These conditions may be unavoidable and require attention for the Work to be properly completed and may require additional time and or materials. The Owner-Builder is responsible to any changes in the cost as a result of discovering such unforeseen conditions. The Owner-Builder further acknowledges these conditions may also delay the Work schedule and shall hold the Contractor harmless thereto.

6. **The Contractor or Owner-Builder requested changes not included in the contract:** After the Agreement has been signed and the pricing established, the Owner-Builder may require changes to the scope or details of the Work. The parties acknowledge there may be delays in the schedule and or involve extra costs. Changes directed at trades may cause undue delays or other costs.

7. **Extras:** The Owner-Builder shall notify the Contractor of all desired extras as soon as they are realized. Extras often bear an additional cost and these costs may be multi-layered in scope as several trades may be involved in the completion of an extra. In an effort to not negatively affect the Work schedule, quotes for extras may not always be provided upfront, with the final cost of the extra included at a later time, after the completion of the extra. Costs of extras will be in line with the general project costs, but should a premium be necessary

to apply, agreement with the Owner-Builder will be attained first. Agreements for extras shall be written. When a full quote is requested or is easily attainable, payment of such extras will be upon commencement of the extra; else payment is due upon the completion of the extra.

8. **Interest:** The Contractor is entitled to interest at the rate of 5% per annum on any overdue payments for work performed or material supplied.

9. **Not Assignable:** This Agreement is not assignable in whole or in part by either party without written consent of the other party.

10. **Notices:**

    a. Any notice required or permitted to be given hereunder shall be in writing and shall be effectively given if (a) delivered personally, (b) sent by prepaid courier service or mail, or (c) sent by email transmission as follows:

    XXXXXXXXXXX

and in the case of notice to the Owner-Builder, as follows:

Name:_____

_____

Address:_____

_____

Email:_____

    b. Any notice so given shall be deemed conclusively to have been given and received when so personally delivered or sent by email, telecopier or other electronic communication or on the second day following the sending thereof by private courier or mail. Any party hereto may change any particulars of its address for notice by notice to the other in the manner aforesaid.

11. **Law:** This Agreement is governed in accordance with the laws of the Province of Ontario.

12. **Termination:** This Agreement may be terminated by either party on 10 days' written notice to the other. If the Owner-Builder is terminating the Agreement, he shall pay to the Contractor a pro-rated Management Fee and fees under section 3(ii) to the effective date of termination, and all outstanding third party bills pursuant to section 3(iv). The Owner-Builder shall immediately indemnify the Contractor in respect of any outstanding contracts with material suppliers or subcontractors.

13. **Confidentiality:** Unless otherwise agreed to by the parties in writing, all

documents (including reports, drawings, specifications, whether on paper or electronic) required to be prepared by the Contractor in connection to the Work remains its copyright and intellectual property. The Owner-Builder shall not distribute or convey these documents to any person without the Contractor's written authorization, unless necessary to complete the Work. The Owner-Builder releases the Contractor from liability and agrees to defend, indemnify, protect and hold harmless the Contrator and its agents, employees, officers, directors, and shareholders, from any and all claims, liability, damages, or expenses arising in whole or in part from unauthorized dissemination and/or use.

14. **Photos:** Owner-Builder agrees to allow the Contractor to take and use photos of the Work for any marketing purposes or social media use.

15. ***Ontario New Home Warranties Plan Act*:** The Owner-Builder acknowledges that the Contractor is not acting as a "builder" or "vendor" as defined by the *Ontario New Home Warranties Plan Act* and consequentially the warranties thereunder **do not apply** to the Work or the Property. The Owner-Builder acknowledges the Work is to be completed by the Owner-Builder in the capacity of an "Owner-Builder" as defined in the *New Home Construction Licensing Act* in that they are completing construction on a residential dwelling for their own person use and occupation.

16. **Indemnity:** Notwithstanding any other provision of this Agreement, the Owner-Builder agrees to indemnify, defend and hold harmless the Contractors, its officers, directors, employees, and agents against all damages, liabilities or costs including reasonable legal fees and defence costs arising out of or in any way connected with the Work or performance of services under this Agreement, except those directly arising from the negligent acts or omissions of the Contractor. The Contractor shall not be liable for any latent defects or damages to the Property caused by the supply of trades or materials to the Property.

17. **Personal Liability:** The Owner-Builder agrees that the Contractor's employees, principals, former or present, shall have no personal liability to the Owner-Builder in respect of a claim, whether in contract, tort, equity, and/or any other causes of action in law. Accordingly, the Owner-Builder expressly agree that it will bring no proceedings and take no action in any court of law against these individuals in their personal capacity.

18. **Limitation of Liability:** Notwithstanding any other provision of this Agreement, the total liability of the Contractor for any and all claims, losses, costs or damages shall not exceed the fees actually paid or owed to the Contractor under this agreement. The Contractor shall not be liable for any incidental, indirect or consequential damages arising out of or connected in any way to the Project or the Work or this Agreement, including but not limited to loss of use, business interruption, loss of profit and liability to other persons for

breach of contract.

21. **Entire Agreement:** This agreement and the Schedule attached hereto form the entire agreement and supersedes all prior representations, understandings, undertakings, or agreements, whether oral or written, and whether expressed or implied, of the parties with respect to the subject matter hereof. This agreement may not be altered, modified, or amended, expect by written mutual agreement of the parties.

[Signatures on the following page]

IN WITNESS WHEREOF the parties have executed this Agreement.

XXX

Per:_____

XXXXXXXX

I have authority to bind the Corporation,

_____
Date

_____
Witness

_____
Owner-Bulder

_____
Date

_____
Witness

_____
Owner-Bulder

_____
Date

Schedule A

Initial Budget

Schedule B1

Final Budget

Last Updated: February 1, 2021

4. COMMON DEFINITION OF "BUILDER"

General Background

The Home Construction Regulatory Authority (HCRA) is the regulator with responsibility to license builders and vendors of new homes under the New Home Construction Licensing Act, 2017 (NHCLA). Tarion Warranty Corporation (Tarion) is the administrator of the warranty plan and is the financial backstop for warranty obligations of vendors under the Ontario New Home Warranties Plan Act (ONHWPA).

This advisory applies to the word "builder" as used in both the NHCLA and the ONHWPA. It is intended to be read in conjunction with the guidelines for "home", "vendor" and "owner".

For purposes of this advisory, "licensing" refers to a builder or vendor licence under the NHCLA and "warranty coverage" refers to warranty protection under the ONHWPA, including deposit protection.

Legislation – Act and Regulation

The word "builder" is defined in s.1 of the NHCLA as follows:

- "builder" has the same meaning as "builder" as defined in s.1 of the Ontario New Home Warranties Plan Act;

The definition of "builder" in s.1 of the ONHWPA is as follows:

- "builder" means,

(a) except in relation to a residential condominium conversion project, a person who undertakes the performance of all the work and supply of all the materials necessary to construct a completed home, whether for the purpose of sale by the person or under a contract with a vendor or owner, or

(b) in relation to a residential condominium conversion project, a person who undertakes the performance of all the work and supply of all the materials necessary to construct a completed home in the project, whether for the purpose of sale by the person or under a contract with a vendor or owner;

This bulletin provides information on who is a builder for purposes of the NHCLA and the ONHWPA.

The definition of "builder" matters under both the NHCLA and ONHWPA for several reasons including:

- Under the NHCLA, a person who proposes to build a new home must be licensed by the HCRA.
- A person cannot enter into a construction contract for a contract home unless and until the home is enrolled by the ONHWPA.
- The “builder” of a contract home is deemed to provide the statutory warranties and thus establishing that there is a builder is critical to eligibility for statutory warranty coverage.
- To be licensed as a builder under the NHCLA, a person must meet competency requirements. It is worth noting that builders who fail to meet the competency requirement and do not qualify for a licence, cannot act or hold themself out as a builder, nor can they offer to construct a new home or construct a new home.

The competency requirements for builder licensing purposes are set out in the NHCLA regulation under Section 5 O. Reg. 631/20. These core competency requirements are:

1. Business Planning and Management
2. Financial Planning and Management
3. Project Management and Supervision
4. Legal Issues in Housing
5. Customer Service and Requirements imposed by the warranty authority
6. Building Codes in Ontario
7. Construction Technology

Quick Reference Guide – Who is a “Builder”?

In connection with the construction of a residential dwelling that meets the definition of “home” a builder generally, is the person who:

- Undertakes, manages, or arranges for the coordination of trades and suppliers
- Undertakes, manages, or arranges for the necessary supplies and materials
- Undertakes, manages, or arranges for the completion of services infrastructure and hookup utilities
- Retains, manages the retention of or arranges for the retention of trades including in respect of tools and heavy machinery
- Develops, helps to develop, manages the monitoring of or arranges for the monitoring of the construction project schedule
- Completes, manages, or arranges for the sequencing of supplies of materials, work of various trades in accordance with the project schedule
- Develops, helps to develop, manages the monitoring of or arranges for the monitoring of the construction budget and payment of suppliers and trades
- Monitors, manages the monitoring of or arranges for the monitoring of suppliers and trades
- Monitors, manages the monitoring of or arranges for the monitoring of project scopes of work, work performance, and substantial completion of work
- Monitors, manages the monitoring of or arranges for the monitoring of supervisors and the hiring and management of any project staff

- Coordinates, manages the coordination of or arranges for the coordination of all the contributors to the construction of the home including designers, architects, and engineers
- Obtains, manages the obtaining of or arranges for the obtaining of building and other permits and for the necessary municipal, other governmental, and utility inspections

A person will be considered to have undertaken the performance of the work and supply of all the materials necessary to construct a completed home for purposes of meeting the definition of “builder” regardless of whether the performance and supply is satisfied entirely by that person or a combination of having been undertaken directly by that person, managed by that person, or arranged for by that person.

Whether a person is a “builder” for purposes of the NHCLA and the ONHWPA does not depend on the title given to that person. In some cases, the person will be referred to as the builder, and in others may be referred to as the contractor, general contractor, or project manager.

Arrangements for Construction of Residential Dwellings Requiring a Licensed Builder

A person carrying out the tasks necessary to complete a residential dwelling that meets the definition of “home” must be a licensed builder and remains a builder whether the person intends to:

- construct the home on land owned by the builder, for the purpose of selling the completed home
- construct the home under a contract with the owner of the land on which it is to be built
- construct the home under a contract with a vendor
- construct the home that does not qualify for the owner-builder exemption from licensing

Where a person is constructing a home on their own behalf, on land that they own, for their personal use and occupation, they may be considered an owner who is acting as their own builder for purposes of constructing the home. These individuals are sometimes referred to as an “owner-builder”. The NHCLA does not consider an “owner-builder” to be a “builder” and accordingly, an “owner builder” does not need to be licensed as a builder.

Contract Home

With a contract home there is no agreement of purchase and sale. Rather, this is where an owner of land contracts with a builder for the construction of a home on the land.

Determining whether a person is acting as a builder such as to require licensing, in a contract home situation, will depend on consideration of all the circumstances. ONHWPA amendments have introduced new requirements for builders who are seeking to contract with an owner of land to construct a home on the land. A new ss.10.2 provides that no builder shall offer to enter into a contract with an owner of land for the construction of a home on the land or offer to start construction, unless they are first licensed as a builder under the NHCLA.

A new ss.10.2 (1) of the ONHWPA prohibits a builder from offering to enter into a contract with an owner of land, for the construction of a home on the land, unless they are licensed under the NHCLA and meet any other prescribed requirements. This subsection would not prevent a licensed builder, who meets other prescribed requirements, if any, from giving a quote to an owner.

Assessing When a Contractor is a "Builder" When Constructing a Home Under Contract with the Owner

General Principles

Whether a contractor is a builder for purposes of the NHCLA and the ONHWPA is determined by considering whether the contractor has sufficient control of the construction of the home, including control over the work and of materials supplied to construct the home, and the degree to which the contractor is responsible for the essential elements of the home.

If the owner does not have a contractor who meets the definition of builder, the construction may qualify as owner-built. In that event, enrolment of the home is not necessary and statutory warranty coverage would not apply.

A builder is responsible for everything the builder has agreed to do. Once the home is enrolled in the warranty plan, the builder, who is considered to be a vendor for warranty purposes, remains responsible for the statutory warranty even though a contract may change, or responsibilities of who does what changes. However, if the contract changes are such that the builder is effectively no longer in control of the construction, warranty coverage may be jeopardized.

Under ss.13 (2) of the ONHWPA, there are exclusions from warranty coverage. Exemptions include defects in materials, design and work supplied by the owner and alterations, deletions and additions made by the owner. These matters may be addressed in the initial contract or in a subsequent amendment to the contract.

Determining Whether the Contractor has Necessary Degree of Control of the Construction to Meet the Definition of Builder

Assessing who has control over the construction of a home requires consideration of:

- The proposed contract between the owner and the contractor and any subsequent contractual undertakings or arrangements between the owner and the contractor;
- The work performed and materials supplied that were under the control of the contractor and the work performed and materials that were under the control of the owner during construction; and
- The nature, value and quantity of any work or materials controlled by the owner with reference to their significance in respect of the total construction

Evidence in respect of a range of factors set out in the chart following is to be gathered and each proposed contract home assessed on a case-by-case basis.

No one factor is determinative. The following three sections identify criteria relevant to a determination of whether the person constructing the home is a builder for purposes of the NHCLA and the ONHWPA or whether it is in fact an owner of land building the home for their own personal use. The criteria to be considered include responsibilities and control in the contractual arrangement, what work is ultimately done by the builder in the construction of the home, and the significance of work or materials supplied by an owner. These are reviewed in more detail in the table that follows.

Understanding the nature of the contractual arrangement will be important in determinations around the definition of builder. For example, different considerations will arise depending on whether the construction contract is a fixed-price contract or a design-build contract.

In the event that a dispute arises as to whether the person involved in the construction is a builder for purposes of any warranty liability, evidence will be obtained from both the owner and the person involved in the construction of the home. Independent third-party corroboration may be required.

Construction contract allocation of responsibilities and indicia of whether builder has control of the construction of the home

Owner-built Home	**Builder Constructed Home**
Owner to apply for and obtain building permit(s) and other required permits	Contractor to apply for and obtain building permit(s) and other required permits
Contractor undertakes to oversee, manage, direct, advise on specified services contracted for by the owner	Contractor undertakes the performance of all the work and supply of all materials necessary to construct a home
Owner to choose and contract with trades and suppliers or Contractor contracts with	Contractor to choose and contract with trades and suppliers on own behalf and

Owner-built Home	Builder Constructed Home
trades and suppliers but only as agent for owner and as approved by owner	without contractual obligation for final approval by owner
Owner to pay trades and suppliers directly or Contractor to pay trades and suppliers on owner's behalf out of funds advanced by the owner as disbursements incurred	Contractor to pay trades and suppliers directly out of funds paid to the Contractor by the owner as part of the overall contract price or payment schedule
Owner has right to pre-approve quotations from trades and suppliers or Contractor to provide interim cost projections	Owner has no right to pre-approve quotations from trades and suppliers or receive cost projections
Owner has right to pre-approve material purchases, equipment rental, and contracts	Owner has no right to pre-approve material purchases, equipment rental, and contracts
Contract provides that Contractor is not responsible for work and materials of specified trades or suppliers where it is the owner who has responsibility for contracting with those trades or suppliers	Contractor expressly or impliedly accepts responsibility for work and materials of trades and suppliers notwithstanding that owner has contracted with the trades or suppliers
Owner has right to review work / make changes in work, materials, and design	Owner has no right review work / make changes in work, materials, and design
Contractor required to consult owner before deciding on changes in work, materials, and design	Contractor not required to consult owner before deciding on changes in work, materials, and design
The contract provides that the statutory warranties under the Ontario New Home Warranties Plan Act (Plan) do not apply	The contract provides that the proposed home will be enrolled for warranty coverage in the Plan and the Contractor has sought and obtained confirmation from Tarion regarding eligibility for enrolment in the Plan for the proposed home

The above considerations and indicia need to be considered in their entirety and no one factor is necessarily determinative.

What was actually done and impact on whether Builder or Owner has assumed control of the construction of the home

Owner-built Home	Builder Constructed Home
Owner applies for and obtains building permit(s) and other required permits	Contractor applies for and obtains building permit(s) and other required permits
Contractor not licensed as a builder under the New Home Construction Licensing Act (NHCLA) / home not enrolled in the warranty plan under the Ontario New Home Warranties Plan Act (Plan) / no Certificate of Completion (CCP) and Possession / no Warranty Certificate (WC) (referred to as CCP/WC) completed and submitted to Tarion	Contractor is a licensed builder under the NHCLA / home enrolled in the Plan / Certificate of Completion (CCP) and Possession / Warranty Certificate (WC) (referred to as CCP/WC) completed and submitted to Tarion
Owner chose, contracted with, fired trades and suppliers or Contractor consulted owner when hiring, firing trades	Contractor chose, hired, fired trades and suppliers without consultation with Owner
Owner reviewed and approved quotes from trades and suppliers or Owner required interim cost projections	Contractor did not consult owner on quotes from trades and suppliers and not required to provide interim cost projections
Owner approved material purchases, equipment rental, and contracts	Owner did not approve material purchases, equipment rental, or contracts
Owner paid trades and suppliers directly or Contractor paid trades and suppliers on owner's behalf	Contractor paid trades and suppliers directly
Owner supplied work and/or materials	Owner did not supply work or materials
Owner on site regularly	Owner not on site regularly

Owner-built Home	Builder Constructed Home
Owner supervised or instructed trades	Owner did not supervise or instruct trades
Trades and suppliers understood they were under contract with the owner	Trades and suppliers understood they were under contract with the Contractor
Owner reviewed work / made changes in work, materials, and design	Owner did not review work / did not make changes in work, materials, and design
Contractor consulted and confirmed with Owner changes in work, materials, and design	Contractor did not consult or confirm with owner changes in work, materials, and design
Owner arranged for and attended inspections by municipality and other regulators	Contractor arranged for and attended inspections by municipality and other regulators

The above considerations and indicia need to be considered in their entirety and no one factor is necessarily determinative.

Significance of Work and Materials Supplied by Owner

An owner may undertake aspects of construction identified above such that the contractor did not control the quality of particular work or materials supplied by the owner. If this occurs, consideration must be given to the significance of the work or materials supplied by the owner in order to determine whether warranty coverage does not apply to that work or materials only, or whether it results in the statutory warranties under the ONHWPA not applying at all as the construction is no longer the builder's project but is now the owner's project.

The key is whether work or materials supplied by the owner are significant enough to result in the owner being in control. This will depend on the nature, value and quantity of the work or materials:

- Nature refers to the type or sort of work or materials supplied (e.g., an essential element or a finishing element).
- Value refers to the monetary worth of the work or materials supplied, particularly in relation to the overall worth of the construction of the home.
- Quantity refers to the amount of work or materials supplied, usually expressed as a percentage of the overall construction of the home.

The nature, value and quantity of the work or materials supplied by the owner must each be considered to determine whether that work or materials is sufficiently significant

that the contractor is no longer in control of the construction of the new home and the statutory warranty provisions of the ONHWPA are not engaged. For example:

- An owner may choose, hire, pay, supervise, and instruct all the trades and suppliers for the interior finishes of the home. But the contractor's control over the work and materials of the essential elements of the home, without those finishes, may be sufficient to result in the contractor continuing to meet the definition of "builder". The home would remain entitled to warranty coverage though the interior finishes supplied by the owner would be excluded from warranty coverage under s.13 (2) (a) of the ONHWPA which excludes from warranty coverage "defects in materials, design and work supplied by the owner".
- An owner may hire, pay, supervise, and instruct a trade to supply the work and materials for an essential element of the home. Owner control of a single essential element may not be sufficient to effectively remove control from the contractor who controlled all other aspects of the construction of the home. The home may remain entitled to warranty coverage and the essential element supplied by the owner excluded from warranty coverage under s.13 (2) (a).
- However, if the contractor is responsible for and has control over construction of all the essential elements of the home, that will be sufficient for the contractor to be a builder within the meaning of the NHCLA and the ONWHPA.
- The ONHWPA does not define "essential elements". Though not defined in the ONHWPA, the question of whether a contractor is a builder has been considered by the courts. In those cases, the courts have provided guidance on the meaning of the expression "essential elements" and while different construction forms may have different essential elements, typically essential elements will include the foundation, framing, electrical system, roughed in plumbing system, heating, ventilating and air conditioning systems ('HVAC"), and the building envelope.

Construction of home completed by more than one builder – when is the builder no longer the builder?

Situations may arise where construction of a new home is not completed by the first builder. Another builder may step in to complete the construction. This may occur, for example, if there is a bankruptcy or insolvency. The ONHWPA offers protection in the form of protection for financial loss (difference between amounts paid and value of work and materials supplied) but it does not include a guarantee of completion.

As a practical matter, and where the situation is brought to the attention of the HCRA, the HCRA will engage with the parties to ensure necessary licensing is in place, and Tarion will engage with any new builder in assessing the extent to which the statutory warranty coverage will apply, and which builder will have responsibility for what aspects of the construction.

Tarion will consider matters such as how responsibility for the construction is assumed by the new builder and the degree of completion of the home at the time the new builder

steps in. Tarion will typically engage with the parties, and if practicable assist with a view to the completion of the construction project.

Substantial performance of a contract to construct a home

Ss.14 (5) of the ONHWPA ties eligibility for compensation in a contract home situation to the contract having been substantially performed. What constitutes substantial performance for the purposes of the ONHWPA is defined by reference to ss.2 (1) of the Construction Act. That subsection provides that a contract is substantially performed:

a) when the improvement to be made under that contract or a substantial part thereof is ready for use or is being used for the purposes intended; and
b) when the improvement to be made under that contract is capable of completion or, where there is a known defect, correction, at a cost of not more than:
    i. 3 per cent of the first $1,000,000 of the contract price
    ii. 2 per cent of the next $1,000,000 of the contract price, and
    iii. 1 per cent of the balance of the contract price

If the contract is not substantially performed due to the builder's default then, rather than construction defect warranties, the protection for the owner will involve an assessment of the work done at the time work stopped. The amount, if any, that is payable to the owner out of the guarantee fund, will include consideration of the amount paid by the owner to the builder under the contract and of the value of the work and materials supplied to the owner under the contract.

This is Exhibit "V" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on November 10, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

MARSHALLZEHRGROUP INC.

Applicant

and

2557386 ONTARIO INC. and 2363823 ONTARIO INC. O/A MARIMAN HOMES

Respondents

MOTION RECORD

October 8, 2024

RORY MCGOVERN PC
Lawyer
25 Adelaide St. East Suite 1910
Toronto, ON, M5C 3A1

Rory McGovern LSO# 65633H
rory@rorymcgovernpc.com
Tel: (416) 938-7679

Lawyer for the Respondents,
2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes

TO: **THE SERVICE LIST**

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

MARSHALLZEHRGROUP INC.

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Respondents

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Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

MARSHALLZEHRGROUP INC.

Applicant

and

2557386 ONTARIO INC. and 2363823 ONTARIO INC. O/A MARIMAN HOMES

Respondents

NOTICE OF MOTION

The Respondents, 2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes, will make a Motion to a Judge at a date and time when the Motion can be heard.

PROPOSED METHOD OF HEARING: The Motion is to be heard

[ ] In writing under subrule 37.12.1(1) because it is [insert on consent, unopposed or made without notice];

[ ] In writing as an opposed motion under subrule 37.12.1(4);

[ ] In person;

[ ] By telephone conference;

[X] By video conference.

at the following location:

Zoom link to be provided by the Court in due course.

THE MOTION IS FOR

(a) An Order for an accounting of all funds received by the MarshallZehr Group Inc. ("**MZ**") in connection with the Commitment Letter (as defined below) and a statement showing how the amounts set out in the October 2024 Discharge Statement were determined by MZ;

(b) An Order determining the amounts lawfully owed to MZ pursuant to the Commitment Letter (as defined below);

(c) An order, if necessary, extending the time for the Respondents to serve affidavit evidence and an expert report in connection with this Motion;

(d) Costs of this motion, if it is opposed by MZ; and

(e) Such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE

(f) Pursuant to a commitment letter dated June 23, 2022 (the "**Commitment Letter**"), MZ allegedly advanced approximately $14,791,500.50 to the Respondent, 2557386 Ontario Inc. ("**255**") in connection with a development project known as the "**York Estates Project**" in Haldimand, Ontario;

(g) On April 6, 2023, demands for payment (the "**Demands for Payment**") and notices of intention to enforce security under Section 244 of the *Bankruptcy and Insolvency Act* were served on the Respondents;

(h) The Demands for Payment indicated that as of April 6, 2023, $15,133,933.65 (the "**April 2023 Indebtedness**") was owed to MZ under the terms of the Commitment Letter;

(i) On June 5, 2023, MZ and the Respondents entered into a forbearance agreement dated June 5, 2023 (the "**Forbearance Agreement**");

(j) Pursuant to Section 3 of the Forbearance Agreement, 255 advanced $500,000 to MZ (the "**$500,000 Payment**"), which amount was supposed to be applied as against the April 2023 Indebtedness;

(k) Pursuant to Section 5 of the Forbearance Agreement, in or around July, 2024, 255 (or Remax) provided MZ with an additional $160,000 (the "**$160,000 Payment**") after the sale of the Property, as that term is defined in the Forbearance Agreement;

(l) The $160,000 Payment was supposed to be applied to an interest reserve due to MZ under the terms of the Forbearance Agreement or otherwise to the principal due and owing to MZ under the terms of the Commitment Letter;

(m) The Forbearance Agreement expired on October 30, 2023;

(n) On January 16, 2024, KSV Restructuring Inc. (the "**Receiver**") was appointed as the receiver over the assets, undertakings and properties of the Respondents pursuant to the Order of Justice Osborne dated January 16, 2024;

(o) Beginning in February, 2024, the Respondents began working diligently to secure take-out financing from another lender to satisfy the amounts due to MZ;

(p) On March 27, 2024, the Receiver obtained a sales process approval order authorizing the sale of the land in respect of the York Estates Project;

(q) On or around July 10, 2024, MZ provided the Respondents with a discharge statement indicating that $17,645,285.40 (the "**July 2024 Discharge Statement**") was owed to MZ under the terms of the Commitment Letter;

(r) At the time the July 2024 Discharge Statement was provided, there was no provision for any amounts owing under Section 17 of the *Mortgages Act*, RSO 1990 c. M. 40 (the "***Mortgages Act***");

(s) In addition, the July 2024 Discharge Statement did not appear to account for the $500,000 Payment or the $160,000 Payment which were made pursuant to the Forbearance Agreement;

(t) At all material times, 255 relied on the fact that MZ would not be charging any amounts under Section 17 of the *Mortgages Act* in connection with negotiating take-out financing for the York Estates Project with potential lenders;

(u) The Respondents obtained a commitment letter from a lender which would provide take-out financing for the York Estates Project provided certain conditions were fulfilled;

(v) On October 1, 2024, the parties attended before Justice Black of the Ontario Superior Court of Justice in connection with a sale approval/discharge motion which was brought by the Receiver;

(w) As part of an agreement between the Respondents, the Receiver and MZ, the Respondents were provided with additional time (until November 12, 2024) to satisfy the amounts due and owing to MZ under the terms of the Commitment Letter;

(x) In addition, the Respondents agreed that any challenge to any amounts purportedly due to MZ or any fees charged by the Receiver would be brought by way of motion prior to 11:59 pm on October 8, 2024;

(y) On October 3, 2024, MZ provided a revised discharge statement (as of November 12, 2024) (the "**October 2024 MZ Discharge Statement**") claiming to be owed $19,008,573.87 pursuant to the Commitment Letter;

(z) It is not clear how MZ arrived at the amount it claims to be owed under the October 2024 MZ Discharge Statement and the Respondents reserve their rights to raise other issues after a fulsome and proper accounting is provided by MZ;

(aa) In the October 2024 MZ Discharge Statement, MZ appears to have failed to account for the $500,000 Payment and the $160,000 Payment.

(bb) In addition, in the October 2024 Discharge Statement, MZ is purportedly charging 255 an interest penalty under Section 17 of the *Mortgages Act*;

(cc) The October 2024 Discharge Statement indicates that $105,000 are owed for legal fees and another $150,000 are owed for "Deferred Fees";

(dd) On October 7, 2024, the Receiver provided a statement setting out the total amount needed to satisfy the amounts due to MZ as of October 31, 2024 (The "**October 7 Receiver Statement**");

(ee) The Amount Noted for amounts due to MZ's counsel in the October 7 Receiver Statement is materially different from the amount set out in the October 2024 MZ Discharge Statement;

(ff) As of the date of the drafting of this notice of motion, no explanation for the discrepancies regarding the legal fees for MZ between the October 2024 MZ Discharge Statement and the October 7 Receiver Statement has been provided;

(gg) MZ has failed to account properly for the amounts owed to it under the terms of the Commitment Letter and has overstated same, including but not limited, to those amounts referred to in this notice of motion;

(hh) It would be unjust for MZ to recover amounts that are not lawfully due to it under the terms of the Commitment Letter;

(ii) The purported charge under Section 17 of the *Mortgages Act* is not lawful;

(jj) Given the short turn-around time between October 1 and October 8, it was not possible for the Respondents to obtain all of their financial records and an expert report prior to October 8, 2024;

(kk) Rules 1,2,3, 37, 57 of the *Rules of Civil Procedure*, RRO 1990 Reg. 194;

(ll) The *Mortgages Act* and the *Interest Act*, RSC 1985, c. I-15

(mm) Such further and other grounds as the lawyers may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

(a) The affidavit of Mike Bettiol sworn October 8, 2024;

(b) The supplementary affidavit of Mike Bettiol, to be sworn;

(c) An expert report on the calculation of amounts due to MZ, to be provided in advance of the hearing;

(d) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

October 8, 2024

RORY MCGOVERN PC
Lawyer
25 Adelaide St. East Suite 1910
Toronto, ON, M5C 3A1

Rory McGovern LSO# 65633H
rory@rorymcgovernpc.com
Tel: (416) 938-7679

Lawyer for the Respondents,
2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes

TO: **THE SERVICE LIST**

RCP-E 37B (January 2, 2024)

MARSHALLZEHRGROUP INC.
Applicant

-and-

2557386 ONTARIO INC. et al.
Respondents

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

RORY MCGOVERN PC
Lawyer
25 Adelaide St. East Suite 1910
Toronto, ON, M5C 3A1

Rory McGovern LSO# 65633H
rory@rorymcgovernpc.com
Tel: (416) 938-7679

Lawyer for the Respondents,
2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes

Email for party served:
Maya Poliak: maya@chaitons.com

File Number:

RCP-F 4C (September 1, 2020)

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

MARSHALLZEHRGROUP INC.

Applicant

and

2557386 ONTARIO INC. and 2363823 ONTARIO INC. O/A MARIMAN HOMES

Respondents

AFFIDAVIT OF MIKE BETTIOL SWORN OCTOBER 8, 2024

I, Mike Bettiol, of the City of Hamilton, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the President of 2557386 Ontario Inc., one of the Respondents in this proceeding, and, as such, have knowledge of the matters contained in this Affidavit. Where I do not have direct knowledge of the facts deposed to in this affidavit or where I have received information from others, I have stated the source of my information and verily believe that information to be true.

2. Pursuant to a commitment letter dated June 23, 2022 (the "**Commitment Letter**"), the MarshallZehrGroup Inc. ("**MZ**") allegedly advanced approximately $14,791,500.50 to the Respondent, 2557386 Ontario Inc. ("**255**") in connection with a development project known as the

"**York Estates Project**" in Haldimand, Ontario. A copy of the Commitment Letter is attached as Exhibit "**A**".

3. On April 6, 2023, demands for payment (the "**Demands for Payment**") and notices of intention to enforce security under Section 244 of the *Bankruptcy and Insolvency Act* were served on the Respondents. Copies of the Demands for Payment are attached as Exhibit "**B**".

4. The Demands for Payment indicated that as of April 6, 2023, $15,133,933.65 (the "**April 2023 Indebtedness**") was owed to MZ under the terms of the Commitment Letter.

5. On June 5, 2023, MZ and the Respondents entered into a forbearance agreement dated June 5, 2023 (the "**Forbearance Agreement**"). A copy of the Forbearance Agreement is attached as Exhibit "**C**".

6. Pursuant to Section 3 of the Forbearance Agreement, 255 advanced $500,000 to MZ (the "**$500,000 Payment**"), which amount was supposed to be applied as against the April 2023 Indebtedness. Copies of the bank records showing the $500,000 Payment will be provided in a supplemental affidavit, to be sworn. In any case, MZ is in possession of these records.

7. Pursuant to Section 5 of the Forbearance Agreement, in or around July, 2024, 255 (or Remax) provided MZ with an additional $160,000 (the "**$160,000 Payment**") after the sale of the Property, as that term is defined in the Forbearance Agreement. Copies of the records showing the $160,000 Payment will be provided in a supplemental affidavit, to be sworn. In any case, MZ is in possession of these records.

8. The $160,000 Payment was supposed to be applied to an interest reserve due to MZ under the terms of the Forbearance Agreement or otherwise to the principal due and owing to MZ under the terms of the Commitment Letter.

9. The Forbearance Agreement expired on October 30, 2023.

10. On January 16, 2024, KSV Restructuring Inc. (the "**Receiver**") was appointed as the receiver over the assets, undertakings and properties of the Respondents pursuant to the Order of Justice Osborne dated January 16, 2024 (the "**Receivership Order**"). A copy of the Receivership Order is attached as Exhibit "**D**".

11. Beginning in February, 2024, the Respondents began working diligently to secure take-out financing from another lender to satisfy the amounts due to MZ.

12. On March 27, 2024, the Receiver obtained a sales process approval order authorizing the sale of the land in respect of the York Estates Project. A copy of the Sale Process Approval Order is attached as Exhibit "**E**".

13. On or around July 10, 2024, MZ provided me with a discharge statement indicating that $17,645,285.40 (the "**July 2024 Discharge Statement**") was owed to MZ under the terms of the Commitment Letter. A copy of the July 2024 Discharge Statement is attached as Exhibit "**F**".

14. At the time the July 2024 Discharge Statement was provided, there was no provision for any amounts owing under Section 17 of the *Mortgages Act*, RSO 1990 c. M. 40 (the "***Mortgages Act***").

15. In addition, the July 2024 Discharge Statement did not appear to account for the $500,000 Payment or the $160,000 Payment which were made pursuant to the Forbearance Agreement.

16. At all material times, I relied on the fact that MZ would not be charging any amounts under Section 17 of the *Mortgages Act* in connection with negotiating take-out financing for the York Estates Project with potential lenders.

17. 255 obtained a commitment letter from a lender which would provide take-out financing for the York Estates Project provided certain conditions were fulfilled.

18. On October 1, 2024, the parties attended before Justice Black of the Ontario Superior Court of Justice in connection with a sale approval/discharge motion which was brought by the Receiver. A copy of Justice Black's endorsement dated October 1, 2024 is attached as Exhibit "**G**".

19. As part of an agreement between the Respondents, the Receiver and MZ, the Respondents were provided with additional time (until November 12, 2024) to satisfy the amounts due and owing to MZ under the terms of the Commitment Letter.

20. In addition, the Respondents agreed that any challenge to any amounts purportedly due to MZ or any fees charged by the Receiver would be brought by way of motion prior to 11:59 pm on October 8, 2024.

21. On October 3, 2024, MZ provided a revised discharge statement (as of November 12, 2024) (the "**October 2024 MZ Discharge Statement**") claiming to be owed $19,008,573.87 pursuant to the Commitment Letter. A copy of the October 2024 MZ Discharge Statement is attached as Exhibit "**H**".

Concerns about the October 2024 MZ Discharge Statement

22. In the October 2024 MZ Discharge Statement, MZ appears to have failed to account for the $500,000 Payment and the $160,000 Payment.

23. In addition, in the October 2024 Discharge Statement, MZ is purportedly charging 255 an interest penalty under Section 17 of the *Mortgages Act*.

24. The October 2024 Discharge Statement indicates that $105,000 are owed for legal fees and another $150,000 are owed for "Deferred Fees";

25. On October 7, 2024, the Receiver provided a statement setting out the total amount needed to satisfy the amounts due to MZ as of October 31, 2024 (The "**October 7 Receiver Statement**"). A copy of the October 7 Receiver Statement is attached as Exhibit "**I**".

26. The Amount Noted for amounts due to MZ's counsel in the October 7 Receiver Statement is materially different from the amount set out in the October 2024 MZ Discharge Statement.

27. As of the date of the drafting of this affidavit, no explanation for the discrepancies regarding the legal fees for MZ between the October 2024 MZ Discharge Statement and the October 7 Receiver Statement has been provided.

28. In my view, MZ has failed to account properly for the amounts owed to it under the terms of the Commitment Letter and has overstated same. I reserve my right to raise other issues after a fulsome accounting in respect of the Commitment Letter is provided by MZ.

29. It would be unjust for MZ to recover amounts that are not lawfully due to it under the terms of the Commitment Letter and it would be highly prejudicial to the Respondents and their potential lender to have to overpay MZ.

30. Given the short turn-around time between October 1 and October 8, it was not possible for me to obtain all of the Respondents' financial records and an expert report prior to October 8, 2024. As such, I intend on providing a supplemental affidavit providing further evidence of the $500,000 Payment and the $160,000 Payment.

31. There is no prejudice to MZ if these records are provided in a supplemental affidavit as MZ is already in possession of these records.

32. As a result of these apparent errors by MZ, I have concerns that MZ has also improperly calculated various other amounts purportedly due to it (including interest) under the terms of the Commitment Letter.

33. Upon receiving a fulsome accounting from MZ in respect of the Commitment Letter, I intend to retain an expert to determine the amounts that are properly owed to MZ under the terms of same.

[The rest of this page as been intentionally left blank]

34. I swear this affidavit in support of the within motion and for no other or improper purpose.

SWORN BEFORE ME by Mike Bettiol at the City of Hamilton in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario on October 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits
(or as may be)

RORY MCGOVERN

MIKE BETTIOL

RCP-E 4D (February 1, 2021)

MARSHALLZEHRGROUP INC.
Applicant

-and-

2557386 ONTARIO INC. et al.
Respondents

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF MIKE BETTIOL SWORN OCTOBER 8, 2024

RORY MCGOVERN PC
Lawyer
25 Adelaide St. East Suite 1910
Toronto, ON, M5C 3A1

Rory McGovern LSO# 65633H
rory@rorymcgovernpc.com
Tel: (416) 938-7679

Lawyer for the Respondents,
2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes

Email for party served:
Maya Poliak: maya@chaitons.com

File Number:

RCP-F 4C (September 1, 2020)

This is Exhibit "A" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

Thursday, June 23, 2022

This letter replaces and renders null and void the previous commitment letter dated 2022-06-13 under the project name York Estates - MZGI 452

2557386 Ontario Inc.
558 Upper Gage Ave #363
Hamilton, ON, L8V 4J6
Attention: Michael Bettiol, President

Dear Mr. Bettiol

RE: Land, Servicing, and Construction Financing for 30 Front Street, Haldimand, ON

Project Name: York Estates – MZGI 452

This commitment letter confirms that MarshallZehr Group Inc. is prepared to provide financing as detailed in the document herein, conditional on the terms and conditions contained in this letter agreement (this "**Commitment**"). Upon execution by the Lender and the Obligors, this Commitment will constitute an agreement which shall bind each of them, subject to and in accordance with the terms hereinafter set out. All capitalized terms not otherwise defined in this Commitment shall have the meanings ascribed thereto in Appendix B.

A. LOAN

1. **Borrower:** 2557386 Ontario Inc. (collectively, the "**Borrower**").

2. **Guarantors:** Michael Bettiol, 2363823 Ontario Inc. (o/a Mariman Homes), together with such other related parties as the Lender may deem advisable, in its sole discretion (collectively, the "**Guarantors**").

3. **Obligors:** Means, collectively, the Borrower and the Guarantors (collectively, the "**Obligors**" and each, an "**Obligor**").

4. **Lender:** MarshallZehr Group Inc. and/or such other assignees or lenders as MarshallZehr Group Inc. may arrange to participate in the Loan (the "**Lender**").

5. **Project Description** Those lands and premises together with all fixtures and improvements now or hereafter situate thereon municipally known as 30 Front Street, Haldimand, ON and legally described in Appendix A (the "**Property**").

   The Project is to consist of 66 detached custom estate homes on approximately 70 acres of land (currently vacant). Each lot will be 1+ acre in size (collectively, the "**Project**"). Additionally, the Lender understands that the Project is Draft Plan Approved and the land is appropriately zoned for the Project.

6. **Loan Amount** **$ 26,849,000** (the "**Loan**" or "**Loan Amount**") to be advanced through multiple facilities as follows:

Facility/Tranche	Amount
Facility 1 (Construction)	$ 8,000,000
Facility 2A (Land & Servicing)	$ 15,825,000
Facility 2B (Mezzanine)	$ 3,024,000
Total Loan Amount	**$ 26,849,000**

Marshall Zehr

Provided the Obligors are not in Default of the Loan or Security, Facility 2B shall be fully subordinate and postponed to Facility 1 and Facility 2A. Provided the Obligors are not in Default of the Loan or Security, Facility 2A shall be ranked pari-passu with Facility 1.

7. Interest Rate: The Loan shall bear interest at the following rates (collectively, the "**Interest Rate**"):

Facility/Tranche	Interest Rate	Floor Rate
Facility 1 (Construction)	Prime + 5.30% per annum	9.00%
Facility 2A (Land & Servicing)	Prime + 5.30% per annum	9.00%
Facility 2B (Mezzanine)	Prime + 11.05% per annum	13.75%

Interest shall accrue commencing on the date of each Advance to the Lender's trust account and shall be calculated daily (365 days/year), compounded and payable monthly, in arrears and due and payable on the first (1st) day of each month, both before and after the Maturity Date, Default, demand and judgment. Interest only payments in respect of the Loan shall be paid from the a) Interest Reserve, if applicable, or b) Borrower Draws up to the budgeted amount set out in the Sources and Uses of Funds herein. Once the budgeted amount has been utilized, interest payments shall be made from the Obligors' own cash resources.

Prime shall be defined as the Bank of Montreal Prime Business Rate of Interest (the "**Prime Rate**" or "**Prime**"). For the purpose of determining the Interest Rate, the Prime Rate on the first (1st) day of each month will be used as the rate for that entire month.

8. Fees: The Borrower shall pay the following fees (collectively, the "**Fees**") to the Lender and the transaction mortgage broker, to the extent applicable:

Fee:	Amount
Good Faith Deposit (*Received*)	$ 75,000
Lender Fee (inclusive of Good Faith Deposit)	$ 775,000
Administration Fee	$ 5,000
Draw Fee (per Borrower Draw)	$ 500
Partial Discharge Fee (per Unit)	$ 500
Final Discharge Fee	$ 1,000
Pre-Payment Fee (per pre-payment)	$ 1,000

The Lender Fee and Administration Fee shall each be deemed to be fully earned by the Lender and/or broker, as applicable, and non-refundable to the Borrower upon written notification by the Lender to the Borrower of the successful syndication as described in Section A. 22.1. The Lender Fee and Administration Fee, less the Good Faith Deposit, shall be deducted from the Initial Advance.

Notwithstanding Section A. 22.1, in the event that the Initial Advance does not occur on or prior to the Outside Date for any reason whatsoever, the (i) balance of the Lender Fee and Administration Fee shall immediately become due and payable by the Obligors to the Lender and (ii) Obligors shall be responsible for all expenses incurred by the Lender to date in connection with this Commitment, including, without limitation, the cost of any third party reports issued and/or in process and all legal fees and disbursements in connection with the Loan and/or the recovery of any portion of the balance of the unpaid Lender Fee and Administration Fee, to the extent applicable.

All applicable Fees are further detailed in Appendix G. The Borrower hereby acknowledges and agrees that the Fees set out above and in Appendix G herein are a genuine pre-estimate of the value of the services performed by the Lender and/or its Affiliates for same and are not a penalty or additional interest under the Loan.

9. Term:

The Loan shall mature (the "**Term**") and any outstanding balance shall become due and payable in full on the date (the "**Maturity Date**") that is the earlier of a) **thirty-seven** (**37**) months commencing from the Interest Adjustment Date and b) the date on which the Lender demands repayment of the Loan.

10. Extension:

The Borrower may request **one (1)** extension of the Maturity Date for a period of **six (6)** months each (each, an "**Extension Term**"), which shall be at the sole discretion of the Lender and shall, at minimum, require:

a) that there has been no default under this Commitment or the Security;

b) the payment of a fully earned extension fee (the "**Extension Fee**") to the Lender in an amount equal to **zero-point-seven-five percent** (**0.75%**) of either of the (i) Loan Amount, or (ii) outstanding principal balance of the Loan if the Loan has been fully advanced and repayment by the Borrower has begun, in each case, on a per extension basis; and

c) 60 days prior written notice by the Borrower to the Lender prior to the Maturity Date.

The interest during the Extension Term shall be calculated and compounded at the same Interest Rate applicable during the Term. A title search of the Property will be conducted by the Lender's solicitor upon the request by the Borrower of an Extension Term and at the Borrower's expense. The Borrower will be responsible for any reasonable costs associated with each Extension Term.

11. Wrap-Up Period

Commencing the final month (the "**Wrap-Up Period**") of the Term, or the Extension Term, as applicable, interest shall accrue at twice the Interest Rate (the "**Wrap-Up Rate of Interest**"). If there are multiple facilities or tranches, interest shall accrue at the Wrap-Up Rate of Interest and be calculated, compounded, and payable in the same manner as prior to entering the Wrap-Up Period for each applicable facility or tranche.

12. Expenses

All reasonable expenses of the Lender and the Borrower shall be paid by the Borrower including (but not limited to), the cost of any third-party reports, all legal costs regardless of whether the Borrower proceeds with the Loan, and any cost recovery of unpaid amounts, if required. Upon request by the Borrower, the Lender shall provide an estimate of the legal fees to be incurred by the Lender in connection with the preparation of the Security and the Initial Advance. Upon execution by the Borrower of this Commitment, the Obligors shall be responsible for all reasonable legal fees actually incurred by the Lender in connection herewith.

13. Demand and Cancellation

The Lender may, on demand, require immediate payment of all amounts outstanding or accrued in connection with this Commitment and the Loan. The Lender may at any time, for any reason, and without notice, cancel the undrawn portion of the Loan.

14. Purpose

The Loan shall at all times be used for the following purposes and for no other purpose without the prior written consent of the Lender:

Facility/Tranche	Description
Facility 1 (Construction)	This facility will provide funding for the construction of the 66 homes. Notability this facility will be administered as a Revolving funding source with a balance limit of **$8,000,000**. This facility will fund approximately **$33,702,000** in construction costs throughout the construction period of the Project (subject to limitations as described in Article 22.5 Advance Margin). Funds in this facility will be placed into a MarshallZehr trust in time for construction. Upon placement into the MarshallZehr trust, interest will begin to accrue interest on the entire amount of the facility.
Facility 2A (Land & Servicing)	This facility will provide funding for the land and servicing (pre-construction) component of the Project.
Facility 2B (Mezzanine)	This facility will provide funding for the land and servicing (pre-construction) component of the Project.

15. Sources and Uses of Funds

Uses	
Land Costs	$ 22,000,000
Development Charges	$ 725,000
Servicing Costs	$ 6,420,000
Construction Costs	$ 39,039,000
Soft Costs	$ 4,888,000
Contingency	$ 3,097,000
Financing Costs	$ 5,126,000
Total	**$ 81,440,000**

Sources	
Facility 1 (Construction)	$ 33,702,000
Facility 2A (Land & Servicing)	$ 15,825,000
Facility 2B (Mezzanine)	$ 3,024,000
Deferred Trade Carry	$ 9,760,000
Borrower Equity	$ 12,043,000
Deferred Costs	$ 5,497,000
Deposits	$ 1,589,000
Total	**$ 81,440,000**

The above Sources and Uses of Funds are further detailed in the Project Pro Forma contained in Appendix D.

16. Initial Advance and Draw

The first advance and draw (the "**Initial Advance**" and "**Draw 1**", respectively) shall be advanced upon satisfaction of the conditions contained herein, including without limitation, Sections B. 1. and B. 2. thereof. The Initial Advance and Draw 1 is expected to be advanced as follows:

Use of Funds	Amount
Existing 1st Mortgages	$ 8,125,000
Existing 2nd Mortgages	$ 2,000,000
Lender Fee	$ 775,000
Administration Fee	$ 5,000
Legal Costs	$ 50,000
Interest Reserve	$ 907,000
Working Capital	$ 2,438,000
Initial Advance Amount	**$ 14,300,000**

Further Advances shall be advanced in accordance with Section B. 2. hereof.

17. Order of Advances

The Loan shall be advanced in the following order, until each facility has been fully advanced:

a) Facility 2B (Mezzanine);
b) Facility 2A (Land & Servicing); then
c) Facility 1 (Construction)

18. Interest Reserve and Cost Reserve

At the time of an Advance, the Lender may, at its sole discretion while acting reasonably, hold back sufficient funds to fund ongoing interest (the "**Interest Reserve**") and/or Project Costs (the "**Cost Reserve**"), in each case, during the Term, .

The Interest Reserve and the Cost Reserve (collectively, the "**Reserves**") shall be held in the Lender's trust account and shall be deemed to be principal advanced. Interest shall accrue at the Interest Rate on those funds held in the Reserves as if they had been paid directly to the Borrower. The Reserves, together with any interest earned thereon will be pledged by the Borrower to the Lender as security for the Loan. In the Event of Default under this Commitment and/or the Security, the Lender may apply, in its sole discretion, all or any part of the Reserves for payment of any principal, interest, fees, costs or other amounts payable under the Security.

In consideration of each Advance by the Lender to the Borrower, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Borrower, the Borrower hereby irrevocably authorizes and directs the Lender to:

a) hold back sufficient funds from each Advance, as it may determine in its sole discretion, to fund the Reserves;

b) automatically debit the Interest Reserve for all payments of interest required hereunder; and

c) automatically debit the Cost Reserve for all payments of Project Costs required hereunder, including without limitation, payment of due and owing realty taxes in respect of the Property,

and this shall be the Lender's good, sufficient and irrevocable authority for so doing.

19. Partial Discharges and Mandatory Repayment

Provided that the Borrower is not in Default under this Commitment and/or the Security, the Lender shall provide partial discharges of the Security on a per Unit basis to the Borrower upon receipt of the greater of the following amounts (the "**Net Sale Proceeds**"):

a) the Gross Sale Price less the Permitted Deductions in respect of the sale of any such Unit; and

b) the Lender's minimum discharge amount set forth in Appendix E, less the Permitted Deductions in respect of the sale of any such Unit.

A Partial Discharge Fee shall be paid by the Borrower to the Lender on a per Unit basis together with the Lender's solicitors legal fees incurred in connection with any such partial discharge.

Any payments received by the Lender pursuant to this Section A. 19 shall be applied towards repayment of the Loan in the order set out in Section A. 21 below.

20. Voluntary Pre-Payment

The Loan may be prepaid in whole or in part at any time or times on the following terms:

a) upon at least 60 days' prior written notice by the Borrower to the Lender;

b) in an amount not less than $100,000 (the "**Pre-Payment Proceeds**") or, if a lesser amount, upon the Lender's prior written consent; and

c) payment by the Borrower to the Lender of the Pre-Payment Fee together with its solicitors' reasonable legal fees in respect thereof.

Any payments received by the Lender pursuant to this Section A. 20 shall be applied towards repayment of the Loan in the order set out in Section A. 21 below.

21. Allocation of Proceeds

The Net Sale Proceeds and/or Pre-Payment Proceeds, as the case may be, shall be applied in the following order:

a) as repayment of all accrued and unpaid interest due under the Loan;

b) as repayment of the outstanding Facility 1 – Construction principal balance, as a minimum, by the amount funded from the Facility to complete the unit being discharged as determined by the Project's Quantity Surveyor;

c) as repayment of the outstanding Facility 2A – Land & Servicing principal balance, in an amount which will *average* $344,000 per unit for the first 55 closed units. Refer to Appendix E for further information. Further, on the closing of a unit and in the event of shortfall, the borrower will provide funding sufficient where deemed necessary by the Quantity Surveyor to maintain of an average paydown of $344,000 per units on the closing of the first 55 units.

d) if no balance remains on Facility 2A – Land & Servicing, as repayment of the outstanding Facility 2B – Land & Servicing principal balance, in an amount averaging $344,000 per unit for the first 55 closed units. Refer to Appendix E for further information. Further, on the closing of a unit and in the event of shortfall, the borrower will provide funding sufficient where deemed necessary by the Quantity Surveyor to maintain of an average paydown of $344,000 per unit on the closing of the first 55 units.

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e) If no unit is being discharged, such Pre-Payment Proceeds shall be applied as repayment of the outstanding principal balance due under Facility 1 – Construction and Facility 2A – Land & Servicing, on a proportional basis;

f) If no unit is being discharged, and no balance remains on Facility 1 – Construction and Facility 2A – Land & Servicing, such Pre-Payment Proceeds shall be applied as repayment of the outstanding principal balance due under Facility 2B – Land & Servicing;

g) All remaining proceeds will be available to the Borrower to fund deferred trades payable, as confirmed by the Quantity Surveyor;

h) All remaining proceeds will be available to the Borrower.

22. Special Provisions

The following special provisions shall apply to the Loan:

22.1. Servicing or Syndication of the Loan

It is the Lender's intention to syndicate all or a portion the Loan on the terms and conditions satisfactory to it, in its sole discretion. All obligations of the Lender in connection with any such servicing or syndication aforesaid are conditional to the Lender. The Obligors hereby acknowledge and agree that the Lender may disclose confidential information relating to each of them, the Loan and/or the Security, including without limitation, any financial information provided by any of the Obligors to the Lender at any time or otherwise relating to the Property and the Project together with any and all plans, drawings or other documentation or information regarding the Property and the Project, including without limitation the Project Documents and the Project Plans. The Lender shall notify the Borrower in writing once all Initial Funding Conditions as specified in Section B. 1., excluding B 1.1. Security to Be Delivered, have been met, in the Lender's sole discretion. Upon receipt of notification that the Initial Funding Conditions have been met, the Lender shall, within fifteen (15) Business Days, notify the Borrower that the Loan has been successfully syndicated.

Notwithstanding anything contained in this Commitment to the contrary, in the event that the Lender is unable to syndicate the Loan:

a) on the terms and conditions satisfactory to it, in its sole discretion, then this Commitment shall be null and void and the Lender shall have no obligation to advance the Loan to the Borrower. In such event, the Lender shall return to the Borrower all Fees, less the Good Faith Deposit and due diligence costs and legal fees incurred by the Lender up to such date as the Lender determines that it is unable to syndicate the Loan; or

b) as a result of the Borrower's Default, then this Commitment shall be null and void and the Lender shall have no obligation to advance the Loan to the Borrower. In such event, the Lender shall retain the Good Faith Deposit and the (i) balance of the Lender Fee and Administration Fee shall immediately become due and payable by the Obligors to the Lender and (ii) Obligors shall be responsible for all expenses incurred by the Lender to date in connection with this Commitment, including, without limitation, the cost of any third party reports issued and/or in process and all legal fees and disbursements in connection with the Loan and/or the recovery of any portion of the balance of the unpaid Lender Fee and Administration Fee, to the extent applicable.

22.2. Permitted Encumbrances

The Borrower shall not enter into any further financing of the Property and/or the Project subsequent to the Loan, secured or unsecured, without the prior written consent of the Lender, which consent shall be in the Lender's sole discretion.

22.3. Standby Interest

The Initial Advance and Draw 1 shall be completed on the date (the "**Standby Date**") that is not less than three (3) business days following the later of:

a) notification by the Lender to the Borrower that the Loan has been successfully syndicated; or

b) Receipt by the Lender of the Borrower's executed advance requests in the forms provided by the Lender.

In the event that the Initial Advance and Draw 1 has not been fully advanced to the Borrower by the Standby Date, for any reason other than a default by the Lender, interest will commence on the Standby Date (the "**Standby Interest**") on any unadvanced portion of Draw 1 and will become due and payable monthly at a rate equal to the applicable Interest Rate set out herein until the earlier of Draw 1 being fully advanced and the termination of this Commitment without Draw 1 having been made. Any accrued and unpaid Standby Interest shall be payable at the time that Draw 1 is fully advanced by the Lender to the Borrower and shall be deducted therefrom.

In the event that this Commitment is terminated prior to the advance of Draw 1, the amount of Standby Interest shall immediately become due and payable by the Obligors in addition to any other rights and/or remedies which the Lender may have against the Obligors hereunder, at law or otherwise. The Obligors hereby acknowledge and agree that the Standby Interest is a reasonable estimate of the fees to be incurred by the Lender, which amount is deemed not to be a penalty.

22.4. Other Terms

The definitions, terms and conditions set out in Appendices attached to this Commitment shall form a part hereof as if incorporated herein.

22.5. Advance Margin

Loan advances from Facility 1 – Construction for the construction of residential units will be permitted on a unit-by-unit basis upon receipt of an Eligible Pre-sale. The following requirements must be met for Facility 1 – Construction advances to occur:

a) No more than 2 speculative units can be under construction throughout the entire project at any given time; these speculative units will not be required to be presold.

b) No more than 18 units can be under construction throughout the entire project at any given time.

c) Loan advances from Facility 1 – Construction, on a per unit basis, shall be drawn to fund the vertical construction costs, limited to the lesser of 75% Loan-to-Vertical Costs, or 85% Loan-to-Net Sales Proceeds.

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B. TERMS AND CONDITIONS

The Loan terms and conditions shall be such terms and conditions as the Lender may from time to time require and shall include, but not be limited, to the following:

1. Initial Funding Conditions

The Lender shall not be required to advance any funds prior to the Borrower having fulfilled, to the Lender's satisfaction, the following conditions:

1.1. Security to Be Delivered

All the Security, ancillary loan agreements and documents, and opinions shall have been executed and delivered to the Lender or its solicitors and registered where and as required. Please refer to Article C herein.

1.2. Financial Performance

The Lender, in its sole discretion, shall have satisfied itself with the financial performance and condition of each of the Obligors. The Obligors shall provide within ten (10) Business Days of the date of execution of this Commitment, at a minimum, the following deliverables:

a) Corporate Obligors shall provide externally accountant prepared Notice to Reader annual financial statements for its two most recently ended fiscal years, or alternatives acceptable to the Lender.

b) Corporate Obligors shall provide corporate Notice of Assessments for its two most recently ended fiscal years, or alternatives acceptable to the Lender.

c) Personal Obligors shall provide Notice of Assessments received from the Canada Revenue Agency for their two most recently ended taxation years, with respect to their income tax filings.

d) Personal Obligors shall provide the Lender's form of Personal Net Worth Statement with supporting documentation.

e) All Obligors shall complete the Lender's form of Mortgage Application. To facilitate the Lender's due diligence regarding the creditworthiness of the Obligors, each of the Obligors shall authorize the Lender to conduct credit checks and authorize each of the financial institutions with which the Obligors deal to release any and all information reasonably required and requested by the Lender to adequately assess the credit worthiness of each Obligor.

1.3. Project Conditions

The Borrower shall deliver the following to the Lender within ten (10) Business Days of the acceptance of this Commitment for the Lender's satisfactory review and acceptance:

a) A copy of the agreement of purchase and sale (and any subsequent amendments or side letters related thereto) and statement of adjustments for the purchase by the Borrower of the Property, confirming a purchase price of not less than $13,250,000.

b) An appraisal(s), satisfactory to the Lender, of the Project confirming the fair market value in the following states:

Appraisal or Letter Type	
"As Is" Appraisal	$ 22,000,000
"As Serviced" Appraisal	$ 33,000,000
"As Complete" Appraisal / Letter of Value*	$ 96,130,000

to be prepared at the Borrower's expense. All appraisal reports are to be prepared by a Lender approved appraiser.

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Such appraisal reports must be addressed to the Lender or be accompanied by reliance letters from the appraiser(s) to the Lender and shall confirm that the Lender can rely upon such appraisals for lending purposes.

*Regarding an indication of "as Complete" value, the Lender understands that value will be confirmed with the combination of Contractual Pre-Sales at the time of commitment ($74,870,000) and an Appraised Value of the remaining units to be built ($21,260,000).

c) Evidence that the Borrower has entered into Eligible Pre-Sales of not less than 55 Units and totaling gross proceeds of not less than $74,870,000. All Eligible Pre-Sales shall include a contracted Purchaser Deposit averaging not less than 10.00% of the applicable Unit's Gross Sale Price. The Borrower hereby acknowledges and agrees as follows:

   i. all agreements of purchase and sale relating to the Units shall be to the satisfaction of the Lender as to Gross Sale Price, contracted Purchaser Deposits, form, and content. The Borrower will provide the Lender with an electronic copy of all agreements of purchase and sale within five (5) Business Days of an offer being received;

   ii. the Lender must be provided with the full contact details (name, mailing address, e-mail address and telephone number) for each purchaser of a Unit;

   iii. [Intentionally deleted – N/A]

   iv. The Lender understands that, to-date, approximately $5,497,000 of costs included in the Sources & Uses have been funded with Purchaser Deposits. The lender further understands that Purchaser Deposit not exceeding $3,400,000 have been used for costs outside of those contemplated in the Sources & Uses.

   v. [Intentionally deleted – N/A]

d) [Intentionally Deleted – N/A]

e) Evidence that the Borrower is licensed by the HCRA, or such other requirements as the Lender may determine, in its sole discretion.

f) A soils-test/geotechnical report (load bearing capacity) by a professional engineer as is acceptable to the Lender that the proposed construction and site improvements of the Project are feasible under existing soil conditions, together with evidence that the construction specifications for the Project provide for construction in compliance with such conditions and recommendations, if any, which may be contained in such soils-test/geotechnical report. If deemed necessary by the Lender in their sole discretion, this report and the Project will be reviewed by a separate engineering professional engaged by the Lender at the Borrower's expense.

   Such soils-test/geotechnical report must be addressed to the Lender or be accompanied by a reliance letter, or notice/report satisfactory to the Lender, from the engineer or third party consultant to the Lender and shall confirm that the Lender can rely upon such report for lending purposes.

g) A satisfactory Phase I environmental site assessment report conducted and prepared by a Lender approved engineer (and any further environmental site assessment reports, environmental remediation plans, environmental risk assessments and/or Record of Site Condition, as may be required by the Lender or the approved engineer, in their respective and sole discretion). If

deemed necessary by the Lender in their sole discretion, these reports and the Project will be reviewed by a separate environmental professional engaged by the Lender at the Borrower's expense and the Borrower will provide an appropriate emergency response plan for the Project and related activities.

Any reports, both Phase I and supplemental reports, are to be accompanied by a reliance letter, or notice/report satisfactory to the Lender, from the engineer or third party consultant permitting the Lender to rely on the reports.

h) All architectural and engineering plans, drawings and specifications upon which construction of the Project is based, including without limitation, all structural, architectural, mechanical, electrical, landscape and interior design and specifications (collectively, the "**Project Plans**").

i) A survey of the Project by and Ontario licensed land surveyor showing access to the Property from public thoroughfares and indicating no encroachments, easements or rights of way, except those that do not encroach or hinder the Borrower's ability to construct the Project in accordance with the proposed Project Plans. If no survey is available at the time of the Initial Advance, the Lender, in its sole discretion, may rely upon the title insurance policy to be obtained in connection with the Loan.

j) Evidence confirming zoning approval, development permit and partial/full building permit availability to construct and develop the Project, together with evidence satisfactory to the Lender, in its sole discretion, that the full building permit will be issued by the applicable Governmental Authority in time to meet the Project Schedule.

k) A detailed planning letter from a third-party planner outlining the timeline for, and probability associated with, approval of the various stages and phases of the Project in accordance with the Project Plans, acceptable to the Lender. If deemed necessary by the Lender in their sole discretion, these reports and the Project will be reviewed by a separate planning professional engaged by the Lender at the Borrower's expense.

l) Discharge statement from Current Mortgagee(s), if any, confirming the outstanding principal balance does not exceed $10,250,000 and is in good standing.

m) [Intentionally Deleted – N/A]

n) A detailed pro forma budget prepared by the Borrower showing all sources of revenue and a breakdown of the estimated cost to complete the Project, to the extent that such information is not contained in the Project Budget or Quantity Surveyor's report, as may be determined by the Lender, in its sole discretion.

o) An executed engagement letter among the Quantity Surveyor, the Borrower and the Lender formally engaging such Quantity Surveyor as the Lender's quantity surveyor for the Project. The Quantity Surveyor shall be retained at the sole cost and expense of the Borrower. The engagement letter shall be in a form as provided by the Lender and subject to satisfactory review by the Lender, it its sole discretion.

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p) A detailed Project Budget prepared by the Borrower in conjunction with the Quantity Surveyor, to the extent applicable, satisfactory to the Lender. The Lender and the Quantity Surveyor, in their sole discretion, shall be satisfied:

   i. that the budgeted Hard Costs and Soft Costs (including financing and contingency costs) shall be sufficient to complete the Project as planned;

   ii. that the sources and uses of funds are acceptable;

   iii. with the terms of all construction contracts relating to the Project;

   iv. with the reputation, qualification and capabilities of the general contractor/project manager; and

q) Prior to advance of Facility 1 – Construction, evidence of $12,043,000, in invested capital in the Project and means to cover any potential closing costs, if required, satisfactory to the Lender and the Quantity Surveyor, to the extent applicable. Such invested capital shall include land equity up to $8,750,000 and cash contributions from the Borrower and/or Gaurantor.

r) The initial Loan to Value ratio at the time of the Initial Advance, as determined in the Lender's sole discretion, shall not be greater than 65%. For the purpose of calculating the Loan to Value ratio in the absence of current market values:

   i. The Loan amount shall include all outstanding debt obligations including the Permitted Encumbrances, unapproved subordinate debt, and outstanding Project accounts payable.

   ii. The Value shall be calculated by utilizing the appraised value at the time of the Initial Advance as per the appraisal provided per the initial transaction underwriting unless otherwise agreed to by the Lender. In the case of unsold Units, the value shall be calculated as per the methodology used by the appraisal. For Units under construction, the appraised value shall be the estimated value of the Units upon completion, less the cost to complete including financing costs as per the methodology used by the appraisal, less the expected profit margin.

s) The initial Loan to Cost ratio at the time of the Initial Advance, as determined in the Lender's sole discretion, shall not be greater than 56%. For the purpose of calculating the Loan to Cost ratio:

   i. The Loan amount shall include all advanced debt obligations including the Permitted Encumbrances, unapproved subordinate debt, and outstanding Project accounts payable, regardless of repayment.

   ii. The Cost shall be determined by utilizing the net Project Costs incurred to date as set out in the Quantity Surveyor's report unless otherwise determined by the Lender, in its sole discretion.

t) Evidence of the existence, details, and signing authorities related to a Project bank account, through which, all Project related transactions will flow. The Borrower and/or the Corporate Guarantor (as such term is defined in Section C.4.) shall execute the Lender's form of pre-authorized debit form, which shall authorize the Lender to automatically debit the Borrower's and/or the Corporate Guarantor's respective accounts with the Lender for all interest payments required in connection with the Loan.

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u) Confirmation satisfactory to the Lender that all property taxes for the Property are current and have been paid.

v) Evidence of appropriate insurance coverage in accordance with the requirements contained in Appendix C, subject to satisfactory review by the Lender and the Lender's insurance consultant.

w) Applicable Advance Requests in the forms provided by the Lender.

x) MarshallZehr Group Inc., or a related party, may post two MarshallZehr Group Inc. signs on the Property (on each main street).

y) Receipt by the Lender's solicitors of completed Agent Examination of Identification Forms for each of the Obligors and any other due diligence materials required in connection therewith to permit the Lender to comply with its obligations under the *Proceeds of Crime Money Laundering and Terrorist Financing Act* (Canada).

z) Receipt by the Lender's solicitors of the corporate documentation for all corporate Obligors which shall include, without limitation, an up to date organizational chart for each of the corporate Obligors together with copies of the articles of incorporation, by-laws and corporate minute book registers.

aa) Such other matters as the Lender may deem appropriate and necessary to satisfy itself of the Project's viability, the Borrower's creditworthiness and the ability of the Borrower and Guarantors to fulfil their obligations herein.

1.4. Special Conditions

The Borrower shall deliver the following to the Lender within five (5) Business Days of the acceptance of this Commitment for the Lender's satisfactory review and acceptance:

a) *[Intentionally Deleted]*

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2. Progress Funding Conditions

The Borrower shall adhere to the following conditions when requesting Lender Advances or Borrower Draws, as the case may be:

2.1. Lender Advance Conditions

The following conditions must be fulfilled by the Borrower, to the Lender's satisfaction, in its sole discretion, prior to the Lender calling for funds to its trust account (each, a "**Lender Advance**"), in anticipation of a Borrower Draw:

a) Each Lender Advance shall be requested in writing and in the form (each, an "**Advance Request**") provided to the Borrower by the Lender;

b) The Lender shall have not less than five (5) Business Days following receipt of an Advance Request to fund the applicable Lender Advance into its trust account;

c) Each Lender Advance shall be in an amount not less than $100,000;

d) A title search will be conducted by the Lender's solicitors for 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. In the event a Lender Advance is occurring simultaneously with a Borrower Draw, only one title search will be conducted;

e) There shall be no more than one Lender Advance per month, unless otherwise agreed to by the Lender, in its sole discretion; and

f) The Lender Advances in the aggregate (plus the Initial Advance) shall not be greater than the Loan Amount.

The Borrower hereby acknowledges and agrees that interest shall accrue as of the date that the Lender Advance is deposited into the Lender's trust account, regardless of whether the Borrower has met the conditions of a Borrower Draw as set out below.

2.2. Borrower Draw Conditions

The following conditions must be fulfilled by the Borrower, to the Lender's satisfaction, in its sole discretion, prior to the Lender releasing a Lender Advance from its trust account to the Borrower (each, a "**Borrower Draw**"):

a) Each Borrower Draw shall be requested in writing through an Advance Request in the form provided to the Borrower by the Lender. In the event a Lender Advance is occurring simultaneously with a Borrower Draw, only one Advance Request is required;

b) Each of the conditions required in respect of a Lender Advance shall have been satisfied by the Borrower, to the Lender's satisfaction, in its sole discretion;

c) The Borrower has satisfied all Initial Funding Conditions and Special Conditions, to the extent applicable, as set out in this Commitment and is compliance with the provisions set out herein;

d) Each Borrower Draw shall set out the Project Budget (together with any revisions thereto, as approved by the Lender, in its sole discretion) and the Project Costs paid to date;

e) Each Borrower Draw shall only be used to pay for Project Costs as set out in the Project Budget;

f) The Borrower shall deliver an executed statutory declaration, in the form provided by the Lender, indicating it is in compliance with the requirements of the Construction Act, if applicable, and that all Borrower Draws shall be used to pay for the applicable Project Costs outlined in the Advance Request;

g) The undrawn portion of the Loan shall not exceed the Borrower's cost to complete, including Holdbacks and expected financing costs;

h) **Hard Cost Draw Conditions** – The following conditions must be fulfilled for each and every Borrower Draw used to pay for Hard Costs:

   i. Each Borrower Draw request will be supported by a report of the Quantity Surveyor, which report shall indicate the amount of work in place, the cost to complete, and confirm that the work in place is in accordance with the Project Budget and the Project Plans. The Lender shall deduct an amount from each Borrower Draw equal to the Quantity Surveyor's invoiced amount associated with preparing the report for the Borrower Draw;

   ii. The Borrower shall ensure compliance with all Applicable Laws, including without limitation, the Construction Act; and

   iii. The Lender shall make the required Holdbacks.

i) **Soft Cost Draw Conditions** – The following conditions must be fulfilled for each and every Borrower Draw used to pay for Soft Costs:

   i. Each Borrower Draw request shall be supported by a monthly summary of Project Costs incurred to date;

   ii. The Lender, at its sole discretion, shall request additional support for the summary of Soft Costs incurred to date including, but not limited to: invoices, bank statements, and cancelled cheques; and

   iii. The Lender reserves the right to require an Advance Request in this regard to be supported by the Quantity Surveyor's report, which report shall indicate the amount of work in place, the cost to complete, and that the work in place is in accordance with the Project Budget and the Project Plans. The Lender shall deduct an amount for each Borrower Draw equal to the Quantity Surveyor's invoiced amount associated with preparing the report for the Borrower Draw.

The Lender will be under no obligation to conduct further Advances if any of the foregoing funding conditions and timelines outlined in this Section B. 2 are not met. The foregoing conditions may be waived by the Lender, in whole or in part (with or without terms or conditions), in respect of an Advance without prejudicing the right of the Lender at any time to assert such conditions in respect of any subsequent Advances.

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C. SECURITY TO BE DELIVERED

The Borrower shall deliver the following security (the "**Security**") duly registered where appliable subject only to the Permitted Encumbrances, if any, and all in the form and on the terms acceptable to the Lender's solicitor:

1.	**Mortgage**	A 1st mortgage registered on the York Estates – MZGI 452 Project Property in the amount of 35,000,000, plus any accrued contingent payments. The mortgage will be registered at the Wrap-Up Rate of Interest, being two times the Prime Rate plus 22.10% (Floor Rate: 27.5%).
2.	**Collateral Mortgage**	[Intentionally Deleted – N/A]
3.	**General Security Agreement of the Borrower**	A General Security Agreement of the Borrower providing a first (1st) priority security interest over all of the present and future assets and undertaking of the Borrower.
4.	**General Security Agreement of the Guarantors**	A General Security Agreement of the Guarantors providing a security interest over all of the present and future assets and undertaking of the Guarantors. The General Security Agreement of 2363823 Ontario Inc. (the "Corporate Guarantor") shall provide a second (2nd) priority security interest over all of the present and future assets and undertaking of the Corporate Guarantor relating to the Property and/or the Project including, without limitation, all bank accounts in the name of the Corporate Guarantor relating thereto.
5.	**Assignment of Insurance**	An assignment of the Borrower's insurance policies relating to the Property.
6.	**Assignment of Material Contracts**	An assignment of the Borrower's construction contracts, including without limitation all the Project Documents and the Project Plans.
7.	**Assignment and Pledge of Securities**	An assignment and pledge of, *inter alia*, all term deposits, guaranteed investment certificates, cash collateral in respect of any Letters of Credit issued and/or the Reserves from the Borrower and the Corporate Guarantor.
8.	**Assignment of Leases**	A general assignment of leases and rents registered on title to the Property.
9.	**Assignment of Agreements of Purchase and Sale**	A general assignment of all third-party purchase and sale agreements for the Units together with any other rights, interests and obligations of any kind respecting the Project and reasonably necessary for the completion of the Project as contemplated by the Lender, upon default oy the Borrower.
10.	**Assignment of Purchaser Deposits**	An assignment of all Purchaser Deposits subject only to any prior security interest of the Deposit Insurer, to the extent applicable.
11.	**Assignment of Cash Security**	An assignment and pledge of all securities posted in relation to the Project and Property, including, but not limited to, cash security posted (i) directly with Tarion (ii) directly with a Governmental Authority, and/or (iii) with a financial institution as security for letters of credit for the Project. The Borrower covenants to deliver the Lender's form of executed direction to the party holding the cash security accordingly (i.e. Tarion, City/Municipality, Financial Institution, etc.) directing that all releases/reductions in the cash security are delivered to the Lender.
12.	**Letter of Credit Indemnity**	An indemnification agreement from the Borrower in favour of the Lender in respect of any Letter of Credit issued, to the extent applicable;
13.	**Guarantees**	An unlimited joint and several guarantees from each of the Guarantors.

14. Deficiency Agreement	A joint and several cost overrun and deficiency agreement executed by the Obligors agreeing to fund costs not included or in excess of the Project Budget. This Deficiency Agreement is in addition to the Guarantee.
15. Environmental	An unlimited Environmental Undertaking and Indemnity from the Obligors and Environmental Review Checklist from the Borrower. The Environmental Undertaking and Indemnity is in addition to the Guarantee.
16. Security Opinion	A favourable letter of opinion from the Borrower's solicitors containing the usual corporate opinions relating to the corporate Obligors, including, without limitation as to the enforceability of the Security.
17. Insurance	Proof of appropriate insurance satisfactory to the Lender's insurance consultant and in accordance with the requirements set out in Appendix C.
18. Title Insurance	A policy of title insurance satisfactory to the Lender and its solicitors.
19. Taxes	Evidence that the realty taxes relating to the Property have been paid to date.
20. Postponement	A postponement, subrogation and assignment from each of the shareholders of the Borrower (and such other creditors as the Lender may require upon completion of its due diligence) of all indebtedness owed by and claims against the Borrower to and by the shareholders to the indebtedness and claims of the Lender.
21. Priorities Agreements	If required, a priorities agreement in connection with any Permitted Encumbrances, satisfactory to the Lender and the Lender's solicitors.
22. PPSA Priorities Agreement	A priorities agreement between the Lender and Scotland Real Estate Venture Limited Partnership. The form and content of the priorities agreement shall be satisfactory to the Lender and the Lender's solicitors.
23. Restriction on Register	An authorization from the Borrower to the Lender and its solicitors directing the Lender's solicitors to register a notice pursuant to Section 118 of the *Land Titles Act* (Ontario) on title to the Property restricting the Borrower from further charging the Property without the prior consent of the Lender.
24. Further Security	Such further security, guarantors and ancillary documents and agreements as the Lender or its solicitors may, acting reasonably, deem necessary to adequately secure the Loan obligations and complete and perfect the Security.

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D. BORROWERS COVENANTS

The Obligors hereby covenant and agree as follows:

1. Affirmative Covenants So long as any amount under the Loan is outstanding or available, the Borrower covenants and agrees with the Lender that unless the Lender otherwise consents in writing:

1.1. Punctual Payment The Borrower shall duly and punctually pay the principal of all Advances made to it under the Loan, all interest thereon, and all fees and other amounts required to be paid by the Borrower hereunder in the manner specified hereunder.

1.2. Corporate Existence and Conduct of Business The Borrower shall, and the Borrower shall cause the corporate Guarantors to, maintain their respective corporate existences in good standing and do or cause to be done all things necessary to keep in full force and effect all properties, rights, franchises, licenses and qualifications to carry on business in any jurisdiction in which it or they carry on business and the Borrowers shall, and the Borrower shall cause the corporate Guarantors to, maintain all of its or their respective properties and assets consistent with industry standards.

1.3. Compliance with Legislation The Borrower shall do or cause to be done, and the Borrower shall cause the Guarantors to do or cause to be done, all acts necessary or desirable to comply with all material Applicable Laws, including, without limitation, all requirements of all Environmental Laws and to preserve and keep in full force and effect all franchises, licenses, rights, privileges and permits necessary to enable each of the Obligors to operate and conduct their respective businesses in accordance with standard industry practice and to advise the Lender of any anticipated changes, loss or sale of such franchises, licenses, rights, privileges and permits.

1.4. Litigation The Borrower shall promptly give written notice to the Lender of any litigation, proceeding, or dispute affecting it or an of the other Obligors if the result might, in such Borrower's bona fide opinion, have a Material Adverse Effect on the financial condition or operations of any of the Obligors or any of their respective Affiliates and from time to time furnish to the Lender all reasonable information requested by the Lender concerning the status of any such litigation, proceeding, or dispute.

1.5. Reporting Requirements The Borrower shall deliver, or cause to be delivered, to the Lender all items specified in Appendix F in the form and at the time specified therein.

The Lender, acting reasonably, may request such other financial information, reporting, certificates, projections of income and cash flow, and any information affecting the financial condition of the Project, the Property and/or the Obligors' business that are not directly specified in Appendix F. This list and the reporting items stated in this Commitment are not exhaustive and the Lender, acting reasonably, may also request such other qualitative information including expected pre-sales, expected closings and associated timing, closed transactions, and editorial updates including Project status, and photos showing progress at a reporting frequency prescribed at the time of request.

1.6. Rights of Inspection At any reasonable time and from time to time upon reasonable prior notice, the Borrower shall permit and cause each of the other Obligors to permit, the Lender or any representative(s) thereof, at the expense and risk of the Borrower, to examine and make copies of and abstracts from the records and its physical and computer books of account with respect to the Project and to visit and inspect the Project and to discuss the affairs, finances and accounts of it with any of its officers, senior employees or managers (but not tenants, if applicable).

1.7. Project Specific The Borrower shall:

a) comply in all relevant aspects with the provisions of the Construction Act;

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b) as and when requested by the Lender, provide the Lender complete records relating to all holdbacks, including cancelled cheques, bank statements, WSIB certificates, statutory declarations, and completion certificates, as the Lender my reasonably require;

c) provide a covenant that the Borrower will supply to the Lender a statutory declaration in conjunction with each Borrower Draw, confirming the status of the Holdbacks as at the date of the statutory declaration;

d) substantially complete the Project in accordance with the approved Project Plans, the Project Budget and Project Schedule;

e) pay its taxes, protect its properties by contest of adverse claims, maintain required insurance, perform its obligations under all contracts and agreements relating to the Project, obtain all necessary approvals for construction and use of the Project, comply with all governmental rules and regulations, permit reasonable inspections, by the Lender and its agents of the Project and all records pertaining to the Project;

f) make and ensure that all payments due to the architect, general contractor, all contractors, sub-contractors, and all other suppliers of materials and services of any kind to the Project are made when and as they become due in compliance with the terms of their respective contracts and the provisions of the Construction Act;

g) fund all Project Costs in excess of the Project Budget from cash resources derived from outside the Loan and the Project. In this regard, the Obligors shall be jointly and severally liable to immediately cover any such excesses as soon as same arise and/or are identified by the Lender;

h) ensure that no liens are registered against the Property or its assets. In the event that a lien aforesaid is registered, the Borrower shall cause such lien to be vacated or discharged within ten (10) days of the earlier of the date (i) of registration (ii) that the Borrower has received written notice thereof and (iii) that the Borrower has been provided written notice thereof by the Lender, with any payment being made from financial resources derived from outside of the Loan; and

i) grant the Lender the right to approve professional services involved in the Project. Such professional reports and services include, but are not limited to, appraisals, environmental reports, geotechnical reports, quantity surveyors, and auditors.

1.8. Insurance

The Borrower shall maintain, or shall cause to be maintained, appropriate insurance coverage as agreed with the Lender or any insurance consultant engaged by the Lender to assess the required coverage during the Project. All insurance shall be in accordance with the requirements contained within Appendix C.

1.9. Notices

The Borrower shall promptly give notice to the Lender of:

a) Any fire or other casualty or any notice of expropriation, action or proceeding materially affecting any Project;

b) All claims, proceedings, suits, actions. or litigation in respect of any Obligor or the Project (whether or not any such claim, proceeding, suit, action, or litigation is covered by insurance) which, if determined adversely could have a Material Adverse Effect;

c) the occurrence of any Default or Event of Default; and

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d) any other matter or event that has a Material Adverse Effect.

1.10. Use of Advances

The Borrower shall use all Borrower Draws in accordance with the specific purposes set out herein and in the applicable Advance Request.

1.11. Payment of Taxes, etc.

The Borrower shall, and the Borrower shall cause each of the Guarantors to, from time to time:

a) Pay or cause to be paid all rents, taxes, rates, levies or assessments, ordinary or extraordinary, governmental fees or dues, lawfully levied, assessed or imposed upon any Obligor or any of the assets of any Obligor, as and when the same become due and payable;

b) Withhold, deduct and collect all taxes required to be withheld, deducted and collected by it, and remit such taxes to the appropriate Governmental Authority at the time and in the manner required; and

c) Pay and discharge all obligations incidental to any trust imposed upon it, by statute which, if unpaid, might become an encumbrance upon any of the Property, except when and so long as any such rents, taxes, rates, levies, assessments, fees, dues or obligations constitute a Permitted Encumbrance and the validity thereof is in good faith being contested by such Obligor.

1.12. Project Documents, Leases, and Permitted Encumbrances

The Borrower shall ensure that all Project Documents and Permitted Encumbrances are kept in good standing in all material respects and will advise the Lender forthwith after being so notified of a material breach or alleged material breach of any material documents or Permitted Encumbrances. The Borrower shall not default under any Lease related to any Property and shall advise the Lender immediately following being so notified of any breach thereof.

1.13. New Project Documents

The Borrower will promptly advise the Lender if any Obligor enters into any agreement which could reasonably be expected to be a Project Document and shall provide a copy of such agreement to the Lender.

1.14. Security

The Borrower shall, and the Borrower shall cause each of the Guarantors to, provide the Security contemplated hereunder, perfected to the satisfaction of the Lender and its solicitors, in their sole discretion.

1.15. Maintain Security

The Borrower will fully and effectually maintain and keep the Security valid and effective at all times during the continuance of this Agreement, and it will not permit or suffer the registration of any debt, lien, privilege or encumbrance whatsoever other than Permitted Encumbrances and the Security, whether of workmen, builders, contractors, engineers, architects or suppliers of material, on or in respect of any Property (except such liens which only affect or purport to affect a tenant's interest in the Property, if applicable).

1.16. Environmental Law

The Borrower shall, and the Borrower shall cause each of the Guarantors to, with respect to each Project:

a) notify the Lender promptly of any event or occurrence that will, or is likely to, give rise to an inquiry or investigation, or any legal proceeding, relating to, or a violation of, the Requirements of Environmental Law;

b) provide the Lender, on request, such information, certificates or statutory declarations, and shall conduct such environmental audits or site assessments, as may be reasonably necessary to ensure the compliance with all Requirements of Environmental Law; and

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c) execute, and cause each of the Guarantors to execute, all consents, authorizations and directions to appropriate Governmental Authorities that are required to permit the inspections mandated by Applicable Laws of the Property and the release to the Lender, or its representatives, of information relating to the assets or undertakings of each Obligor. The Obligors hereby irrevocably constitute and appoint the Lender the true and lawful attorney of each of them, with full power of substitution, to execute any of the foregoing consents, authorizations and directions; provided however that such power of attorney shall only be exercised during the continuance of an Event of Default.

1.17. Operation and Repair

Except as otherwise permitted herein, the Borrower will ensure the diligent management and operation of the Property and repair and keep in repair and good order and condition, or cause to be so repaired and kept in repair and good order and condition, all buildings, structures, plant, machinery and equipment used in or in connection with the Property and which are necessary in connection with the efficient operation of such business and undertaking up to a modern standard of usage and, subject to the provisions of this Commitment, renew and replace, or cause to be renewed or replaced all and any of the same which may be worn, dilapidated, unserviceable, inconvenient or destroyed, even by a fortuitous event, fire or other cause, and at all reasonable times allow, and cause the Guarantors to allow, the Lender or its representative access to the Property in order to review the state and condition the same are in.

1.18. Maintain and Operate

The Borrower will diligently maintain, use and operate or will cause to be maintained, used and operated the Project, in a proper and efficient manner so as to preserve and protect the Property.

1.19. Payment of Preferred Claims

The Borrower shall, and the Borrower shall cause each of the Guarantors to, from time to time pay or cause to be paid, all amounts related to taxes, wages, workers' compensation obligations, government royalties or pension fund obligations and any other amount which may result in an encumbrance against the assets of any Obligor arising under Applicable Law.

1.20. HST Filings

The Borrower shall file on a monthly basis all returns and other documents necessary to obtain the refund of HST in respect of the Project and apply the amount of any such refund to payment of Project Costs.

1.21. Lease Attornment

Subject to the requirements, if any, within any Leases for the Lender to execute and deliver non-disturbance agreements, the Borrower agrees, at the written request of the Lender, to use all reasonable commercial efforts to obtain from the tenants under such Leases and deliver to the Lender such instruments of attornment, postponement or subordination as the tenants under such Leases are required to provide and as the Lender may reasonably request in a form acceptable to the Lender, acting reasonably, and which is otherwise consistent with the terms of such Leases.

1.22. Expropriation

Any awards or payments received by an Obligor for expropriation of any portion of the Property, which are, in respect of any single payment or award, equal to or greater than $1,000 shall, unless the Lender otherwise agrees, be forthwith paid to the Lender to repay the Loan.

1.23. Condominium Registration

To the extent applicable, the Borrower shall pursue registration of the Project under the Condominium Act for registration as a condominium thereunder to ensure that the Units may be delivered in a timely basis in accordance with the planned schedule of closings of the Units.

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2. Financial Covenants

So long as any amount payable hereunder is outstanding or the Loan is available hereunder, the Obligors covenant and agree with the Lender that:

2.1. Project Net Equity

Prior to construction, the Obligors shall maintain a minimum combined net equity in the Project equal to $10,042,000; Upon time of construction, the Obligors shall maintain a minimum combined net equity in the Project equal to $12,043,000. For the purposes of this paragraph "**Project Net Equity**" shall be equal to:

	cost of the Property, as determined by the Lender or the Quantity Surveyor (to a maximum value of $ 22,000,000)
+	cost of the Project completed to date (exclusive of Property value) as determined by the Lender or the Quantity Surveyor
-	project payables
-	Purchaser Deposits paid into the Project
-	Holdbacks
-	unsubordinated Project financing
-	the aggregate amount of Lender Advances to date under the Loan
-	all recaptured Project expenses, including HST, previously funded by the proceeds of the Loan herein
=	**Project Net Equity**

2.2. Project Loan to Value Ratio (LTV)

The Borrower shall, at all times, maintain a LTV ratio of less than 85%; notwithstanding the foregoing, for the purposes of calculating this ratio each Fiscal Quarter as required pursuant to the compliance certificate contemplated in **Appendix F** the LTV ratio shall be calculated in accordance with the parameters defined in **Section B. 1.3(r)**.

2.3. Project Loan to Cost Ratio (LTC)

The Borrower shall, at all times, maintain an LTC ratio of less than 90%; notwithstanding the foregoing, for the purposes of calculating this ratio each Fiscal Quarter as required pursuant to the compliance certificate contemplated in **Appendix F**, the LTC ratio shall be calculated in accordance with the parameters defined in **Section B. 1.3(s)**.

2.4. Maximum Borrowing

The Borrower shall ensure that Advances under this Commitment do not exceed the most current calculation of the Maximum Borrowing. "**Maximum Borrowing**" shall be equal to:

	Loan Amount (as defined in **Section 1.6**)
-	cost to complete Project
-	Holdbacks
+	unadvanced approved Purchaser Deposits to be used in the Project
+	deferred costs as approved by the Lender
+	unadvanced additional approved Project financing
=	**Maximum Borrowing**

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3. Negative Covenants

So long as any amount payable hereunder is outstanding or the Loan is available hereunder, the Obligors covenant and agree with the Lender that, unless the Lender otherwise consents in writing:

3.1. Sale of Guarantors

The Borrower shall not, and shall cause every other Person with an ownership interest in a Guarantor (other than the Borrower) not to, sell, transfer, assign, convey or otherwise dispose of its ownership interest in any of the Guarantors (other than the Borrower) to any Person except another Affiliate of the Borrower (but only if such Guarantor remains a direct or indirect wholly-owned Subsidiary of the Borrower) or except with the prior written consent of the Lender, such consent not to be unreasonably withheld or delayed.

3.2. No Merger, Amalgamation, Etc.

Except as otherwise permitted hereunder, no Obligor shall enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other Person (whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise).

3.3. No Sale, etc. of Property Interests

No Obligor shall sell, transfer, assign or otherwise dispose of all or any portion of its respective interest in the Property except pursuant to a Permitted Encumbrance.

3.4. No Additional Encumbrances or Financing

No additional encumbrances or financing, subject to **Section A. 1.22**, will be permitted without the prior written consent of the Lender, which consent shall be in its sole discretion. In the event that the foregoing covenant is not complied with, the entire amount of outstanding principal, interest, fees and all other amounts due under the Commitment and the Security shall become immediately due and payable by the Borrower.

In the event that the Lender consents to any such additional subordinate financing aforesaid, such consent shall be conditional upon the subordinate lender entering into an unconditional postponement, subordination and permanent standstill agreement whereby, *inter alia*, the subordinate lender shall agree to a) issue zero dollar discharges on a per Unit basis and b) execute all postponements and consents as may be required to development the Project, in each case, within two (2) Business Days immediately following request therefor by the Borrower and/or the Lender.

3.5. No Dissolution

No Obligor shall liquidate, dissolve or wind-up or take any steps or proceedings in connection therewith, provided, however, that a Guarantor may enter into a transaction designed to wind-up or dissolve such Guarantor into the Borrower upon the Lender's prior written consent, such consent not to be unreasonably withheld or delayed. The parties agree that the Lender's consent will not have been unreasonably withheld if, in the Lender's sole discretion, the Lender's credit risk or the Security will be adversely affected by the proposed transaction.

3.6. Non-Arm's Length Transactions

No Obligor shall enter into any contract relating in any manner to the Property with an Affiliate for the sale, purchase, lease or other dealing in any property other than at a consideration which is no more than the fair market value of such property or other than at a fair market rental as regards leased property.

3.7. Negative Pledge

Except for the Permitted Encumbrances, no Obligor shall create, issue, incur, assume or permit to exist any mortgage, charge, lien or other encumbrance against the Property without the Lender's prior written consent.

3.8. No Changes to Project Documents

No Obligor shall amend, surrender or terminate any Project Document without the prior written consent of the Lender, which consent is not to be unreasonably withheld or delayed.

3.9. No Changes to Leases

No Obligor shall terminate or accept a surrender of, or agree to any material amendment to, any Lease, without the consent of the Lender which consent is not to be unreasonably withheld or delayed. For

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the sake of clarification, amendments related to the term, rent or premises to be rented shall be considered material.

3.10. Dealing with Leases

Notwithstanding the immediately preceding paragraph above, no Obligor shall enter into any new Leases or amend, renew, terminate, forfeit or cancel any existing Leases, in each case, in respect of all of portion of the Property unless:

a) such Lease and/or amendment, extension, termination, forfeiture or cancellation are made on arm's length terms and in good faith; and

b) such Leases and/or amendment, extension, termination, forfeiture or cancellation reflects good business practice, as determined by the Lender, in its sole discretion.

3.11. Concerning Leases Generally

Except in the ordinary course of business and provided such action is prudent in the circumstances, none of the Obligors shall accept or require payment of rent or other moneys payable by a tenant under any Lease that would result in more than three months of such rent or other moneys being prepaid under such Lease other than:

a) prepaid rent or deposits on account of rent which represent the portion of the cost of construction of the relevant demised premises which exceeds the portion of such cost which was used as the basis for determining the basic rental otherwise payable under such Lease;

b) amounts representing a bona fide pre-calculation of any amount (which is required to be paid under such Lease) in addition to basic rent, including amounts payable with respect to taxes and maintenance of the applicable Property and overage and percentage rents; or

c) Lease surrender payments made by the tenant under such Lease; and/or

d) except for any renewals or extensions of existing Leases pursuant to the terms thereof, each of the Obligors shall not hereafter enter or purport to enter into or suffer to exist any Lease in respect of any Project except if the Security shall have priority over such Lease and such Lease shall provide that it is subordinated to the Security and contain a covenant of the tenant thereunder obligating such tenant if and whenever required by the Lender to attorn to and become the tenant of the Lender or any purchaser from the Lender, for the then unexpired residue of the term of, and upon all of the terms and conditions of such Lease.

3.12. No Waiver

Except as otherwise provided pursuant to **Article F**, no Obligor shall waive, or agree to waive, any failure of any party to any Permitted Encumbrance, Project Document or Lease to perform any material obligation thereunder or suffer or permit anything allowing any party thereto to terminate any such agreement or consent to any assignment thereof by any party thereto unless the same is in the ordinary course of business, is in accordance with good business practice and the same would not have a Material Adverse Effect.

3.13. No Name Change

No Obligor shall change its name without first giving notice to the Lender of its new name and the date when such new name is to become effective.

3.14. No Change of Chief Executive Officer

No Obligor shall change its chief executive office or the location of the offices where it keeps its records respecting receivables and rents or move any of the inventory, securities or equipment from the present locations thereof without prior written notice to the Lender.

The Obligors hereby acknowledge and agree that a breach of any of the foregoing covenants contained in this Article D shall constitute an Event of Default, entitling the Lender to terminate this Commitment subject to and in accordance with the provisions of Article F hereof.

E. TERMINATION PROVISIONS

The Lender shall have the right to terminate this Commitment and its obligation to provide the Loan to the Borrower in the event that any of the following should occur:

1.	**Non-Compliance with Terms**	The Obligors fail or are unable or unwilling for any reason whatsoever to comply with any of the terms and conditions set out in this Commitment and/or the Security within the time indicated for such compliance.
2.	**Non-Execution of Documents**	The Obligors fail or refuse to execute any documentation requested by the Lender's solicitors or to deliver such documentation to them.
3.	**Outside Date**	The Initial Advance has not been fully advanced on or before **April 10**, **2022** (the "**Outside Date**").
4.	**Non-Acceptance of Borrower Draw**	The Borrower refuses to accept either the Initial Advance or a Borrower Draw when so advanced by the Lender.
5.	**Default**	The Borrower and/or the Guarantors commit a Default that remains uncured in accordance with Article F hereof.
6.	**Non-Compliance with Construction Act**	The Borrower has not complied with all the provisions of the Construction Act to the satisfaction of the Lender's solicitors.
7.	**Non-Satisfaction of Due Diligence**	The Lender's solicitors, acting reasonably, are not satisfied with the title to the Property.

If, in accordance with the foregoing, the Lender elects to terminate this Commitment prior to the advance of the entire Loan, the amounts so advanced, if any, together with interest and fees thereon shall become immediately due and payable.

F. DEFAULT PROVISIONS

The content of this Default Provisions section shall be subject to the restrictions of any priority agreement(s) between the Lender and any other Permitted Encumbrance holders.

1. Events of Default

The occurrence of any one or more of the following events shall constitute an Event of Default under this Commitment (an "**Event of Default**" or "**Default**"):

1.1. Payment of Principal

If the Borrower defaults in the payment of the principal of any Lender Advance made under the Loan when due and payable, without any requirement by the Lender to provide notice of the same;

1.2. Payment of Interest and Fees

If the Borrower defaults in the payment of:

a) any interest (including, if applicable, default interest) due on any Advance under this Commitment;

b) any Fees with respect to this Commitment; or

c) any other amount not specifically referred to herein payable by the Borrower to the Lender hereunder when due and payable;

and such default continues for three (3) Business Days after notice of such default has been given by the Lender to the Borrower;

1.3. Covenants or Obligations

If any Obligor neglects to observe or perform any covenant or obligation contained in any Document on its part to be observed or performed (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this **Section F.1**) and, such Obligor shall fail (in the case of those defaults which can be rectified by such Obligor) to remedy such default within a period of **thirty (30)** days after the giving of notice, unless the Lender (having regard to the subject matter of the default) shall have agreed to a longer period and, in such event, within the period agreed to by the Lender;

1.4. Cross Default

If a default or an event of default as defined in any indenture or instrument evidencing, or under which, any indebtedness for borrowed money of any Obligor or of any Affiliate (as that term is defined in the Business Corporations Act (Ontario)) of any Obligor has occurred and is continuing; provided, however, that if such default or event of default under such indenture or instrument shall be remedied or cured by such Obligor or Affiliate of such Obligor or be waived by the holders of such indebtedness before any judgment or decree for the payment of the money due shall have been obtained or entered, then the Event of Default hereunder by reason thereof shall be deemed likewise to have been thereupon remedied, cured or waived without further action on the part of the Lender;

1.5. Priority Encumbrance Cross Default

If an event of default as defined in any indenture or instrument which is a Permitted Encumbrance on any Property in priority to the Security shall have occurred and be continuing and all applicable cure periods have expired;

1.6. Bankruptcy or Insolvency Order

If a decree or order of a court of competent jurisdiction is entered adjudging any Obligor a bankrupt or insolvent, or approving as properly filed a petition seeking the winding-up of such Obligor, under the Companies' Creditors Arrangement Act (Canada), the Bankruptcy and Insolvency Act (Canada) or the Winding Up and Restructuring Act (Canada) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against, or against any substantial part of the assets of any Obligor or material subsidiary or ordering the winding up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of **ten (10) Business Days**;

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1.7. Insolvency	If any Obligor becomes insolvent, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the Bankruptcy and Insolvency Act (Canada) or any comparable law, seeks relief under the Companies' Creditors Arrangement Act (Canada), the Winding Up and Restructuring Act (Canada) or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency;
1.8. Trustee or Receiver Appointed	If any proceedings are commenced against, or steps are taken by, any Obligor for the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of such Obligor or of all or any substantial portion of its assets, or seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights and in the case of any such proceedings commenced against such Obligor, such proceedings are not stayed or dismissed within **ten (10) days** after the commencement thereof;
1.9. Dissolution, Liquidation or Wind-Up Proceedings	If proceedings are commenced for the dissolution, liquidation or winding-up of any Obligor, or for the suspension of the operations of any Obligor, unless such proceedings are stayed or dismissed within **thirty (30) days** of the commencement thereof;
1.10. Material Provision or Agreement Null and Void	If any material provision of this Agreement or of any Material Document ceases to be in full force and effect (other than through the normal expiration of the stated term of such Material Document pursuant to the terms thereof) or is declared null and void or invalid or any breach or default shall occur under any Material Document that has a Material Adverse Effect and such breach or default is not remedied within **ten (10) Business Days** of such occurrence or such longer or shorter cure period as may be allowed the applicable Obligor pursuant to the terms of such Material Document;
1.11. Judgements	If a judgment or decree for payment of money due in an amount of $5,000 or more (in any single instance or in the aggregate for all such judgments and decrees against each of the Obligors) shall have been obtained or entered against any Obligor (except in the case of any such judgment or decree in respect of which recourse is limited to property which is not subject to the Security hereunder) and such judgment or decree shall not have been, and remain, vacated, discharged or stayed pending appeal within the applicable appeal period;
1.12. Incorrect Representation or Warranty	If any representation or warranty made or deemed to be made by any Obligor in any Document or in any certificate or other document at any time delivered in connection with this Commitment to the Lender shall prove to have been incorrect or misleading in any material respect on and as of the date thereof and with respect to any such incorrect or misleading representation or warranty that is capable of being cured, such incorrectness or misleading aspect continues for a period of **ten (10) Business Days** or more;
1.13. Invalid Security	If any of the Security shall cease to be a valid and perfected first priority security interest as against third parties subject only to Permitted Encumbrances and such state continues for more than **two (2) Business Days**;
1.14. Material Adverse Effect	If the Lender determines, in their sole discretion acting reasonably, that there has been a material change in the business, assets, properties, liabilities, operations, condition (financial or otherwise) of the Obligors, individually, or its subsidiaries taken as a whole or the ability to perform its obligations under the Commitment (a "**Material Adverse Effect**");
1.15. Creditor Seized Property	If the property of any Obligor or a part thereof which is, in the opinion of the Lender, a substantial portion thereof, is seized or otherwise attached by creditors pursuant to any legal process, the enforcement of a secured claim or otherwise or if a distress, execution or any similar process is levied

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or enforced against any Obligor and the same is not released, bonded, satisfied, discharged, vacated or stayed within the shorter of a period of **thirty (30) days** or such shorter period as would permit any property or any part thereof to be sold thereunder;

1.16. Assignment, Disposition or Conveyance — If any Obligor makes or agrees to make an assignment, disposition or conveyance, whether by sale or otherwise, of all its assets (or a material portion thereof) in bulk;

1.17. Default Under Permitted Encumbrance or Material Document — If there is a default by any Obligor under any Permitted Encumbrance, or Material Document in respect of the Project and such default has a Material Adverse Effect and is not rectified within **five (5) Business Days**; or

1.18. Financial Covenant Default — If there is a default by the Borrower of any of the Financial Covenants outlined in **Section 4.2**;

1.19. Merger or Amalgamation — If any transaction occurs (whether by reconstruction, reorganization, consolidation, amalgamation, merger, transfer, sale or otherwise) whereby all or substantially all of an Obligor's undertaking, property and assets, or any interest therein becomes the property of any other person, or in the case of any amalgamation, of the continuing company resulting therefrom, or if any Obligor is dissolved; or

1.20. Environmental — If any Obligor violates or breaches any requirements of Environmental Law applicable to the Project (or, in the case of the Guarantor, applicable to all or any material part of its property and assets) or if any Obligor violates or breaches any other Applicable Law and such breach or violation of Applicable Law has or could reasonably be expected to have a Material Adverse Effect and continues for the shorter of a period of **thirty (30) days** or **ten** (**10) Business Days** less than any such period as would permit the property in question to escheat to the Crown or be sold or otherwise forfeited.

For greater certainty, none of the foregoing events shall constitute an Event of Default hereunder if the default is cured or remedied within the time limited therefor pursuant to the applicable provision of this **Section F.1**.

2. Acceleration and Demand

Upon the occurrence of any Event of Default that has not been cured within the timelines set out herein, the Lender by written notice to the Borrower (an "**Acceleration Notice**") shall be entitled to:

a) declare the Loan and the right of the Borrower to apply for further Lender Advances and Borrower Draws to be terminated;

b) declare all Obligations (whether matured or unmatured, drawn or undrawn) of the Borrower to the Lender (including, without limitation, all unpaid fees whether or not deemed earned) to be immediately due and payable (or to be due and payable at such later time as may be stated in such notice) without further demand, presentation, protest or other notice of any kind, all of which are expressly waived by Borrower;

Upon the occurrence of an Event of Default specified in **Section F.1.1**, the Loan shall automatically terminate and all Obligations specified in **Section 1** shall automatically become due and payable, in each case without any requirement that notice be given to the Borrower;

Immediately upon the occurrence of an Event of Default specified in Section F.1 or at the time stated in an Acceleration Notice, the Borrower shall pay to the Lender all amounts owing or payable in respect of all Obligations of such Borrower specified in Section 1, failing which all rights and remedies

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of the Lender under the Documents, at law, in equity or otherwise shall thereupon become enforceable and shall be enforced by the Lender.

3. Appointment of Receiver

Upon any default under this Commitment or the Security, that is not cured within the time frames set out herein, the Lender may proceed to realize the Security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Lender or not, and the Lender may remove any receiver or receivers so appointed and appoint another or others in his or their instead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Project or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Borrower. Any such receiver or receivers so appointed shall have power to take possession of the Project or any part thereof and to carry on the business of the Borrower, and to borrow money required for the maintenance, preservation or protection of the Project or any part thereof, and to further charge the Project in priority to the Security constituted by this Commitment as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Project on such terms and conditions and in such manner as he shall determine. In exercising any powers, any such receiver or receivers shall act as agent or agents for the Borrower and the Lender shall not be responsible for his or their actions.

In addition, the Lender may enter upon the applicable premises and lease or sell the whole or any part or parts of the Project. The Borrower agrees that it will be commercially reasonable to sell such part of the Project:

a) as a whole or in various units;
b) by a public sale or call for tenders by advertising such sale; and
c) by private sale.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Lender in its sole discretion may seem advantageous and such sale may take place whether or not the Lender has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this letter includes a receiver and manager.

4. Application of Payments Following Demand and Acceleration

Except as otherwise agreed to by the Lender in its' sole discretion, any sum received by the Lender at any time after the delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section F.1, which the Lender is obliged to apply in or towards the satisfaction of sums due from the Borrower under any Document shall be applied by the Lender in accordance with amounts owed to the Lender by the Borrower in respect of each category of amounts set forth below, each such application to be made in the following order with the balance remaining after application in respect of each category to be applied to the next succeeding category:

a) in or towards payment of any expenses and fees then due and payable to the Lender hereunder and owing by the Borrower (including, without limitation, in the case of the Borrower, any such fees and expenses owing whether or not deferred or contingent);

b) in respect of amounts due and payable by such Borrower to the Lender by way of interest and fees (including, without limitation, in the case of the Borrower, any such interest and fees owing whether or not deferred or contingent);

c) in respect of any other amount (other than Loan) not hereinbefore referred to in this Section F.4 which are then due and payable by the Borrower hereunder such Borrower under any Document (including, without limitation, in the case of the Borrower, any such other amounts owing whether deferred or contingent);

d) in or towards repayment to the Lender of the principal advanced to such Borrower then outstanding hereunder; and

e) any remaining amounts to be released to the Borrower or as required by the loan.

For certainty, unless otherwise agreed by the Lender, all amounts owing by the Borrower in each of the above-noted categories (whether directly or indirectly by virtue of Guarantees) shall, within each category, rank pari passu and be applied pro rata to the Obligations owing by the Borrower within such category based on the respective outstanding amounts.

5. Remedies Cumulative

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lender under the Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law; any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement therein contained shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled for the same default or breach, and any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or agreement therein contained, and any indulgence granted thereby, shall be deemed not to be a waiver of any subsequent default. The Lender may, to the extent permitted by Applicable Law, bring suit at law, in equity or otherwise for any available relief or purpose including but not limited to:

a) the specific performance of any covenant or agreement contained in the Documents;

b) enjoining a violation of any of the terms of the Documents;

c) aiding in the exercise of any power granted by the Documents or by law; or

d) obtaining and recovering judgment for any and all amounts due in respect of the Advances or amounts otherwise due hereunder or under the Documents.

To the extent permitted by Applicable Law, Borrower hereby waives any rights now or hereafter conferred by statute or otherwise which may limit or modify any of the Lender's rights or remedies under the Documents.

6. Set-Off

In addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, the Lender is authorized at any time after the delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section F.1 which has not theretofore been waived or rescinded by the Lender and from time to time thereafter without notice to Borrower or to any other person, any such notice being expressly waived by the Borrower, to set-off and to appropriate and to apply any and all deposits (general and special) and any other indebtedness at any time held by or owing to the Lender for the account of the Borrower against and on account of the obligations and liabilities of the such Borrower to the Lender or such Lender under this Commitment, including, without limitation, contingent or deferred obligations of the Lender.

7. Cash Collateral Accounts

Upon delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section F.1 and in addition to any other rights or remedies of the Lender hereunder, the Lender shall thereafter be entitled to deposit and retain in an account to be maintained by the Lender, and which for the

purposes hereof shall be considered to be the Lender's account and not the Borrower's account bearing interest for the Borrower at the rates of interest of the Lender as may be applicable in respect of other deposits of similar amounts for similar terms, amounts which are received by the Lender from the Borrower to the extent that and for so long as such amounts either may be required to satisfy any Obligations of such Borrower or are actually used to satisfy any such Obligations; provided that if such amounts are no longer required or not so used, the Lender shall forthwith return the same together with interest accrued thereon to the Borrower.

8. Lender May Perform Covenants

If the Borrower shall fail to perform any covenant on its part herein contained, the Lender may, upon prior notice to the Borrower, perform any of the said covenants capable of being performed by the Lender and, if any such covenant requires the payment or expenditure of money, it may make such payment or expenditure with its own funds and shall be entitled to reimbursement of any such expenditure. All amounts so paid by the Lender hereunder shall be repaid by the Borrower on demand and therefore, shall bear interest at the rate set forth in Section 1.8 from the date paid by the Lender hereunder to and including the date such amounts are repaid in full by the Borrower.

9. Administration Fee Payable in Default

In the event of a default by the Borrower or any Guarantor in their respective obligations under this Commitment, Loan or Security that is not cured within the timeframes set out herein, the Lender shall, notwithstanding anything contained herein to the contrary, be entitled to receive in addition to all other fees, charges and disbursements, an administration and management fee in the amount of $5,000 for each month or part thereof that the Borrower and/or any Guarantor is in default of its obligations under the Commitment, Loan or Security. The said sum or sums are agreed to be liquidated damages to cover the Lender's administration and management costs and are not intended nor shall they be construed as a penalty. All such sums payable to the Lender shall be a charge upon the Project and its assets and interest shall accrue thereon as if they were Loan principal.

10. Priority of Loan in Default

In the event of a default by the Borrower or any Guarantor in their respective obligations under this Commitment, Loan or Security that is not cured within the timeframes set out herein, the Loan priority shall change to be as follows:

a) Facility 1 – Construction shall remain in 1st position on all project lands

b) Facility 2A – Land & Servicing shall be in 2nd position on lands of which have not been discharged by Pre-Payment or Net Sales Proceeds; then

c) Facility 2B – Land & Servicing shall be in 3rd position on lands of which have not been discharged by Pre-Payment or Net Sales Proceeds.

G. GENERAL PROVISIONS

1. The Lender shall have no obligation to advance funds unless and until all of the above terms and conditions have been deemed by the Lender to be complete, true and otherwise in all respects satisfactory, in the Lender's sole discretion.

2. No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantors.

3. The Lender's solicitors shall be:

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9
Attention: Robert Miller

4. The Borrower's solicitors shall be:

Grechi Carter, Hamilton Barristers & Soliciters
235 Highway 8
Stoney Creek, ON, L8G1E2
Attention: Michael Luppino
mluppino@gclaw.ca
(905) 930-9957

5. The Borrower shall bear any and all reasonable legal costs of the Lender.

6. Time is of the essence in this Commitment.

7. This Commitment shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

8. The Obligors agree that if any one or more of the provisions contained in this Commitment shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment and this Commitment shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

9. The waiver by the Lender of any breach or Default by the Obligors of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or Default by them. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.

10. Notwithstanding the registration of the Security or the advancement of funds, the terms of this Commitment shall not merge with the delivery and/or registration of the Security and shall remain in full force and effect. Any default under the terms of this Commitment shall be deemed a default under the Security and any default under the terms of the Security shall be deemed a default under the terms hereof. In the event of a conflict between the terms of the Security and the terms of this Commitment, the Lender, in its sole discretion may determine which shall take precedence and govern.

11. This Agreement may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. A facsimile or electronic copy of an executed counterpart shall be deemed to be an original.

12. From time to time, the Lender publishes advertisements or announcements of completed transactions. The advertisements or announcements include, but are not limited to, press releases, paid advertisements, internally displayed tombstones,

social media, investor brochures or information displayed on the internet and/or the Lender's intranet. The Obligors consent to the publication of an advertisement or announcement of the transaction contemplated by this Commitment. The Obligors covenant and agree to permit the Lender to photograph or utilize existing photographs or artistic renderings (for unfinished Projects) of the Property for the possible use in internal or external marketing programs.

13. Any word importing the singular or plural shall include the plural and singular, respectively. If any party is comprised of more than one entity, the obligations of each of such entities shall be joint and several. Any word incorporating persons of either gender, or firms, or corporations shall include persons of other gender, and firms, and corporations were the context so requires.

14. The headings and section numbering appearing in this Commitment are included only for convenience of reference and in no way define, limit, construe, or describe the scope or intent of any provision of this Commitment.

If you are in agreement with the above terms, please indicate such agreement by signing and forwarding to the undersigned a copy of this letter agreement. 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 at the sole discretion of the Lender and its solicitors.

By signing this Commitment, pertaining to **York Estates – MZGI 452** the Borrower and Guarantors agree that the Lender may obtain credit and other financially related information about the Borrower and the Guarantors, including reports from other credit grantors, consumer reporting agencies, and credit bureau.

Unless this Commitment is accepted by the Borrower and all required Guarantors within **five (5) Business Days** of the date hereof by delivery of a fully executed copy to the Lender, then, at the Lender's sole option, the Commitment shall be terminated.

This Commitment is not binding until it has been approved and signed back by an officer of the Lender, MarshallZehr Group Inc.

Yours truly,

DocuSigned by:

6697E6642B774AE...

Cecil Hayes CIM
Chief Operating Officer, Broker

MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453
412 Albert St., Suite 100, Waterloo, ON N2L 3V3
V1.0

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Acknowledged and agreed at 6/23/2022 this _____ day of _____, 2022.

Borrower:

2557386 Ontario Inc

Per: DocuSigned by: Mike Bettiol EFFC4443B3D54AA...
Name:
Title:

Per: _____
Name:
Title:

I/we have authority to bind the Corporation

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

Guarantors:

2363823 Ontario Inc. (o/a Mariman Homes)

Per: DocuSigned by: Mike Bettiol EFFC4443B3D54AA...
Name:
Title:

Per: _____
Name:
Title:

I/we have authority to bind the Corporation

DocuSigned by: Mike Bettiol EFFC4443B3D54AA... I/S
Michael Bettiol

_____
Witness:

APPENDIX "A"
PROPERTY AND PERMITTED ENCUMBRANCES

1.	**Project Property**	a)	PART WARNER NELLES TRACT DESIGNATED AS PART 1, 18R-7058; SAVE & EXCEPT PART 1, 18R-7281; T/W EASEMENT OVER PART 2, 18R-7058 AS IN HC252899; TOWNSHIP OF SENECA HALDIMAND COUNTY
2.	**Permitted Encumbrances**	a)	Not Applicable

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APPENDIX "B"
DEFINITIONS

1. **"Advances"** means collectively, the Initial Advance, a Lender Advance and a Borrower Draw and "**Advance**" means any one (1) of them as the context so requires.

2. **"Affiliate"** means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate and "**Affiliates**" means more than one (1) of them. A Person shall be deemed to control a Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the term "controlled" shall have a similar meaning.

3. **"Applicable Laws"** means all statutes, laws, by laws, regulations, ordinances, orders, codes, rules and requirements of governmental or other public authorities having jurisdiction in force from time to time and includes all Environmental Law.

4. **"Business Day"** means any day which is not a Saturday, Sunday, or day observed as a holiday under the Applicable Laws in the province in which the Project is located.

5. **"Condominium Act"** means the *Condominium Act, 1998* (Ontario).

6. **"Condominium Documents"** means the declaration, condominium corporation by-laws, shared facilities agreements, insurance trust agreement (if any) and/or other documents relating to the creation and operation of the Project as a condominium.

7. **"Construction Act"** means the *Construction Act* (Ontario).

8. **"Project Schedule"** means the schedule Project activities provided to and approved by the Lender and the Quantity Surveyor, to the extent applicable, as same may be amended from time to time with the consent of the Lender, in its sole discretion.

9. **"Deposit Insurer"** means a deposit bonding and deposit insurance company acceptable to the Lender as the surety for bonds and/or excess deposit insurance issued to Tarion and/or purchasers of Units pursuant to the terms of the agreements of purchase and sale made between the Borrower and such purchasers thereunder.

10. **"Eligible Pre-sales"** means the sale of a Unit in which:

    a) such sale is made pursuant to a binding and unconditional agreement of purchase and sale, a copy of which has been provided to the Lender and which is in the form satisfactory to the Lender;

    b) the period in which any right of rescission or right to claim a return of a Purchaser Deposit by the applicable purchasers under such agreement of purchase and sale is expired;

    c) the purchasers under such agreement of purchase and sale must:

        (i) be *bona fide*;

        (ii) be arm's length from the Borrower and the Guarantors;

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(iii) be obligated to make a Purchaser Deposit of not less than 8.00% of the Gross Sale Price to be received prior to occupancy; and

(iv) not be in default of its payment obligations (including payments on account of the relevant Purchaser Deposit) under the agreement of purchase and sale or in respect of any mortgage commitment;

d) the Lender may, in its sole discretion, exclude foreign purchasers and purchasers who are not natural Persons from Eligible Pre-Sales;

e) if the purchaser either individually or in conjunction with a spouse or child (or, in the case of Persons that are not individuals, together with affiliates thereof within the meaning of the *Business Corporations Act* (Ontario)) is purchasing more than three (3) Units, the sale of such Units will not be designated Eligible Pre-Sales unless approved in writing by the Lender in its sole discretion; and

f) all Purchaser Deposits are held in trust by designated solicitors acceptable to the Lender in accordance with the agreement of purchase and sale (except those Purchaser Deposits that have been released for application towards Project Costs) at an account with the Lender.

11. "Environmental Law" means the statutes, regulations, policies, directives, orders, approvals, and other legal requirements of any Governmental Authority or the common law which affect the Project, the Property, the Borrower's and/or Guarantors' respective business, and which impose any obligations relating to protection, conservation, or restoration of the environment.

12. "Fiscal Quarter" means the four (4), three (3) month financial accounting periods for the Borrower, commencing on the first day immediately following the Borrower's year end, in each year.

13. "Governmental Authority" means any government, parliament, legislature, municipal council, or other regulatory or legislative authority, agency, commission, department or board of any government, parliament, legislature, municipal council or any political subdivision thereof, or any court or any other law, by-law, regulation or rule-making entity (including self-regulating and industry boards, associations and entities of all kinds empowered by legislation, by-law, proclamation, order, the exercise of prerogative power or regulation charged with the administration, regulation or enforcement of Applicable Laws or such board's, association's or entity's own codes, ordinances, orders, decrees, edicts, rules, by-laws, regulations policies, voluntary restraints, practices or guidelines), having jurisdiction in the relevant circumstances, or any Person acting under the authority of any of the foregoing (including any arbitrator with the authority to bind the parties at law) or any other authority, agency, commission, department, association or board charged with the administration, regulation or enforcement of Applicable Laws.

14. "Gross Sale Price" means the gross sale price (inclusive of HST) set out in an agreement of purchase and sale relating to the sale of a Unit (and any related parking, locker and other ancillary units), net of any pricing incentives.

15. "Hard Costs" means the amounts expended or to be expended for work, services or materials done, performed, placed or furnished in connection with the construction of the Project, all as more particularly set out in the Project Budget.

16. "Hazardous Substance" means any substance or material that is prohibited, controlled or regulated by any Governmental Authority pursuant to any Environmental Law, including pollutants, contaminants, dangerous goods or substances, toxic or hazardous substances or materials, wastes (including solid non-hazardous

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wastes and subject wastes), petroleum and its derivatives and by-products and other hydrocarbons, all as defined in or pursuant to any Environmental Law.

17. **"HCRA"** means the Home Construction Regulatory Authority and/or its successors and assigns.

18. **"Holdbacks"** means any amounts required to be retained by or on behalf of the Borrower in respect of the value of work, services and materials actually done, performed, placed or furnished on or in the Project in accordance with the Construction Act.

19. **"HST"** means any goods and services tax, harmonized sales tax or similar value added tax exigible or applicable in the Province of Ontario pursuant to the *Excise Tax Act* (Canada) as amended from time to time and/or any successor legislation.

20. **"Interest Adjustment Date" or "IAD"** means the date that is the first (1st) of the month following the date of the Initial Advance.

21. **"Lease"** means any lease, sublease, agreement to lease, offer to lease, licence or right of occupation granted from time to time by or on behalf of the Borrower entitling the lessee, sublessee or grantee thereunder to use or occupy all or any part of the Property.

22. **"Letter of Credit"** means a standby letter of credit, commercial or letter of guarantee, as applicable, issued by an Affiliate of the Lender under Facility 3, to the extent applicable.

23. **"Permitted Deductions"** means the following amounts, in the aggregate, Purchaser Deposits, reasonable closing costs such as approved legal fees, arm's length realty commissions, realty taxes, and any other closing adjustments acceptable to the Lender, in its sole discretion.

24. **"Person"** means any individual, partnership, corporation, trust, trustee or other entity or any combination of them.

25. **"Project Budget"** means the budget of all Project Costs, which has specified on a line-by-line basis, all Project Costs, as prepared by the Borrower, reviewed by the Quantity Surveyor, to the extent applicable, and approved by the Lender, and as may be amended from time to time with the consent of the Lender, which consent shall be in the Lender's sole discretion.

26. **"Project Costs"** means the aggregate of all Hard Costs and all Soft Costs expended or to be expended to construct the Project in accordance with the Project Documents and Project Schedule.

27. **"Project Documents"** Means the plans and specifications (including all structural, architectural, mechanical, electrical, landscape and interior design and specifications) pertaining to the development and construction of the Project prepared by or at the direction of the Borrower and as approved by the Lender in consultation with the Quantity Surveyor, to the extent applicable, as amended from time to time with the consent of the Lender, in its sole discretion.

28. **"Purchaser Deposits"** means the deposits paid by purchasers of Units under the agreements of purchase and sale.

29. **"Quantity Surveyor"** means a quantity surveyor, as approved by the Lender, in its sole direction, to assist the Lender with respect to the Borrower's construction of the Project.

30. **"Requirements of Environmental Law"** means all requirements of Applicable Laws and of any Governmental Authority relating to environmental or occupational health and safety matters (as they relate to exposure to a Hazardous Substance) and the assets and undertaking of such Person and the intended uses thereof in connection with such matters, including all such requirements relating to: (a) the protection,

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preservation or remediation of the natural environment (the air, land, surface water or groundwater); (b) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation; (c) consumer, occupational or public safety and health (as they relate to exposure to a Hazardous Substance); and (d) Hazardous Substance or conditions.

31. "Soft Costs" means all amounts expended or to be expended in respect of the Project for consultants, architects, taxes, surveys, insurance, bonding costs, legal fees, promotions of the Project, financing, leasing, pre-operating costs and all other costs related to the Project, except Hard Costs and the cost of acquiring the Property.

32. "Tarion" means Tarion Warranty Corporation and/or its successors and assigns.

33. "Unit" means a "unit" (as defined in the Condominium Act) comprising part of the Project for use as a residence and/or ancillary uses together with the common elements and exclusive use interests appurtenant thereto, to the extent applicable.

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APPENDIX "C"
INSURANCE REQUIREMENTS

1. General

The following shall be provided with respect to insurance on the Project:

a) Proof of appropriate Commercial Liability insurance and an assignment of insurance. A certificate of insurance showing the Lender as additional insured and loss payee, and coverage of not less than the amount deemed adequate by the Lender's insurance consultant.

b) Proof of Builders' All Risks property insurance in connection with the Project, including rental loss insurance, if applicable, with responsible and reputable insurance companies in such amounts equal to 100% of projected Hard Costs and not less than 25% of all Soft Costs, plus 100% of finance charges.

c) If applicable, Boiler and Pressure Vessel insurance including rental loss, for such amount as may be acceptable to the Lender, all with such deductibles as are customary in the case of businesses of established reputation engaged in the same or similar businesses and, in an event, as are acceptable to the Lender. The Lender shall be added as an additional insured to the liability policies.

d) Other insurance including, but not limited to, Environmental Insurance, Pollution Insurance, and Key Persons Insurance, as the Lender's insurance consultant may deem necessary given the nature of the Project. The amount of coverage required shall be reasonably determined by the Lender's insurance consultant.

2. Insurance Policies

All such insurance policies shall:

a) Name the Lender as mortgagee thereunder as its interest may appear;

b) Name the Lender as additional insured and loss payee;

c) Have attached the Insurance Bureau of Canada standard mortgage clause;

d) Provide that no cancellation, termination, or adverse amendment thereof shall take effect unless the insurer concerned has given the Lender not less than thirty (30) days prior written notice of such proposed action;

e) Provide that proceeds of all insurance for physical damage and rental losses shall be payable to the Lender or as it may direct; and

f) Otherwise be in such form as the Lender and/or the Lender's insurance consultant shall reasonably require.

3. Application of Proceeds

So long as no Event of Default has occurred and is continuing, the proceeds of all insurance relating to physical damage and rental losses shall be, with the approval of the Lender:

a) Applied in reduction of amounts outstanding hereunder; or

b) Released to the Borrower subject to compliance with such conditions as the Lender may require.

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4. Other Conditions

a) If an Event of Default has occurred or is continuing, the proceeds of all insurance relating to physical damage and rental losses shall be payable to the Lender to be applied by it in reduction in the Loan Amount outstanding hereunder.

b) The proceeds of all insurance held by the Lender shall, unless and until the same are applied or released to the Borrower as aforesaid, constitute continuing collateral security for the Borrower's obligations and liabilities in respect of amounts outstanding hereunder.

c) In the event that the Lender shall not be obligated hereunder to apply the proceeds of insurance to pay for the cost of repairing the damage or destruction to or replacement of the Property in respect of which the insurance is payable and the Lender elects to apply the proceeds of insurance to the Loan Amount owing by the Borrower hereunder, each of the Borrower (on its own behalf and on behalf of each of the Guarantors), hereby irrevocably waives any and all statutory provisions which may require that proceeds of insurance be used to restore or rebuild the Property.

d) The Borrower shall deliver or cause to be delivered to the Lender, certificates of insurance signed by the insurers, or other evidence satisfactory to the Lender, acting reasonably, of the insurance coverage required hereunder, including certificates of renewal as soon as they are available.

5. Insurance Consultant The Borrower acknowledges that all policies of insurance shall be subject to review and approval by an insurance consultant acting on behalf of the Lender and the Borrower agrees to pay for the consultant's fees in connection with such review upon registration of the Security and for each insurance renewal throughout the Term.

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6. Broker Contact Information and Release

Please provide the following information for our records:

Insurance Broker	
Brokerage Name:	
Contact Name:	
Address:	
City:	
Phone #:	
Email Address:	

The Borrower and persons otherwise connected with this Commitment, hereby authorize the above noted insurance broker to release insurance information required by the Lender and their insurance consultant for this transaction.

The Borrower and persons otherwise connected with this Commitment, hereby authorize the Lender to release inforamtion necessary to determine insurance requirements, as needed, to the Lender's insurance consultant for the purposes of conducting an insurance review.

Borrower:

2557386 Ontario Inc

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

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APPENDIX "D"
PROJECT PRO FORMA

Project Revenue		
Gross Residential Revenue	$	96,143,825
Less: HST	$	(9,659,000)
Plus: Upgrades & Recoveries	$	1,848,000
Net Residential Revenue		**88,332,825**
Non-Land Costs		
Development Charges and Permits	$	725,000
Servicing Costs	$	6,420,000
Construction Costs	$	39,039,000
Consultant & Professional Costs	$	915,000
Marketing & Advertising Costs	$	3,973,000
Financing Costs	$	5,310,000
Contingency	$	3,058,000
Total non-land costs		**59,440,000**
Land Costs		
Land	$	13,250,000
Appraised Land Surplus	$	8,750,000
Total land-costs		**22,000,000**
Total Costs		**81,440,000**
Project Profit		**6,892,825**
Return of Gross Revenue		*7.2%*
Return on Project Costs		*8.5%*

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APPENDIX "E"
SUPPORTING MATERIAL REGARDING DISCHARGES

The following units have been identified and are anticipated to fall below the $344,000 payment requirement (as delineated in A.21 Partial Discharge Provisions). The Lender understands that it is the Borrower's objective to paydown the summation of Facility 2A – Land and Servicing and F2B – Mezzanine by the closing of the 55th unit. As such, the Borrower will be required to paydown these facilities, as delineated in A.21 Partial Discharge Provisions, in the average amount of $344,000.

The table below has been provided as guidance for anticipated paydown amounts associated with each unit, and each facility.

Purchaser	Purchase Price	Total Deposit	Lot #	Servicing	Construction	Total	HST	Deferred(s)	NSP	F1:	F2A&B:
Devine	870,000	87,000	**43**	*521,000*	723,906	1,244,906	-78,850	24,080	*680,070*	*573,743*	***0***
Grecia	870,000	87,000	**11**	*521,000*	627,385	1,148,385	-78,850	24,080	*680,070*	*497,244*	***52,000***
Bates	860,000	86,000	**8**	*521,000*	609,288	1,130,288	-77,699	24,080	*672,221*	*482,900*	***62,000***
Horvat	910,000	91,000	**64**	*521,000*	627,385	1,148,385	-83,451	24,080	*711,469*	*497,244*	***84,000***
Mabee	950,000	95,000	**9**	*521,000*	609,288	1,130,288	-88,053	24,080	*742,867*	*482,900*	***133,000***
Periera	945,000	90,000	**62**	*521,000*	609,288	1,130,288	-87,478	24,080	*743,442*	*482,900*	***134,000***
Philip	1,299,500	115,000	**20**	*521,000*	872,307	1,393,307	-128,261	24,080	*1,032,159*	*691,360*	***159,000***
Gray	1,200,000	180,000	**10**	*521,000*	699,776	1,220,776	-116,814	24,080	*879,106*	*554,618*	***179,000***
Manav	1,250,000	125,000	13	*521,000*	699,776	1,220,776	-122,566	24,080	*978,354*	*554,618*	*385,000*
Pooni	1,327,750	117,500	14	*521,000*	647,896	1,168,896	-131,511	24,080	*1,054,659*	*513,500*	*385,000*
Shah	1,327,750	117,500	15	*521,000*	647,896	1,168,896	-131,511	24,080	*1,054,659*	*513,500*	*385,000*
Arora	1,250,000	125,000	16	*521,000*	699,776	1,220,776	-122,566	24,080	*978,354*	*554,618*	*385,000*
Aestajada	1,412,000	211,800	17	*521,000*	609,288	1,130,288	-141,204	24,080	*1,034,916*	*482,900*	*385,000*
Mand	1,250,000	125,000	18	*521,000*	681,196	1,202,196	-122,566	24,080	*978,354*	*539,892*	*385,000*
Antony	1,327,750	117,500	19	*521,000*	647,896	1,168,896	-131,511	24,080	*1,054,659*	*513,500*	*385,000*
Prakash	1,327,750	117,500	21	*521,000*	681,196	1,202,196	-131,511	24,080	*1,054,659*	*539,892*	*385,000*
Mathura	1,327,750	117,500	22	*521,000*	647,896	1,168,896	-131,511	24,080	*1,054,659*	*513,500*	*385,000*
Shah	1,751,500	155,000	23	*521,000*	699,776	1,220,776	-180,261	24,080	*1,392,159*	*554,618*	*385,000*
Ding	1,700,000	255,000	24	*521,000*	872,307	1,393,307	-174,336	24,080	*1,246,584*	*691,360*	*385,000*
Xu	1,505,000	225,750	25	*521,000*	681,196	1,202,196	-151,903	24,080	*1,103,267*	*539,892*	*385,000*
Xin	1,519,500	227,100	26	*521,000*	699,776	1,220,776	-153,571	24,080	*1,114,749*	*554,618*	*385,000*
Fang	1,435,000	215,250	27	*521,000*	699,776	1,220,776	-143,850	24,080	*1,051,820*	*554,618*	*385,000*
Thambilipillai	1,299,500	115,000	28	*521,000*	627,385	1,148,385	-128,261	24,080	*1,032,159*	*497,244*	*385,000*
Healing Touch	1,327,750	117,500	30	*521,000*	647,896	1,168,896	-131,511	24,080	*1,054,659*	*513,500*	*385,000*
Liao	1,638,500	217,500	32	*521,000*	699,776	1,220,776	-167,261	24,080	*1,229,659*	*554,618*	*385,000*
Phan	1,460,000	219,000	33	*521,000*	681,196	1,202,196	-146,726	24,080	*1,070,194*	*539,892*	*385,000*
Shane George	1,500,000	225,000	34	*521,000*	681,196	1,202,196	-151,327	24,080	*1,099,593*	*539,892*	*385,000*
John George	1,500,000	225,000	35	*521,000*	681,196	1,202,196	-151,327	24,080	*1,099,593*	*539,892*	*385,000*
Bawa	1,250,000	125,000	36	*521,000*	699,776	1,220,776	-122,566	24,080	*978,354*	*554,618*	*385,000*
Manocha	1,250,000	125,000	37	*521,000*	699,776	1,220,776	-122,566	24,080	*978,354*	*554,618*	*385,000*
Pahuja	1,250,000	125,000	38	*521,000*	681,196	1,202,196	-122,566	24,080	*978,354*	*539,892*	*385,000*
Jakhu	1,550,000	155,000	39	*521,000*	947,834	1,468,834	-157,080	24,080	*1,213,840*	*751,221*	*385,000*
Singh	1,480,000	222,000	40	*521,000*	699,776	1,220,776	-149,027	24,080	*1,084,893*	*554,618*	*385,000*
406398 BC	1,480,000	222,000	41	*521,000*	699,776	1,220,776	-149,027	24,080	*1,084,893*	*554,618*	*385,000*
Kondola	1,480,000	222,000	42	*521,000*	681,196	1,202,196	-149,027	24,080	*1,084,893*	*539,892*	*385,000*

Thomas	2,498,000	360,000	**44**	*521,000*	1,085,859	1,606,859	-266,142	24,080	*1,847,778*	*860,614*	*385,000*
Mogridge	1,350,000	135,000	45	*521,000*	699,776	1,220,776	-134,071	24,080	*1,056,849*	*554,618*	*385,000*
Sheppard	1,491,500	223,725	46	*521,000*	681,196	1,202,196	-150,350	24,080	*1,093,345*	*539,892*	*385,000*
Thind	1,150,000	115,000	47	*521,000*	627,385	1,148,385	-111,062	24,080	*899,858*	*497,244*	*385,000*
Muddadan/Antony	1,150,000	115,000	48	*521,000*	627,385	1,148,385	-111,062	24,080	*899,858*	*497,244*	*385,000*
1386579 (Bajwa)	1,299,500	115,000	49	*521,000*	627,385	1,148,385	-128,261	24,080	*1,032,159*	*497,244*	*385,000*
Jose/Joy/George	1,327,750	117,500	50	*521,000*	872,307	1,393,307	-131,511	24,080	*1,054,659*	*691,360*	*385,000*
Camara	1,350,000	135,000	51	*521,000*	699,776	1,220,776	-134,071	24,080	*1,056,849*	*554,618*	*385,000*
Skariah	1,175,000	120,000	52	*521,000*	647,896	1,168,896	-113,938	24,080	*916,982*	*513,500*	*385,000*
Ribeiro	1,445,500	216,750	53	*521,000*	627,385	1,148,385	-145,058	24,080	*1,059,612*	*497,244*	*385,000*
Richardson	1,494,200	225,000	54	*521,000*	723,906	1,244,906	-150,660	24,080	*1,094,460*	*573,743*	*385,000*
Shi	1,425,000	20,000	55	*521,000*	699,776	1,220,776	-142,699	24,080	*1,238,221*	*554,618*	*385,000*
Liu	1,434,000	209,000	56	*521,000*	699,776	1,220,776	-143,735	24,080	*1,057,185*	*554,618*	*385,000*
Kumarasamy	1,327,750	117,500	57	*521,000*	723,906	1,244,906	-131,511	24,080	*1,054,659*	*573,743*	*385,000*
Cao	1,480,000	222,000	58	*521,000*	699,776	1,220,776	-149,027	24,080	*1,084,893*	*554,618*	*385,000*
Antony	1,327,750	117,500	59	*521,000*	681,196	1,202,196	-131,511	24,080	*1,054,659*	*539,892*	*385,000*
Crawford	1,440,000	215,250	60	*521,000*	699,776	1,220,776	-144,425	24,080	*1,056,245*	*554,618*	*385,000*
Ronbeck	1,600,000	240,000	61	*521,000*	872,307	1,393,307	-162,832	24,080	*1,173,088*	*691,360*	*385,000*
Fijomon	1,327,750	117,500	63	*521,000*	647,896	1,168,896	-131,511	24,080	*1,054,659*	*513,500*	*385,000*
Akbar	1,700,000	255,000	65	*521,000*	723,906	1,244,906	-174,336	24,080	*1,246,584*	*573,743*	*385,000*
[Purchaser]	*1,812,500*	*210,000*	*29*	*521,000*	*699,776*	*1,220,776*	*-187,279*	*24,080*	*1,391,141*	*554,618*	
[Purchaser]	*1,812,500*	*210,000*	*31*	*521,000*	*699,776*	*1,220,776*	*-187,279*	*24,080*	*1,391,141*	*554,618*	
[Purchaser]	*2,078,625*	*240,000*	*1*	*521,000*	*872,307*	*1,393,307*	*-217,895*	*24,080*	*1,596,650*	*691,360*	
[Purchaser]	*2,078,625*	*240,000*	*2*	*521,000*	*872,307*	*1,393,307*	*-217,895*	*24,080*	*1,596,650*	*691,360*	
[Purchaser]	*2,078,625*	*240,000*	*3*	*521,000*	*872,307*	*1,393,307*	*-217,895*	*24,080*	*1,596,650*	*691,360*	
[Purchaser]	*2,078,625*	*240,000*	*4*	*521,000*	*872,307*	*1,393,307*	*-217,895*	*24,080*	*1,596,650*	*691,360*	
[Purchaser]	*2,078,625*	*240,000*	*5*	*521,000*	*872,307*	*1,393,307*	*-217,895*	*24,080*	*1,596,650*	*691,360*	
[Purchaser]	*1,812,500*	*210,000*	*6*	*521,000*	*699,776*	*1,220,776*	*-187,279*	*24,080*	*1,391,141*	*554,618*	
[Purchaser]	*1,812,500*	*210,000*	*7*	*521,000*	*699,776*	*1,220,776*	*5*	*24,080*	*1,578,425*	*554,618*	
[Purchaser]	*1,812,500*	*210,000*	*12*	*521,000*	*699,776*	*1,220,776*	*-187,279*	*24,080*	*1,391,141*	*554,618*	
[Purchaser]	*1,812,500*	*210,000*	*66*	*521,000*	*699,776*	*1,220,776*	*-187,279*	*24,080*	*1,391,141*	*554,618*	

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APPENDIX "F"
REPORTING REQUIREMENTS

Annual	
1. Annual Financial Statements of the Corporate Obligor(s)	As soon as available and, in any event, within **ninety (90) days** after the end of each of the Corporate Obligors' fiscal years, copies of such Obligors' annual Notice to Reader financial statements prepared by an external professional accountant shall be provided to the Lender. Statements shall be prepared on a consolidated basis and, in each case, consisting of a balance sheet, statement of profit and loss, and statement of changes in financial position for each such year, together with the notes thereto, all prepared in accordance with generally accepted accounting principles consistently applied.
2. Annual Project Budget	As soon as available and, in any event, within **ninety (90) days** after the end of the Borrower's fiscal year, an updated Project Budget shall be provided to the Lender.
3. Annual Corporate Notice of Assessment	As soon as available and, in any event, within **sixty (60) days** after each of the Corporate Obligors' corporate tax deadline, copies of such Obligors' Notice of Assessment shall be provided to the Lender. If such Notice(s) of Assessment show a balance owing, such Obligor(s) shall provide proof of payment for the balance.
4. Annual Personal Notice of Assessment	As soon as available and, in any event, within **sixty (60) days** after each of the Personal Obligors' corporate tax deadline, copies of such Obligors' Notice of Assessment shall be provided to the Lender. If such Notice(s) of Assessment show a balance owing, such Obligor(s) shall provide proof of payment for the balance.
5. Annual Personal Net Worth Statement(s)	As soon as available and, in any event, after the anniversary of the previously received personal net worth statement, an updated personal net worth statement with supporting documentation for each of the Personal Obligors shall be provided to the Lender.
Quarterly	
1. Quarterly Compliance Certificates	As soon as available and, in any event, within **thirty (30) days** after the end of each of the Borrower's Fiscal Quarters, a loan compliance certificate, in a form and substance satisfactory to the Lender, shall be provided to the Lender.
Monthly	
1. Monthly Project Bank Account Statements	As soon as available and, in any event, within **seven (7) days** after the end of each calendar month, the bank statement detailing the activity in the bank account specifically designated for the Project (inclusive of future deposits) shall be provided to the Lender. Such bank account, and related statement, shall contain activity relating to the Project.

Other	
1. Property Tax Information	As soon as available, the Borrower shall provide a copy of the property tax bill(s) for the Project to the Lender. On each tax instalment date, as specified on the property tax bill(s), the Borrower shall provide proof of property tax payment to the Lender.
2. Insurance	As soon as available and, in any event, no later than **thirty (30) days** prior to the insurance expiry date(s), the Borrower will provide a certificate of insurance and policy from its insurance broker indicating that all insurance required by the Lender, as specified in Appendix C, is adequate and still in effect.

APPENDIX "G"
FEE DETAILS

The Obligors hereby acknowledge (i) having received and had explained to each of them all of the possible fees and charges set forth in this Commitment, including, without limitation, the Fees in this Appendix G, which would be in addition to the principal and interest due hereunder and (ii) that all such fees and charges are reasonable and reflect a reasonable pre-estimate of Lender's actual costs with respect to same.

1.	**Good Faith Deposit**	The Good Faith Deposit delivered by the Borrower to the Lender upon execution of the letter of intent shall be non-refundable to the Borrower and is deemed fully earned by the Lender upon delivery of this Commitment to the Obligors. The Obligors hereby acknowledge and agree that the Good Faith Deposit is a reasonable estimate of the fees to be incurred by the Lender in connection with the preparation of this Commitment, which amount is deemed not to be a penalty.
2.	**Lender Fee**	The Lender Fee shall be earned by the Lender upon notification of successful agreement on loan servicing or syndication. The Lender Fee less the Good Faith Deposit shall be deducted from the Initial Advance. Failing an Initial Advance, these funds are due and payable by the Obligors. The Obligors hereby acknowledge and agree that the Lender Fee is a reasonable estimate of the fees to be incurred by Lender in connection with the due diligence and underwriting required hereunder, which amount is deemed not to be a penalty.
3.	**Broker Fee**	*[Intentionally Deleted]*
4.	**Syndication Fee**	*[Intentionally Deleted]*
5.	**Deferred Lender Fee**	*[Intentionally Deleted]*
6.	**Administration Fee**	The Administration Fee shall be earned by the Lender upon notification of successful agreement of loan servicing or syndication as compensation for the setup of administration files and completion of all regulatory documentation. The Administration Fee shall be deducted from the Initial Advance. Failing an Initial Advance, these funds are due and payable by the Borrower.
7.	**Draw Fee**	The Draw shall be paid to the Lender upon each and every Advance Request as an administrative fee associated with preparing and administering such Borrower Draw request.
8.	**Partial Discharge Fee**	The Partial Discharge Fee shall be paid to the Lender upon discharge of the Lender's Security from each Unit as compensation for administering such partial discharge.
9.	**Final Discharge Fee**	The Final Discharge Fee shall be paid to the Lender upon final discharge of the Security from the Project as compensation for administering the final discharge.
10.	**Pre-Payment Fee**	The Pre-Payment Fee shall be paid to the Lender upon each and every pre-payment request.

11. Letters of Credit Fee	The Letters of Credit Fee shall be paid to the lender upon the issuance of the Letters of Credit facility. The Letters of Credit Fee shall be calculated on the Letters of Credit facility value issued and active as at the date of issuance. The Letters of Credit Fee will be payable to the Lender on every subsequent anniversary from the date of issuance of the Letters of Credit facility. The Letters of Credit Fee will be recalculated and applied based on the Letters of Credit facility value remaining as at the anniversary date of its issuance. Any reductions, specific circumstances drawing down the facility value, or cancellations of said Letters of Credit will be reflected as reductions to the facility value of the Letters of Credit facility, upon receipt of adequate supporting documentation, and Lender approval.
12. Due Diligence Expenses and Fees	The Borrower shall be responsible for the Lender's legal and other, professional fees and out of pocket expenses in connection with the Loan.
13. Accrued Interest	The Obligors hereby acknowledge and agree that interest shall accrue as of the date that the Initial Advance and/or a Lender Advance is deposited into the Lender's trust account. In the event that this Commitment is terminated following the date of such deposit aforesaid, the Obligors hereby acknowledge and agree that such interest up to the date of termination shall immediately become due and payable hereunder, notwithstanding no Advance having been made to the Borrower.

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APPENDIX "H"
OTHER TERMS

1.	**Maximum Rate of Return**	The parties agree that notwithstanding any agreement to the contrary, no interest on the credit advanced will be payable in excess of Applicable Laws. If the effective annual rate of interest calculated in accordance with generally accepted actuarial practices and principles would exceed sixty (60%) percent (or such other rate as the Parliament of Canada may deem from time to time as The Criminal Rate) on the credit advance, then (1) the amount of any fees, bonus, commissions or like charges payable in connection therewith will be reduced to the extent necessary to eliminate such excess; (2) any remaining excess that has been paid will be credited toward prepayment of the credit advanced; and (3) any overpayment that may remain after such crediting will be returned forthwith upon demand. In this paragraph the terms "interest", "Criminal Rate" and "credit advanced" have the meaning ascribed to them in Section 347 of The Criminal Code; and "credit advanced" has the same meaning as "Loan" referred to elsewhere in this Commitment.
2.	**Right of First Opportunity**	The Borrower shall grant to the Lender a right of first opportunity (the "**Right of First Opportunity**") with respect to providing any further financing required for the Project, including, without limitation, arranging replacement or additional financing for the Project as contemplated herein, and financing for any further development of the Project or of any improvements thereon (the "**Further Financing**"). Prior to consulting with any other lender with respect to any Further Financing, the Borrower shall provide to the Lender in writing a request for such Further Financing with all information necessary for the Lender to process the request and the Lender shall have a period of **sixty (60) days** after receipt of same (the "**Opportunity Period**") to provide to the Borrower a mortgage commitment letter to provide the Further Financing. The Borrower hereby undertakes not to communicate with any other lender with respect to provision of the Further Financing during the Opportunity Period, and to fully cooperate with the Lender in good faith during the Opportunity Period to provide such further information as the Lender may require in pursuit of its Right of First Opportunity.
3.	**Right of First Refusal**	[intentionally Deleted – N/A]

4.	**Time and Place of Payments**	Payments due by the Borrower under the Commitment are to be made to the Lender by way of: a) pre-authorized debit payment; b) wire payment; c) electronic fund transfer (EFT); d) bank draft; and/or e) certified cheque. Payments shall be made no later than 1:00 P.M. (Eastern Daylight Time) on the date scheduled for payment. Payments made after such time shall be treated as having been received on the next Business Day. Whenever any payment is due on a day that is not a Business Day, then such payment will be due on the next Business Day, and interest will accrue to such Business Day. Payments made in person shall be made at the Lender's offices at 206-465 Phillip Street, Waterloo, Ontario.
5.	**Principal Payments**	There shall be no regularly scheduled principal repayments and the entire outstanding principal amount shall become due and payable at the Maturity Date.
6.	**Beneficial Owner**	In the event that the Borrower holds title to the Property as nominee and bare trustee for the sole use, benefit and advantage of another Person (the "**Beneficial Owner**"), the Borrower and Beneficial Owner shall grant to the Lender a trustee and beneficial owner agreement (in form and content satisfactory to the Lender and its solicitors, in their sole discretion) prior to the Initial Advance, and all the covenants, agreements, rights, obligations, representations, warranties and other provisions set out in this Commitment relating to the Borrower shall apply, *mutatis mutandis*, to the Beneficial Owner.
7.	**Assignment by the Lender**	The Obligors acknowledge and agree that the Lender may transfer and assign, without their consent and without prior notice to them, the Lender's rights and obligations under this Commitment and the Security to any other Person.

This is Exhibit "B" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

Marshall Zehr

DISCHARGE STATEMENT AT: April 4th, 2023

Prepared on April 4th, 2023 ID#: DS202304041MZGI452

Terms: $26,849,000 1st mortgage for the Servicing and Construction of the York Estates project with a term of 37 months.
Facility 1: $8,000,000: Interest at Prime + 5.30%% per annum
Facility 2A: $15,825,000: Interest at Prime + 5.30% per annum
Facility 2B: $3,024,000: Interest at Prime + 11.05% per annum

Interest shall accrue commencing on the date of the Initial Advance, calculated daily (365 days/year), compounded and payable monthly with interest only payments made from Borrower Draws up to the budgeted amount, after which payments shall be made from the Borrower and/or the Guarantor's own resources.

York Estates - MZGI 452
30 Front Street Haldimand, ON

	Facility 1	Facility 2A	Facility 2B	Total
Principal Amount Outstanding		$ 11,767,500.50	$ 3,024,000.00	$ 14,791,500.50
Unpaid Monthly Interest		$ 241,193.85	$ 91,924.05	$ 333,117.90
Unpaid First Amendment Fee				$ 5,000.00
Outstanding Legal Fees***				$ 3,315.25
Final Discharge Admin Fee				$ 1,000.00
Less: Cash held in Trust				$ -
Total Balance on April 4th, 2023				**$ 15,133,933.65**
Per Diem		$ 3,944.17	$ 1,513.07	$ 5,457.24

Payment must be received by 1:00 p.m. or per diem interest will be added up to the next business day
******Final Legal Fees to be verified at time of closing***

You are authorized and directed to make the balance due payable to our solicitor; **Chaitons LLP "In Trust"**, OR as they may further direct.

MARSHALLZEHR GROUP INC.

DocuSigned by: Murray Snedden 5D7B047774B943F...
Murray Snedden, *Principal Broker*

DocuSigned by: Lisa Evans F7F40E6466094E2...
Lisa Evans, *Manager - Project Management*

Mortgage Administrator #: 11955

E. & O. E.

If Total Payable is not received by the Proposed Settlement Date, then a per diem rate set out above will be charged. This Statement is only valid until April 30th, 2023. Please confirm the Total Payable prior to remitting funds. Balances are projected and are based on the assumption that all outstanding amounts/payments due up to the Proposed Settlement Date are paid as set out therein. MarshallZehr Group Inc. will not provide a discharge of the mortgage until the entire outstanding balance, including interest and costs have been paid and honored.

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **2557386 Ontario Inc.**, an insolvent person

Take notice that:

1. **MarshallZehr Group Inc.**, a secured creditor, intends to enforce its security on all of the present and after-acquired property of 2557486 Ontario Inc.

2. Charge/Mortgage in the principal amount of $35 million granted in favour of the Lender and registered on lands municipally known as 30 Front Street, Haldimand, Ontario, as instrument number CH118769, and a General Security Agreement dated June 30, 2022 granted by the Borrower in favour of the Lender (collectively, the "**Security**").

3. The total amount of indebtedness secured by the Security as at the close of business on April 4, 2023 is **$15,133,933.65** inclusive of principal, interest, and fees (excluding certain legal costs).

4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 6th day of April, 2023

MARSHALLZEHR GROUP INC.,
by its lawyers, Chaitons LLP

Per: _____

Chaitons LLP

REPLY TO: MAYA POLIAK
FILE NO.: 69701
DIRECT: 416-218-1161
EMAIL: maya@chaitons.com

PRIVATE & CONFIDENTIAL

April 6, 2023

VIA E-MAIL, REGISTERED AND REGULAR MAIL

2363823 Ontario Inc. o/a Mariman Homes
558 Upper Gage Ave #363
Hamilton ON
L8V 4J6

Michael Bettiol
3500 Cemetery Road
Binbrook, Ontario
L0R 1C0

Re: Indebtedness of 25573869 Ontario Inc. (the "Borrower") to MarshallZehr Group Inc. (the "Lender")

Dear Sir,

We are the lawyers for the Lender.

Please find enclosed a copy of our letter to the Borrower dated April 6, 2023 demanding payment of its indebtedness and liabilities to the Lender under the Commitment Letter dated June 23, 2022 (the "**Commitment Letter**"), which, as of April 4, 2023, was **$15,133,933.65**.

We refer to a written guarantee dated June 30, 2022 granted by 2363823 Ontario Inc. and Michael Bettiol (collectively, the "**Guarantors**" and individually a **"Guarantor"**) in favour of the Lender (the "**Guarantee**").

Pursuant to the Guarantee, each Guarantor has jointly and severally guaranteed payment of all of the indebtedness and liabilities of the Borrower to the Lender under the Commitment Letter. Each Guarantor's obligations under the Guarantee are secured by, *inter alia*, General Security Agreements each dated June 30, 2022 granted by each Guarantor in favour of the Lender.

The Guarantors' indebtedness and liabilities to the Lender under the Guarantee are payable on demand. On behalf of the Lender, we hereby demand immediate payment of the Guarantors' indebtedness and liabilities to the Lender under the Guarantee.

Enclosed please find a Lender's Notice of Intention to Enforce Security for each Guarantor, which is served upon each Guarantor pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

Govern yourselves accordingly.

Yours truly,
CHAITONS LLP

Maya Poliak
PARTNER
ENCL.

Cc: MarshallZehr Group Inc.

DOC#10692121v1

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **2363823 Ontario Inc. and Michael Bettiol**, insolvent persons

Take notice that:

1. **MarshallZehr Group Inc.**, a secured creditor, intends to enforce its security on all of the present and after-acquired property of 2363823 Ontario Inc. and Michael Bettiol.

2. The security that is to be enforced includes General Security Agreements each dated June 30, 2022 (collectively, the "**Security**").

3. The total amount of indebtedness secured by the Security as at the close of business on April 4, 2023 is **$15,133,933.65** inclusive of principal, interest, and fees (excluding certain legal costs).

4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 6th day of April, 2023.

MARSHALLZEHR GROUP INC.,
by its lawyers, Chaitons LLP

Per: _____

Chaitons LLP

REPLY TO: MAYA POLIAK
FILE NO.: 69701
DIRECT: 416-218-1161
EMAIL: maya@chaitons.com

PRIVATE & CONFIDENTIAL

April 6, 2023

VIA EMAIL, REGISTERED AND REGULAR MAIL

2557386 Ontario Inc.
558 Upper Gage Ave. #363
Hamilton, ON, L8V 4J6

Re: Indebtedness of 2557386 Ontario Inc. (the "Borrower") to MarshallZehr Group Inc. (the "Lender")

Dear Sir,

We are the lawyers for the Lender. Pursuant to the Commitment Letter dated June 23, 2022 (the "**Commitment Letter**"), the Lender made available to the Borrower credit facilities in the aggregate maximum principal amount of $26,849,000 (the "**Loan**").

We are advised by the Lender that the Borrower is indebted to the Lender under the Commitment Letter in the amount of **$15,133,933.65** as of April 4, 2023, as detailed in the discharge statement enclosed herewith.

The Borrower's indebtedness to the Lender is secured by, *inter alia*, a Charge/Mortgage in the principal amount of $35 million granted in favour of the Lender and registered on lands municipally known as 30 Front Street, Haldimand, Ontario, as instrument number CH118769, and a General Security Agreement dated June 30, 2022 granted by the Borrower in favour of the Lender (collectively, the "**Security**").

The Borrower defaulted on its obligations to the Lender under the Commitment Letter as a result of, among other things, its failure to make the required interest payments that were due to the Lender on March 1, 2023 and April 1, 2023. As a result, Events of Default occurred under the Commitment Letter, and the Lender is entitled to declare all Obligations under the Commitment Letter to be immediately due and payable.

On behalf of the Lender, we hereby demand payment of the Borrower's indebtedness to the Lender. Unless payment of the amount set out above, together with additional interest accrued and fees and costs (including legal costs) incurred to the date of payment are paid forthwith, the Lender shall take such steps as it deems necessary to recover payment of the Borrower's indebtedness in full, without further demand upon or notice to you.

Enclosed please find the Lender's Notice of Intention to Enforce Security, which is served upon the Borrower pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

Govern yourselves accordingly.

Yours truly,
CHAITONS LLP

Maya Poliak
PARTNER
ENCL.

Cc: MarshallZehr Group Inc.
2363823 Ontario Inc. and Michael Bettiol

DOC#10691923v1

Marshall Zehr

DISCHARGE STATEMENT AT: April 4th, 2023

Prepared on April 4th, 2023 ID#: DS202304041MZGI452

Terms: $26,849,000 1st mortgage for the Servicing and Construction of the York Estates project with a term of 37 months.
Facility 1: $8,000,000: Interest at Prime + 5.30%% per annum
Facility 2A: $15,825,000: Interest at Prime + 5.30% per annum
Facility 2B: $3,024,000: Interest at Prime + 11.05% per annum

Interest shall accrue commencing on the date of the Initial Advance, calculated daily (365 days/year), compounded and payable monthly with interest only payments made from Borrower Draws up to the budgeted amount, after which payments shall be made from the Borrower and/or the Guarantor's own resources.

York Estates - MZGI 452
30 Front Street Haldimand, ON

	Facility 1	Facility 2A	Facility 2B	Total
Principal Amount Outstanding		$ 11,767,500.50	$ 3,024,000.00	$ 14,791,500.50
Unpaid Monthly Interest		$ 241,193.85	$ 91,924.05	$ 333,117.90
Unpaid First Amendment Fee				$ 5,000.00
Outstanding Legal Fees***				$ 3,315.25
Final Discharge Admin Fee				$ 1,000.00
Less: Cash held in Trust				$ -
Total Balance on April 4th, 2023				**$ 15,133,933.65**
Per Diem		$ 3,944.17	$ 1,513.07	$ 5,457.24

Payment must be received by 1:00 p.m. or per diem interest will be added up to the next business day
******Final Legal Fees to be verified at time of closing***

You are authorized and directed to make the balance due payable to our solicitor; **Chaitons LLP "In Trust"**, OR as they may further direct.

MARSHALLZEHR GROUP INC.

DocuSigned by: Murray Snedden 5D7B047774B943F...
Murray Snedden, *Principal Broker*

DocuSigned by: Lisa Evans F7F40E6466094E2...
Lisa Evans, *Manager - Project Management*

Mortgage Administrator #: 11955

E. & O. E.

If Total Payable is not received by the Proposed Settlement Date, then a per diem rate set out above will be charged. This Statement is only valid until April 30th, 2023. Please confirm the Total Payable prior to remitting funds. Balances are projected and are based on the assumption that all outstanding amounts/payments due up to the Proposed Settlement Date are paid as set out therein. MarshallZehr Group Inc. will not provide a discharge of the mortgage until the entire outstanding balance, including interest and costs have been paid and honored.

MarshallZehr Group Inc.
FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFSA Mortgage Broker #MB600627
412 Albert Street, Suite 100, Waterloo ON, N2L 3V3

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **2557386 Ontario Inc.**, an insolvent person

Take notice that:

1. **MarshallZehr Group Inc.**, a secured creditor, intends to enforce its security on all of the present and after-acquired property of 2557486 Ontario Inc.

2. Charge/Mortgage in the principal amount of $35 million granted in favour of the Lender and registered on lands municipally known as 30 Front Street, Haldimand, Ontario, as instrument number CH118769, and a General Security Agreement dated June 30, 2022 granted by the Borrower in favour of the Lender (collectively, the "**Security**").

3. The total amount of indebtedness secured by the Security as at the close of business on April 4, 2023 is **$15,133,933.65** inclusive of principal, interest, and fees (excluding certain legal costs).

4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 6th day of April, 2023

MARSHALLZEHR GROUP INC.,
by its lawyers, Chaitons LLP

Per: _____

This is Exhibit "C" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

SETTLEMENT AGREEMENT

THIS AGREEMENT made the 5th day of June, 2023,

BETWEEN:

MARSHALLZEHR GROUP INC.
("**MarshallZehr**")

– and –

2557386 ONTARIO INC. (the "**Debtor**")

-and-

2363823 ONTARIO INC. o/a MARIMAN HOMES (the "**Corporate Guarantor**")

-and-

1000258812 ONTARIO INC. ("812")

RECITALS:

A. Pursuant to a Commitment Letter dated June 23, 2022, as amended, (the "**Commitment Letter**"), MarshallZehr, for a syndicate of lenders (collectively, "**MarshallZehr**"), agreed to provide a loan to the Debtor in the maximum principal amount of $26,849,000 (the "**Loan**"). MarshallZehr is a lender and the administrator of the Loan.

B. Pursuant to a joint and several guarantee dated June 30, 2022 (the "**Guarantee**"), the Corporate Guarantor and Michael Bettiol (together with the Corporate Guarantor and the Debtor, the "**Obligors**") jointly and severally guaranteed all of the Debtor's obligations to MarshallZehr.

B. The Obligors have committed numerous Events of Default under the Commitment Letter and MarshallZehr's security.

C. On April 6, 2023, MarshallZehr served demands for payment (the "**Demands**") and notices of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) on the Obligors.

D. On May 12, 2023, MarshallZehr commenced an application bearing Court File No. CV-23-00699432-00CL (the "**Receivership Application**") for the appointment of KSV Restructuring Inc. as receiver of the property, assets and undertakings of the Debtor and the Corporate Guarantor (the "**Receiver**").

E. On May 30, 2023, MarshallZehr and the Obligors agreed to settle the Receivership Application in accordance with the terms of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the parties agree as follows:

1. The parties hereto acknowledge and agree that each of the foregoing recitals is true and accurate both in substance and in fact.

2. As of April 4, 2023, the amount owing by the Debtor to MarshallZehr under the Loan is $15,133,933.65 for principal, interest and fees (excluding legal costs) as detailed in the Demands (the "**Indebtedness**").

3. The Debtor shall pay to MarshallZehr:

   (a) $100,000 by no later than 2:00 pm on June 9, 2023;

   (b) $100,000 by no later than 2:00 pm on June 19, 2023;

   (c) $300,000 by no later than 2:00 pm on June 30, 2023; and

   (d) the balance of the Indebtedness by no later than 2:00 pm on October 30, 2023 (the "**Forbearance Termination Date**") .

4. The Debtor agrees to an interest reserve under the Loan effective May 31, 2023 in the amount of $711,000 (the "**Interest Reserve**").

5. The Debtor advised MarshallZehr that it does not have the financial resources to establish the Interest Reserve concurrent with the execution of this Agreement. The Obligors and 812 agree that as security for the Interest Reserve, 812 shall grant a collateral charge/mortgage in the principal amount of $1,000,000 against the property bearing legal description of:

   PIN: 38144-0187(LT)

   Property Description: PT GRANT TO JAMES DAVIS SENECA BEING PT 1 18R6735; SAVE AND EXCEPT PTS 1 & 2 18R6822, PTS 1, 2 & 3 18R6978, AND PT 1 18R7367 HALDIMAND COUNTY (the "**Property**")

   on the terms set out in the charge/mortgage attached as **Schedule "A"** to this Agreement (the "**Charge**").

6. The Debtor and 812 agree that in the event that the Property is sold or refinanced before the Forbearance Termination Date, the proceeds from the sale or refinancing up to the amount of the Charge shall be used first to fund the Interest Reserve in full, which shall be deposited with MarshallZehr, with the balance applied by MarshallZehr to reduce the amount of the Indebtedness.

7. The Obligors and 812 agree to reimburse MarshallZehr in respect of all reasonable expenses (including fees and disbursements at its lawyers' normal charges) which

MarshallZehr has incurred or will incur in connection with the review of the Charge, the negotiation and preparation of this Agreement, the administration and the enforcement of the Indebtedness and this Agreement. To the extent that such expenses have not been included in the Indebtedness, MarshallZehr may pay such expenses directly and the amount so paid shall form part of the Indebtedness, shall bear interest from the date of payment at the highest rate payable by the Debtor for any of the Indebtedness to MarshallZehr and shall be secured by the security granted by the Obligors and 812, including the Charge.

8. The Debtor shall pay to MarshallZehr a forbearance fee in the amount of $150,000 which shall be added to the Indebtedness.

9. Concurrent with the execution of this Agreement, the Debtor and the Corporate Guarantor hereby consent to the issuance of the receivership order in the form included in the Receivership Application record and attached hereto as **Schedule "B"** (the "**Consent**")

10. The following constitute an "**Event of Default**" under this Agreement:

    (a) Failure to pay any of the amounts owing under this Agreement in accordance with the prescribed timelines; and

    (b) Failure to comply with any other terms of this Agreement.

11. The Consent may be utilized by MarshallZehr at any time after the occurrence of an Event of Default, acting in MarshallZehr's sole and unfettered discretion. The Borrower and the Corporate Guarantor agree not to contest the appointment of the Receiver on any basis whatsoever. The Borrower and the Corporate Guarantor shall take no step or action that may in any way delay or interfere with the appointment of the Receiver.

12. The Receivership Application shall be adjourned *sine die*. If the Borrower has paid the Indebtedness in full on or before the Forbearance Termination Date, the Receivership Application shall be withdrawn on a without costs basis.

13. This Agreement and all other documents to be executed and delivered pursuant to this Agreement constitute the entire agreement between the parties hereto as to the matters dealt with herein or therein and supersede all prior negotiations, understandings and agreements. Any amendment to this Agreement or waiver of any provision of this Agreement must be in writing and signed by the parties hereto.

14. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

15. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, successors and assigns.

16. This Agreement may be signed in counterparts and exchanged via facsimile transmission or e-mail and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date first above written.

REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

2557386 ONTARIO INC.

DocuSigned by:

Per: EFFC4443B3D54AA...

Name: Michael Bettiol

Title Presid

I have authority to bind the corporation.

2363823 ONTARIO INC. o/a MARIMAN HOMES

DocuSigned by:

Per: EFFC4443B3D54AA...

Name: Michael Bettiol

Title Presid

I have authority to bind the corporation.

1000258812 ONTARIO INC.

DocuSigned by:

Per: EFFC4443B3D54AA...

Name: Michael Bettiol

Title Presid

I have authority to bind the corporation.

MARSHALL ZEHR GROUP INC.

Per:

Name: CECIL HAYES

Title PRESIDENT.

I have authority to bind the corporation.

SCHEDULE "A"

CHARGE/MORTGAGE

LRO # 18 **Charge/Mortgage** **In preparation** on 2023 05 30 at 16:26

This document has not been submitted and may be incomplete. yyyy mm dd

Properties

PIN 38144 - 0187 LT *Interest/Estate* Fee Simple

Description PT GRANT TO JAMES DAVIS SENECA BEING PT 1 18R6735; SAVE AND EXCEPT PTS 1 & 2 18R6822, PTS 1, 2 & 3 18R6978, AND PT 1 18R7367; HALDIMAND COUNTY

Address YORK

Chargor(s)

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

Name 1000258812 ONTARIO INC.

Acting as a company

Address for Service 558 Upper Gage Avenue, Unit 363, Hamilton, Ontario L8V 4J6

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

Chargee(s) *Capacity* *Share*

Name MARSHALLZEHR GROUP INC.

Acting as a company

Address for Service 412 Albert St., Suite 100, Waterloo, Ontario N2L 3V3

Statements

Schedule:

Provisions

Principal $1,000,000.00 *Currency* CDN

Calculation Period

Balance Due Date on demand

Interest Rate

Payments

Interest Adjustment Date

Payment Date

First Payment Date

Last Payment Date

Standard Charge Terms

Insurance Amount Full insurable value

Guarantor

SCHEDULE "A" – ADDITIONAL PROVISIONS

1. COLLATERAL MORTGAGE

This charge/mortgage of land (the "**Collateral Charge**") is given by 1000258812 Ontario Inc. (the "**Chargor**") as collateral security for the liabilities and obligations of 2557386 Ontario Inc. (the "**Debtor**") to MarshallZehr Group Inc. ("**MZG**") pursuant to the settlement agreement dated May 30, 2023 (the "**Settlement Agreement**") among MZG, the Debtor, the Chargor and 2363823 Ontario Inc., o/a Mariman Homes. The total amount secured by this Collateral Charge shall not exceed the principal sum of One Million ($1,000,000) Dollars together costs thereon.

2. DEFAULT

The Chargor acknowledges and agrees that a default under the Settlement Agreement, the Priority Charge (as hereinafter defined) and/or any of the collateral security granted by the Obligors (as such term is defined in the Settlement Agreement) in connection with the Settlement Agreement shall (i) constitute a default by the Chargor under this Collateral Charge and (ii) entitle MZG to exercise any and all remedies available to it in connection therewith. For clarity, in the event of a default under this Collateral Charge, MZG may, at its option by notice in writing to the Chargor, immediately declare the whole of the outstanding principal hereby secured to be due and payable and exercise all of the remedies available to it under this Collateral Charge, in equity and/or at law. For purposes of this Section, the "**Priority Charge**" means the charge/mortgage of land granted by the Chargor in favour of 1372301 Canada Inc., 2689918 Ontario Inc. and 1000158298 Ontario Inc. on August 19, 2022 against title to the property secured hereby (the "**Property**").

3. STANDARD CHARGE TERMS

In the event of any inconsistency between the terms of this schedule to the Collateral Charge and the terms of standard charge terms number 200033, the terms of this schedule to the Collateral Charge shall prevail and the inclusion of any term in standard charge terms number 200033 that is not set out in this schedule to the Collateral Charge shall not be an inconsistency.

4. DUE ON SALE

If the Chargor sells, conveys, transfers or enters into any agreement of sale or transfer of the title of the Property and/or any part thereof, without the written consent of MZG, which consent shall not be unreasonably withheld, the balance of the principal then outstanding and all amounts secured by this Collateral Charge shall, at the option of MZG, become immediately due and payable.

5. NON-MERGER

Notwithstanding the registration of this Collateral Charge, the Chargor hereby acknowledges that the terms, conditions, obligations, liabilities, warranties and representations contained in the Settlement Agreement shall not merge but shall remain binding and effective upon the parties hereto and in full force effect. It is understood and agreed that any default under the Settlement Agreement shall be deemed a default under this Collateral Charge. In the event of an inconsistency or conflict between any of the terms of this Collateral Charge and the terms of the Settlement Agreement, the terms of the Settlement Agreement shall prevail.

6. NO FURTHER CHARGE/ENCUMBRANCE

In the event that the Chargor further charges, mortgages or encumbers the Property in any way without first obtaining the written consent of MZG, which consent shall not be unreasonably withheld, then at the option of MZG, the balance of the principal then outstanding and all amounts secured by this Collateral Charge shall, at the option of MZG, become immediately due and payable.

7. APPOINTMENT OF RECEIVER

If the Chargor shall be in default in the observance or performance of any of the terms, conditions, covenants or payments described herein or in any additional or collateral security given by the Chargor to MZG, then MZG may in writing appoint any person, whether an officer or employee of MZG or not, to be a Receiver of the Property and the rents and profits derived therefrom and may remove the Receiver so appointed and appoint another in his stead. The term "**Receiver**" as used herein includes a receiver and manager. The following provisions shall apply to this paragraph:

(a) The Receiver so appointed is conclusively the Chargor's agent and the Chargor shall be solely responsible for the acts or defaults and for the remuneration and expenses of the Receiver. MZG shall not be responsible in any way for any misconduct or negligence on the part of the Receiver and may, from time to time, fix the remuneration of the Receiver and be at liberty to direct the payment thereof from proceeds collected;

(b) Nothing contained herein and nothing done by MZG or by the Receiver shall render MZG a mortgagee in possession or responsible as such;

(c) All monies received by the Receiver, after providing for payment and charges ranking prior to this charge and for all applicable costs shall be applied in or towards satisfaction of the remaining monies payable under MZG;

(d) The Receiver so appointed shall have the power to:

(i) take possession of the Property, collect rents and profits, and realize upon additional or collateral security granted by the Chargor to MZG and for that purpose may take proceedings, be they legal or otherwise in the Chargor's name or otherwise;

(ii) carry on or occur in carrying on the business which the Chargor is conducting on and from the Property, and for that purpose borrow money on the security of the Property in priority to this Collateral Charge; and

(iii) lease all or any portion of the Property and for this purpose execute contracts in the Chargor's name which said contracts shall be binding upon the Chargor.

This is Exhibit "D" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	WEDNESDAY, THE 16TH
	)	
JUSTICE OSBORNE	)	DAY OF JANUARY, 2024

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

2557386 ONTARIO INC. and 2363823 ONTARIO INC.
o/a MARIMAN HOMES

Respondents

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

ORDER
(Appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing KSV Restructuring Inc. as receiver (the "**Receiver**") without security, of all of the assets, undertakings and properties of 2557386 Ontario Inc. and 2363823 Ontario Inc., o/a Mariman Homes (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, was heard this day via videoconference.

ON READING the affidavit of Cecil Hayes sworn May 15, 2023 and the Exhibits thereto, the affidavit of Cecil Hayes sworn January 16, 2024 and on reading the consent of KSV Restructuring Inc. to act as the Receiver and the consent of the Respondents to this Order,

APPOINTMENT

1. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "**Property**"), including, without limitation, the real property described in **Schedule "A"** attached hereto.

RECEIVER'S POWERS

2. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking

of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;

(g) to settle, extend or compromise any indebtedness owing to the Debtors;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;

(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $100,000, provided that the aggregate consideration for all such transactions does not exceed $500,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. **THIS COURT ORDERS** that (i) the Debtors, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

4. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege

attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

6. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon

application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this

Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. **THIS COURT ORDERS** that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information

provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order

shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider

necessary or desirable, provided that the outstanding principal amount does not exceed $100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "B"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

23. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

RETENTION OF COUNSEL

24. **THIS COURT ORDERS** that the Receiver may retain lawyers to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order. Such lawyers may include Chaitons LLP, lawyers for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent lawyers in respect of any legal advice or services where a conflict exists, or may exist.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL "https://www.ksvadvisory.com/experience/case/grand-York-estates".

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier,

personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

27. **THIS COURT ORDERS** that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

28. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

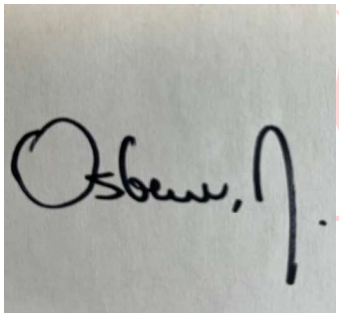
30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Applicant from the Debtors' estate with such priority and at such time as this Court may determine.

33. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

34. **THIS COURT ORDERS** that this order is effective from the date it is made, and it is enforceable without any need for entry and filing, provided that any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be.



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SCHEDULE "A"

Property owned by 2557386 Ontario Inc.

Municipal Address: 30 Front Street, Haldimand, Ontario

PIN: 38148-0128 (LT)

Property Description: PART WARNER NELLES TRACT DESIGNATED AS PART 1, 18R-7058; SAVE & EXCEPT PART 1, 18R-7281; T/W EASEMENT OVER PART 2, 18R-7058 AS IN HC252899; TOWNSHIP OF SENECA; HALDIMAND COUNTY

Property owned by 2363823 Ontario Inc.

Municipal Address: 178 Moores Road, Haldimand, Ontario

PIN: 38147-0005 (LT)

Property Description: PT LT 19 CON 4 SE STONEY CREEK RD SENECA AS IN HC68736; HALDIMAND COUNTY

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of 2557386 Ontario Inc. and 2363823 Ontario Inc. (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ● day of May, 2023 (the "**Order**") made in an application having Court file number CV-23-00699432-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $_____, being part of the total principal sum of $_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 202__.

KSV RESTRUCTURING INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

MARSHALLZEHR GROUP INC.
Applicant

-and-

2557386 ONTARIO INC., et al.
Respondents

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Court File No. CV- 23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

ORDER
(Appointing Receiver)

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

Maya Poliak (54100A)
Tel: (416) 218-1161
E-mail: maya@chaitons.com

Lawyers for the Applicant

This is Exhibit "E" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	WEDNESDAY, THE 27TH
	)	
JUSTICE STEELE	)	DAY OF MARCH, 2024

BETWEEN:

MARSHALLZEHR GROUP INC.

Applicant

- and -

2557386 ONTARIO INC. and 2363823 ONTARIO INC. O/A MARIMAN HOMES

Respondents

ORDER
(Sale Process Approval)

THIS MOTION, made by KSV RESTRUCTURING INC. in its capacity as Court-appointed receiver, without security (in such capacities, the "**Receiver**"), over all assets, undertakings and properties the Respondents for an order, *inter alia*, approving a sale process (the "**Sale Process**") for the real property owned by 2557386 Ontario Inc., located in Haldimand, Ontario (the "**Real Property**"), was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver dated March 20, 2024 and on hearing the submissions of counsel for the Receiver, and such other counsel as are present and listed on the counsel slip,

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF SALE PROCESS

2. **THIS COURT ORDERS** that the Listing Agreement between the Receiver and Colliers Macaulay Nicolls Inc., for the sale of the Real Property substantially in the form attached as Appendix B to the First Report (the "**Listing Agreement**") be and hereby is approved and the Receiver is authorized to engage Colliers as a listing agent for the sale of the Real Property on the terms set out in the Listing Agreement.

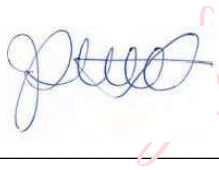
3. **THIS COURT ORDERS** that the Sale Process, as described in section 3.2 of the First Report, be and is hereby approved and the Receiver is hereby authorized to perform its obligations under and in accordance with the Sale Process and to take such further steps as it considers necessary or desirable in carrying out the Sale Process.

SEALING

4. **THIS COURT ORDERS** that the Confidential Appendix to the First Report is sealed pending the completion of the sale of the property municipally known as 2051 Vickery Drive, Oakville, Ontario or a further order of the Court.

APPROVAL OF ACTIVITIES

5. **THIS COURT ORDERS** that the First Report and the activities of the Receiver described therein be and hereby are approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.



Digitally signed by Jana Steele
Date: 2024.03.27 13:20:12 -04'00'

MARSHALLZEHR GROUP INC. -and- 2557386 ONTARIO INC., et. al.

Applicant Respondents

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

SALE PROCESS APPROVAL ORDER

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

Maya Poliak (LSO #54100A)
Tel: (416) 218-1161
E-mail: maya@chaitons.com

Lawyers for KSV Restructuring Inc., in its capacity as Court-Appointed Receiver

This is Exhibit "F" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

Marshall Zehr

DISCHARGE STATEMENT AT: July 15th, 2024

Prepared on: July 10th, 2024 ID#: DS202407151MZGI452

Terms: Facility 2 A - Land & Servicing : $15,825,000 Prime + 5.3% per annum (Floor Rate: 9%)
Facility 2 B - Mezzanine: $ 3,024,000 Prime + 11.05% per annum (Floor rate 13.75%)

Interest shall accrue commencing on the date of each Advance to the Lender's trust account and shall be calculated daily (365 days/year), compounded and payable monthly, in arrears and due and payable on the first (1st) day of each month, both before and after the Maturity Date, Default, demand and judgment. Interest only payments in respect of the Loan shall be paid from the a) Interest Reserve, if applicable, or b) Borrower Draws up to the budgeted amount set out in the Sources and Uses of Funds herein. Once the budgeted amount has been utilized, interest payments shall be made from the Obligors' own cash resources.

York Estates - MZGI 452
30 Front Street, Haldimand, ON

	Facility 2 - Tranche A	Facility 2 - Tranche B	Total
Principal Amount Outstanding	$ 11,767,500.50	$ 3,024,000.00	$ 14,791,500.50
Accrued and Unpaid Interest	$ 1,728,234.44	$ 901,064.17	$ 2,629,298.61
Cost To Recover			$ 73,486.29
Deferred Fees			$ 150,000.00
Final Discharge Fee			$ 1,000.00
Less: Cash held in Trust			$ -
Total Balance on July 15th, 2024	$ 13,495,734.94	$ 3,925,064.17	**$ 17,645,285.40**
Per Diem	$ 4,599.77	$ 1,948.89	$ 6,548.66

NOTE: Payment must be received by 1:00 p.m. or per diem interest will be added up to the next business day

You are authorized and directed to make the balance due payable to our solicitor; **Chaitons LLP "In Trust"**, OR as they may further direct.

MARSHALLZEHR GROUP INC.

Per: Murray Snedden
boxSIGN 4697JJLW-4W222PJ6
Murray Snedden, Principal Broker
Mortgage Administrator #: 11955

Per: BENJAMIN PERDOMO-BETANCOURT
boxSIGN 170JKX36-4W222PJ6
Benjamin Perdomo , Manager - Mortgage Operations

E. & O. E.

If Total Payable is not received by the Proposed Settlement Date, then a per diem rate set out above will be charged. This Statement is only valid for a period of 30 days from the Proposed Settlement Date. Please confirm the Total Payable prior to remitting funds. Balances are projected and are based on the assumption that all outstanding amounts/payments due up to the Proposed Settlement Date are paid as set out therein. MarshallZehr Group Inc. will not provide a discharge of the mortgage until the entire outstanding balance, including interest and costs have been paid and honored.

* Excludes MarshallZehr Receivership Financing to KSV restructuring in its capacity as receiver of the Borrower.

MarshallZehr Group Inc.
FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFSA Mortgage Broker #MB600627
412 Albert Street, Suite 100, Waterloo ON, N2L 3V3

This is Exhibit "G" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

SUPERIOR COURT OF JUSTICE

COUNSEL SLIP/ ENDORSEMENT FORM

COURT FILE NO.: **CV-23-00699432-00CL** **DATE:** **OCTOBER 1, 2024**

NO. ON LIST: **2**

TITLE OF PROCEEDING: **MARSHALLZEHR GROUP INC. et al v. 2557386 ONTARIO INC et al**

BEFORE JUSTICE: **JUSTICE W.D. BLACK**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Maya Poliak	Marshallzehr Group Inc.	Maya@chaitons.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Rory McGovern	Mariman Receivership Respondents	rory@rorymcgovernpc.com
Brendan Bissell	Receiver	bbissell@reconllp.com
Mitch Vininsky, KSV Restructuring	Receiver	mvininsky@ksvadvisory.com
Robert Trifts Counsel	Omer Arshed Bhatti	ronaldflom@gmail.com
Jasmine Landau	Reconstruct LLP, the Receiver KSV	Jlandau@reconllp.com 416.613.4880

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Andrew Colautti	Ana Pereira and Tiago Pereira	andrew@clplaw.net 519-966-1300 ext. 498
Darrell Paul	Bobby James Mukkadan and Siji Anthony, buyers from Mariman Homes	dpaul5859@yahoo.com 416-559-1249
Paulo Ribeiro and Julie Parkinson	Observe the York Estate Receivership proceedings	(905) 928-1150 - Cell jvestate.pr@gmail.com
Gurminder Kandola	Unsecured Creditor	n/a

ENDORSEMENT OF JUSTICE W.D. BLACK:

[1] The "main" matter before me this morning was the motion by KSV Restructuring Inc. ("KSV") in its capacity as court-appointed receiver and manager (the "Receiver") of all of the assets, undertakings, and properties of 2557386 Ontario Inc. ("255") and 2363823 Ontario Inc. ("236") operating as Mariman Homes ("Mariman", and together with 255 and 236 the "Companies").

[2] In that capacity, the Receiver carried out a Sale Process for the Grand York Estates property (the "York Property"), the Companies' largest intended development. Although the Sale Process appears to have been appropriately robust and wide-ranging, it did not result in any bids. As such, the Receiver's evidence is that the only viable prospect of selling the York Property was through a credit bid by one of the applicant's affiliates, as set out in an agreement of purchase and sale dated August 6, 2024.

[3] It is apparent that there are a number of parties with pre-construction agreements, many of whom were in attendance before me today, who assert that their interests supersede that of the applicant's interest as the registered secured creditor and mortgagee. One or more of those would-be homebuyers also complain about the fact that the only bidder for the York Property is affiliated to the applicant, suggesting that this represents a conflict of interest that should, as I understand it, preclude the proposed transaction from proceeding.

[4] The position of these would-be homebuyers is no doubt influenced by the fact that, if the proposed transaction proceeds, it would result in the termination of the pre-construction sale agreements. While this would have the benefit, for the homebuyers, of allowing them to begin steps to recover from Tarion (under the Ontario New Home Warranty Plan Act), the evidence indicates that many of the homebuyers have made deposits in excess of the $100,000 maximum payment potentially available from Tarion.

[5] While I agree with the Receiver's observation that these circumstances are unfortunate for the homebuyers, I also agree with the Receiver that the law in this area is settled (see in particular the decision of Morawetz J., as he then was, in Firm Capital Mortgage Fund Inc. v. 2012241 Ontario Ltd., 2012 ONSC 4816). I see no basis on which the homebuyers' interests would in fact outrank those of the secured lender.

[6] I am also not persuaded by the suggestion of a conflict of interest. It is not unusual, for example in the setting of a "stalking horse" bid, for a party with affiliation to one of the principals involved in the underlying relationship, to become involved in a subsequent transaction relative to the assets at issue. The applicants have been transparent about the affiliation of the potential buyer, and the Sale Process, which as noted appears to have been robust, wide-ranging and appropriate, yielded no other bidders.

[7] There was a small ray of hope today for the homebuyers.

[8] That is, Receiver's counsel advised that the respondent Debtors (the "Debtors") remain confident that, if given some additional time, they will be in a position to redeem their debt(s), will pay out the applicant and will pay out the Lien Claimant VanRooyen Earthmoving Ltd. (the lien claim of which, in the amount of $171,909.00, appears to be accepted by all concerned as fairly representing its priority interest for construction holdback). In that scenario, the Debtors would not terminate the pre-construction agreements.

[9] The Receiver is prepared to allow until November 12, 2024, as requested by the Debtors, to permit the Debtors to redeem.

[10] Independent counsel for the Receiver expressed some uncertainty about whether or not the Debtors will in fact be able to redeem, but to the Receiver's credit, it is prepared to allow the opportunity.

[11] The Receiver's willingness to do so is in part predicated on my making the order sought today, but deferring its effect and operation until November 13, 2024 (i.e. a day following the date by which the Debtors have indicated they will redeem the debt(s)).

[12] This approach makes sense to me. One of the homebuyers, Mr. Kandola, requested (in an articulate and respectful fashion) that I defer my decision on the Receiver's motion until after November 12, building in an opportunity for a further hearing after November 12 at which point Mr. Kandola and presumably other homebuyers could make further submissions.

[13] With due respect to Mr. Kandola, I do not see any real utility in doing so. As noted, in my view the law strongly supports the Receiver's position on the merits of this matter. In the circumstances, the Receiver's willingness to wait until November 13 for its relief is reasonable and generous. While all concerned hope that the Debtors will come through and redeem, there is no basis, in the absence of the Debtors doing so, to prolong the matter further.

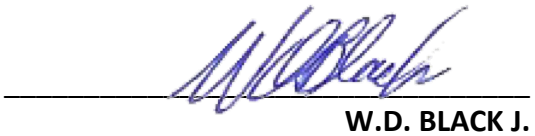
[14] Accordingly, on the main motion, I grant the relief sought by the Receiver, but with the additional proviso that that relief will be suspended until November 13, and will take effect that day if the Debtors' effort to redeem does not succeed. Mr. Bissel of independent counsel for the Receiver noted that the proposed form of order that had been uploaded will have to be updated, depending on my decision, to reflect recent developments. I will review the order whenever it is ready for me to do so.

[15] In addition to the main matter discussed above, there were materials recently uploaded to Case Center concerning a dispute about responsibility for water damage, and the cost of repairs, to a home on Vickery Drive in Oakville (as I understand it in a development not within the York Property).

[16] It emerged during the discussion of that matter that the Receiver had made a proposal for consideration by the relevant homebuyer (with respect to potential assignment of an insurance claim).

[17] Counsel for the homebuyer, Mr. Bhatti, advised that he had just received the proposal, and had not had time to review it or to discuss it with his client.

[18] As such, counsel are to confer, and to report to me by the end of the week concerning the status of the matter, and whether or not a deal has been reached. If not, I will consider how that matter should proceed.



W.D. BLACK J.

DATE: OCTOBER 1, 2024

This is Exhibit "H" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

Marshall Zehr

DISCHARGE STATEMENT AT: November 12th, 2024

Prepared on: September 30th, 2024 ID#: DS202407151MZGI452

Terms: Facility 2 A - Land & Servicing : $15,825,000 Prime + 5.3% per annum (Floor Rate: 9%)
Facility 2 B - Mezzanine: $ 3,024,000 Prime + 11.05% per annum (Floor rate 13.75%)

Interest shall accrue commencing on the date of each Advance to the Lender's trust account and shall be calculated daily (365 days/year), compounded and payable monthly, in arrears and due and payable on the first (1st) day of each month, both before and after the Maturity Date, Default, demand and judgment. Interest only payments in respect of the Loan shall be paid from the a) Interest Reserve, if applicable, or b) Borrower Draws up to the budgeted amount set out in the Sources and Uses of Funds herein. Once the budgeted amount has been utilized, interest payments shall be made from the Obligors' own cash resources.

York Estates - MZGI 452

30 Front Street, Haldimand, ON

	Facility 2 - Tranche A	Facility 2 - Tranche B	Total
Principal Amount Outstanding	$ 11,767,500.50	$ 3,024,000.00	$ 14,791,500.50
Accrued and Unpaid Interest	$ 2,244,053.72	$ 1,134,021.25	$ 3,378,074.97
Section 17 Mortgages Act	$ 404,518.50	$ 178,479.90	$ 582,998.40
Legal Fees			$ 105,000.00
Deferred Fees			$ 150,000.00
Final Discharge Fee			$ 1,000.00
Less: Cash held in Trust			$ -
Total Balance on November 12th, 2024	$ 14,416,072.72	$ 4,336,501.15	**$ 19,008,573.87**
Per Diem	$ 4,494.65	$ 1,983.11	$ 6,477.76

NOTE: Payment must be received by 1:00 p.m. or per diem interest will be added up to the next business day

You are authorized and directed to make the balance due payable to our solicitor; **Chaitons LLP "In Trust"**, OR as they may further direct.

MARSHALLZEHR GROUP INC.

Per: Murray Snedden box SIGN 4697JJLW-4W23JK9X
Murray Snedden, Principal Broker
Mortgage Administrator #: 11955

Per: BENJAMIN PERDOMO-BETANCOURT box SIGN 178JKX36-4W23JK9X
Benjamin Perdomo , Manager - Mortgage Operations

E. & O. E.

If Total Payable is not received by the Proposed Settlement Date, then a per diem rate set out above will be charged. This Statement is only valid for a period of 30 days from the Proposed Settlement Date. Please confirm the Total Payable prior to remitting funds. Balances are projected and are based on the assumption that all outstanding amounts/payments due up to the Proposed Settlement Date are paid as set out therein. MarshallZehr Group Inc. will not provide a discharge of the mortgage until the entire outstanding balance, including interest and costs have been paid and honored.

* Excludes MarshallZehr Receivership Financing to KSV restructuring in its capacity as receiver of the Borrower.

MarshallZehr Group Inc.

FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFSA Mortgage Broker #MB600627

412 Albert Street, Suite 100, Waterloo ON, N2L 3V3

This is Exhibit "I" referred to in the Affidavit of Mike Bettiol sworn by Mike Bettiol of the City of Hamilton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

RORY MCGOVERN

2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes
Summary of professional fees, Receiver borrowings, broker commissions and other priority amounts
Estimated amount as of October 31, 2024
(C$; unaudited)

MarshallZehr's outstanding debt	18,930,841	As of October 31, 2024
Realtor commission	226,000	inclusive of HST
VanRooyen lien - 10% holdback priority claim	171,909	
Receiver's and Receiver's counsel's fee accrual	141,250	$125K plus HST
Funds borrowed from MarshallZehr, including fees and interest	109,312	
Receiver's accrued fees from May 1 to August 31, 2024	76,725	inclusive of HST
Chaitons' accrued fees from March 1 to August 31, 2024	60,021	inclusive of HST
Security	21,048	$17K from March to August plus $4K estimate for Sept to Oct.
Reconstruct's accrued fees from July 1 to August 21, 2024	13,450	inclusive of HST
Contingency - utilities and sundry expenses	11,300	$10K plus HST
Total	19,761,857	
Less: funds on hand	- 106,850	
Total	**19,655,007**	

*Assumes closing on October 31, 2024

MARSHALLZEHRGROUP INC.
Applicant

-and-

2557386 ONTARIO INC. et al.
Respondents

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD

RORY MCGOVERN PC
Lawyer
25 Adelaide St. East Suite 1910
Toronto, ON, M5C 3A1

Rory McGovern LSO# 65633H
rory@rorymcgovernpc.com
Tel: (416) 938-7679

Lawyer for the Respondents,
2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes

Email for party served:
The Service List

File Number:

RCP-F 4C (September 1, 2020)

TAB 3

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	TUESDAY, THE 12TH
	)	
MR. JUSTICE BLACK	)	DAY OF NOVEMBER, 2024

B E T W E E N:

(Court Seal)

MARSHALLZEHRGROUP INC.

Applicant

and

2557386 ONTARIO INC. and 2363823 ONTARIO INC. O/A MARIMAN HOMES

Respondents

ORDER

THIS MOTION, made by the Respondents, 2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes, for an order extending the time for the Respondents to redeem the mortgage in respect of the project known as the York Estates Project, was made by video conference,

ON READING the Affidavit of Mike Bettiol sworn November 10, 2024, the Affidavit of Francis D'Atri sworn November 11, 2024, the Factum of the Moving Parties, the Aide Memoire

of the Receiver, and on hearing the submissions of the lawyers for the Respondents, 2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes, the Receiver and the Applicant,

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and Motion Record herein is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the operation of the approval and vesting order dated October 1, 2024 (the "**AVO**") is hereby suspended and shall only take effect as of 12:01 am on December 31, 2024 if the Respondents do not pay all amounts lawfully owing to the Applicant and the Receiver on or before 5:00 pm on December 30, 2024.

3. **THIS COURT ORDERS** that paragraphs 2, 3 and 8 of the Distribution and Discharge Order dated October 1, 2024 (the "**DDO**") shall be varied as follows:

AVO SHALL NOT TAKE IMMEDIATE EFFECT

2. **THIS COURT ORDERS** that the AVO shall take effect on December 31, 2024 unless the Receiver files a certificate that the entirety of the amounts owing by the Debtors to the Applicant, together with all amounts owing having priority over the Applicants' mortgage, were paid in full to the Receiver by the Debtors by 5:00 pm on December 30, 2024 ~~November 12, 2024~~.

DISTRIBUTION

THIS COURT ORDERS that, in the event the Debtors do not pay the amounts set out in paragraph 2 hereof, by 5:00 pm on December 30, 2024 ~~November 12, 2024~~, the Receiver

be and hereby is authorized to pay $171,909.00 of the Transaction proceeds to VanRooyen Earthmoving Ltd. on account of its priority holdback claim against proceeds from the York Property.

DISCHARGE AND RELEASE FOR THE YORK PROPERTY

THIS COURT ORDERS that upon either:

a) payment of the amount set out in paragraph 2 hereof and upon the Receiver filing a certificate certifying that it has completed the Transaction contemplated in the AVO and the other activities described in the Third Report, or

b) the Receiver filing a certificate that the Debtors have fully paid the amounts set out in paragraph 2 hereof by 5:00 pm on December 30, 2024 ~~November 12, 2024~~,

KSV shall be discharged as Receiver of the York Property as described in Schedule "B," provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of KSV in its capacity as Receiver.

Date of issuance _____

MARSHALLZEHRGROUP INC.
Applicant

-and-

2557386 ONTARIO INC. et al.
Respondents

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

DRAFT ORDER

RORY MCGOVERN PC
Lawyer
25 Adelaide St. East Suite 1910
Toronto, ON, M5C 3A1

Rory McGovern LSO# 65633H
rory@rorymcgovernpc.com
Tel: (416) 938-7679

Lawyer for the Respondents,
2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes

Email for party served:
The Service List

File Number:

MARSHALLZEHRGROUP INC.
Applicant

-and-

2557386 ONTARIO INC. et al.
Respondents

Court File No. CV-23-00699432-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD

RORY MCGOVERN PC
Lawyer
25 Adelaide St. East Suite 1910
Toronto, ON, M5C 3A1

Rory McGovern LSO# 65633H
rory@rorymcgovernpc.com
Tel: (416) 938-7679

Lawyer for the Respondents,
2557386 Ontario Inc. and 2363823 Ontario Inc. o/a Mariman Homes

Email for party served:
The Service List

File Number:

RCP-F 4C (September 1, 2020)