

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

B E T W E E N:

DORR CAPITAL CORPORATION

Applicant

- and -

STATEVIEW HOMES (BEA TOWNS) INC.

Respondent

APPLICATION UNDER Section 243 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

APPLICATION RECORD

May 1, 2023

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Lawyers for the Applicant

TO: SERVICE LIST

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TAB A



Court File No.

**ONTARIO
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Applicant

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STATEVIEW HOMES (BEA TOWNS) INC.

Respondent

APPLICATION UNDER Section 243 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

NOTICE OF APPLICATION

TO THE RESPONDENT(S)

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing

- In writing
- In person
- By telephone conference
- By video conference

at the following location:

Details to follow

on Friday, April 28, 2023, at 9:45 a.m., before a judge presiding over the Commercial List.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date April 27, 2023

Issued by _____
Local Registrar

Address of court office: 330 University Avenue, 8th Floor
Toronto, ON

TO: STATEVIEW HOMES (BEA TOWNS) INC.
410 Chrislea Road, Unit 16
Woodbridge, ON L4L 8B5

APPLICATION

1. The Applicant, Dorr Capital Corporation (“**DCC**”), makes an application for an Order:
 - (a) if necessary, abridging the time for service of the Notice of Application and Application Record herein, validating service of the Notice of Application and Application Record, and dispensing with further service thereof;
 - (b) substantially in the form of the draft order attached as Schedule “A” hereto, appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the current and future assets, undertakings and property of Stateview Homes (BEA Towns) Inc. (“the “**Debtor**”), including the real property owned by the Debtor in Barrie legally described as Block 76, Plan 51m1167, City of Barrie, being all of PIN 58763-1764 (LT) in LRO #51 (the “**Real Property**”), pursuant to s. 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 (the “**CJA**”); and
 - (c) such further and other relief as this Honourable Court may deem just.
2. The Grounds for the Application are:

The Parties

- (a) DCC is a private provider of commercial mortgage investments and commercial real estate financing with offices in Toronto, Ontario;
- (b) the Debtor is an Ontario corporation with its registered office address in Woodbridge, Ontario;

- (c) Carlo Taurasi (“**Carlo**”) is a director, officer and a shareholder of the Debtor, and Dino Taurasi (“**Dino**”) is a shareholder of the Debtor. They both personally guaranteed the debts of the Debtor to DCC;
- (d) the Debtor is a part of the Stateview group of companies, who are in the business of building residential homes;

Loan Agreement, Security and Guarantees

- (e) pursuant to the terms of a commitment letter dated April 1, 2021, DCC made a mortgage loan to the Debtor in the principal amount of \$37,500,000 (the “**Loan**”);
- (f) the stated purpose of the Loan was to, among other things assist the Borrower to acquire the Real Property and fund transaction costs;
- (g) the Debtor sought to develop 154 back-to-back townhomes and 66 rear-lane townhomes on the Real Property (the “**Development**”);
- (h) in support of the Loan, DCC obtained, among other things, the following security:
 - (i) a charge/mortgage in the amount of \$37,500,000.00 registered in first position against the Real Property on April 19, 2022 as Instrument SC1887688 (the “**Charge**”); and
 - (ii) a General Security Agreement dated April 14, 2022 (the “**GSA**”).
- (i) the Charge and the GSA provide for the appointment of a receiver over the Debtor’s assets upon default by the Debtor;
- (j) pursuant to the Charge, the Debtor acknowledged that no financing subsequent to the Loan, including further mortgages, pledges or other encumbrances registered

against title to the Real Property, shall be permitted without the prior written consent of DCC;

- (k) pursuant to the Charge, it is an event of default if a material adverse change occurs relating to, among other things, the Debtor or the Real Property;
- (l) DCC has first ranking, properly perfected, PPSA security over the Debtor;

Defaults and Demands

- (m) the Debtor failed to make the monthly payment due under the Loan on April 1, 2023;
- (n) there are outstanding municipal tax arrears in respect of the Real Property totaling \$32,684.87;
- (o) on or about December 16, 2022, without DCC's knowledge and consent, Bergo Investment Limited, MCO Management Inc. and Tony Karamitsos registered a second mortgage over the Real Property in the amount of \$20,850,000;
- (p) DCC also recently learned that The Toronto-Dominion Bank ("**TD Bank**") commenced an action in or around March 24, 2023 against numerous "Stateview" entities, including the Debtor, Carlo and Dino, in respect of an unauthorized overdraft in excess of \$37 million;
- (q) pursuant to a Settlement Agreement dated March 31, 2023, the Debtor, Carlo and Dino (and other related parties) acknowledged and agreed that:

- (i) their accounts at TD Bank were used to perpetrate an extensive cheque kiting scheme, which resulted in TD Bank suffering losses that exceed \$37 million;
- (ii) they are jointly and severally liable to TD Bank in the amount of \$37,134,091.23 plus interest and costs, as a result of the foregoing conduct, and;
- (iii) the aforesaid obligation is a debt and liability arising out of fraud;
- (r) on or about April 6, 2023, without DCC's knowledge and consent, TD Bank registered a third mortgage over the Real Property in the amount of \$37,134,091;
- (s) on April 18, 2023, Onespace Unlimited Inc. ("**Onespace**") registered two construction liens against title to the Real Property (the "**Onespace Liens**"). The Onespace Liens are in respect of architectural services supplied by Onespace to the Debtor in respect of development and planning approvals for the Development. The Onespace Liens claim \$177,230.38 (inclusive of tax) in respect of two contracts in the total amount of \$495,697.05 (inclusive of tax) for services and materials supplied to the Real Property up to and including April 17, 2023;
- (t) by letter dated April 10, 2023, DCC made formal written demand on the Debtor for repayment of the Loan, and gave notice of its intention to enforce its security pursuant to section 244(1) of the BIA;
- (u) as of April 10, 2023, the indebtedness owing by the Debtor to DCC was \$38,121,787.67, including legal and other professional costs.

Appointment of a Receiver

- (v) DCC has the right under its security to apply to the Court for the appointment of a receiver upon default by the Debtor, and the Debtor consented to such an appointment pursuant to the terms of the Charge and the GSA;
- (w) given the Debtor's conduct as described above, DCC believes that the appointment of a receiver is just and convenient, and is the most effective and appropriate manner to address the realization of the Real Property and all related issues, including the distribution of sale proceeds to creditors;

Other Grounds

- (x) section 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;
 - (y) Rules 2.03, 3.02, 16.01, 16.08 and 37 of the *Rules of Civil Procedure*;
 - (z) such further and other grounds as counsel may advise and this Honourable Court may permit.
3. The following documentary evidence will be used at the hearing of the application:
- (a) the Affidavit of Brian Dorr, to be sworn; and
 - (b) such further and other material as counsel may advise and this Honourable Court may permit.

April 27, 2023

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Lawyers for the Applicant

SCHEDULE "A"

Court File No.

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

THE HONOURABLE) _____ DAY, THE ____
)
JUSTICE) DAY OF _____, 2023
)

DORR CAPITAL CORPORATION

Applicant

- and -

STATEVIEW HOMES (BEA TOWNS) INC.

Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act* R.S.C.1985 c. B-3, as amended, and under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

**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 and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of the Respondent, Stateview Homes (BEA Towns) Inc. (the "**Debtor**"), including the real property owned by the Debtor legally described as Block 76, Plan 51m1167, City of Barrie, being all of PIN 58763-1764 (LT) in LRO #51 ("**Real**

Property”), acquired for, or used in relation to a business carried on by the Debtor, was heard this day at Toronto, Ontario, by Zoom videoconference.

ON READING the Notice of Application issued April 27, 2023 (the “**Notice of Application**”), the Affidavit of Brian Dorr sworn April 28, 2023 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant and counsel for the Respondent, no one else on the service list appearing, although duly served, as appears from the Affidavit of Service of Kelly Vickers sworn May ____, 2023, and on reading the consent of KSV Restructuring Inc. to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record dated May 1, 2023, is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **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 Debtor, acquired for, or used in relation to a business carried on by the Respondent, including all proceeds thereof (the “**Property**”). For greater certainty, in this Order, Property includes, without limitation, the Real Property listed in Schedule “A” hereto, and all proceeds thereof.

RECEIVER’S POWERS

3. **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 Debtor, including the powers to enter into any contracts or agreements in connection therewith (including any amendments and modifications thereto), repudiate or disclaim any contracts or 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, modify, and/or terminate any contracts or agreements to which the Debtor is a party;
- (d) to engage contractors, tradespersons, quantity surveyors, consultants, appraisers, agents, experts, auditors, accountants, managers, including a property manager, mortgage brokers or administrators, 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 Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

- (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 Debtor, 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 Debtor, 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 \$250,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; 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 Debtor and to meet with and discuss with such governmental authority and execute any agreements required in connection with or as a result of such permits, licenses, approvals or permissions (but solely in its capacity as Receiver and not in its personal or corporate capacity);
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor 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 Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel, shareholders and unit holders, 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 aspect(s) or portion(s) of the 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.

5. **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 Debtor, 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.

6. **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.

7. **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

8. **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 DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property or any assets located on premises belonging to the Debtor 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 Debtor or the Property or any assets located on premises belonging to the Debtor are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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

11. **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 Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor 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 Debtor, 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 Debtor's 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 Debtor 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.

13. **THIS COURT ORDERS** that in the event that an account for the supply of goods and/or services is transferred from the Debtor to the Receiver, or is otherwise established in the Receiver's name, no Person, including but not limited to a utility service provider, shall assess or otherwise require the Receiver to post a security deposit as a condition to the transfer/establishment of the account.

RECEIVER TO HOLD FUNDS

14. **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

15. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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

16. **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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **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

18. **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

19. **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.

20. **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.

21. **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

22. **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 \$250,000.00 (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.

23. **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.

24. **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.

25. **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.

SERVICE AND NOTICE

26. **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 <http://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 '<*>'.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide 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 Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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.

28. **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 Debtor's 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. 8100-2-175 (SOR/DORS).

GENERAL

29. **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.

30. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

31. **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.

32. **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.

33. **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 Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

34. **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.

35. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal Order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal Order for original signing, entry and filing, as the case may be, when the Court returns to regular operation.

SCHEDULE "A"

REAL PROPERTY

PIN 58763 – 1764 LT in LRO #51

BLOCK 76, PLAN 51M1167; CITY OF BARRIE

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 Stateview Homes (BEA Towns) Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, 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 _____, 2023 (the "**Order**") made in an application having Court file number ___-_____, 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 _____, 20__.

KSV RESTRUCTURING INC., solely in its
capacity as Receiver of the Debtor, and not in its
personal capacity

Per: _____

Name:

Title:

DORR CAPITAL CORPORATION

and

STATEVIEW HOMES (BEA TOWNS) INC.

Applicant

Respondent

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

Proceeding commenced at Toronto

ORDER APPOINTING RECEIVER

BLANEY McMURTRY LLP
Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

Eric Golden (LSO #38239M)
(416) 593-3927 (Tel)
Email: egolden@blaney.com

Chad Kopach (LSO #48084G)
(416) 593-2985 (Tel)
Email: ckopach@blaney.com

Lawyers for the Applicant

DORR CAPITAL CORPORATION
Applicant

and

Court File No.
STATEVIEW HOMES (BEA TOWNS) INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

NOTICE OF APPLICATION

BLANEY McMURTRY LLP
Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

Eric Golden (LSO #38239M)
(416) 593-3927 (Tel)
Email: egolden@blaney.com

Chad Kopach (LSO #48084G)
(416) 593-2985 (Tel)
Email: ckopach@blaney.com

Lawyers for the Applicant

TAB B

Court File No. CV-23-00698637-00CL

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

B E T W E E N:

DORR CAPITAL CORPORATION

Applicant

- and -

STATEVIEW HOMES (BEA TOWNS) INC.

Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act* R.S.C.1985 c. B-3, as amended, and under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

AFFIDAVIT OF BRIAN DORR
(Sworn April 28, 2023)

I, **BRIAN DORR**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the President of the Applicant, Dorr Capital Corporation (“**DCC**”). As such, I have knowledge of the matters to which I hereinafter depose.
2. Where the information in this affidavit is based upon information and belief, I have indicated the source of my information and belief and do verily believe it to be true.
3. To the extent that any information is based on my review of documents, I believe the information in those documents to be true.

4. I am swearing this Affidavit in support of an Application by DCC for an Order appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the current and future assets, undertakings and property (collectively, the “**Property**”) of the Respondent, Stateview Homes (BEA Towns) Inc. (“**Stateview BEA**”), pursuant to s. 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) and s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 (the “**CJA**”).

5. As is further detailed below, the within Application relates to DCC’s mortgage loan in respect of the proposed development of a 11.2-acre parcel of land in Barrie, Ontario, east of the intersection of Ardagh Road and Summerset Drive, and legally described as Block 76, Plan 51m1167, City of Barrie, being all of PIN 58763-1764 (LT) in LRO #51 (the “**Mortgaged Property**”). Stateview BEA’s plan is to develop 154 back-to-back townhomes and 66 rear-lane townhomes on the Real Property (the “**Development Project**”).

The Parties

6. The Applicant DCC is a commercial mortgage lender incorporated pursuant to the laws of Ontario.

7. The Respondent Stateview BEA is incorporated pursuant to the laws of Ontario, with its head office in Woodbridge, Ontario. Daniel Ciccone (“**Ciccone**”) and Carlo Taurasi (“**Carlo**”) are the officers and directors of Stateview BEA. Attached hereto and marked as **Exhibit “1”** to this affidavit is a copy of the Corporation Profile Report for Stateview BEA dated April 21, 2023.

The Loan

8. Pursuant to the terms of a commitment letter dated April 1, 2021 (the “**Commitment Letter**”), DCC made a mortgage loan to Stateview BEA in the principal amount of \$37,500,000 (the “**Loan**”). The reference to 2021 was a typo, and the letter ought to have been dated April 1, 2022. Attached hereto and marked as **Exhibit “2”** to this affidavit is a copy of the Commitment Letter.

9. The stated purpose of the Loan was to, among other things, assist Stateview BEA to acquire the Real Property and to fund transaction costs. Attached hereto and marked as **Exhibit “3”** to this affidavit is a copy of the parcel register for the Real Property.

10. The shareholders of Stateview BEA are Ciccone (10% shareholding interest), Carlo (45% interest) and Dino Taurasi (“**Dino**”, the remaining 45% interest). Attached hereto and marked as **Exhibit “4”** to this affidavit is a copy of a Certificate from Stateview BEA dated April 14, 2022 regarding the shareholding interests in Stateview BEA.

11. In support of the Loan, DCC obtained, among other things, the following security:

- (a) a charge/mortgage in the amount of \$37,500,000 registered in first position against the Real Property on April 19, 2022 as Instrument SC1887688 (the “**Charge**”). Attached hereto and marked as **Exhibit “5”** to this affidavit are copies of the Charge and the Additional Provisions thereto;
- (b) a General Security Agreement dated April 14, 2022 (the “**GSA**”). Attached hereto and marked as **Exhibit “6”** to this affidavit is a copy of the GSA.

12. The Charge and the GSA provide for the appointment of a receiver over Stateview BEA's assets upon default by Stateview BEA.
13. Pursuant to the Charge, Stateview BEA acknowledged that no financing subsequent to the Loan, including further mortgages, pledges or encumbrances registered against title to the Real Property, shall be permitted without the prior written consent of DCC.
14. Pursuant to the Charge, it is an event of default if a material adverse change occurs relating to, among others, Stateview BEA or the Real Property.
15. The maturity date under the Loan is June 1, 2023.
16. In addition to the security described above, Ciccone, Dino and Carlo (the "**Guarantors**") signed a Guarantee and Postponement of Claim on or about April 14, 2022, under which they agreed jointly and severally to repay all amounts owing under the Loan, as well as costs, legal costs and other expenses incurred by DCC as a result of any default by Stateview BEA under the Loan (the "**Guarantee**"). Attached hereto and marked as **Exhibit "7"** to this affidavit is a copy of the Guarantee.
17. Pursuant to the Guarantee, DCC has limited recourse in enforcing same as against Ciccone. Specifically, the only property of Ciccone to which DCC shall have recourse to satisfy Ciccone's obligations under the Guarantee are "the rights and interest of [Ciccone] in and to its [sic] shares in the capital of [Stateview BEA]." There are no such limits as against Dino or Carlo.

Other Registered Creditors

18. DCC's GSA was registered against Stateview BEA under the *Personal Property Security Act*. Attached hereto and marked as **Exhibit "8"** to this affidavit is a copy of search results for Stateview BEA under Ontario's personal property registration system with currency to April 20, 2023 (the "**PPSA Search Results**").

19. The PPSA Search Results indicate a security registration - subsequent to DCC's GSA - in favour of Bergo Investment Limited ("**Bergo Ltd.**"), MCO Management Inc. ("**MCO Inc.**") and George Korinis ("**Korinis**").

20. DCC's GSA is a first-ranking properly perfected PPSA security over Stateview BEA.

Status of the Development Project

21. While it appears that some planning work has proceeded (as set out below under the heading "Defaults and Demands"), physical construction has not yet commenced on the Development Project at the Real Property.

22. To date, Stateview BEA has not secured construction financing for the Development Project.

Defaults and Demands

23. Stateview BEA failed to make the monthly payment due under the Loan on April 1, 2023 (the "**Payment Default**").

24. As a result of the payment default, by letter dated April 10, 2023, DCC made formal written demand on Stateview BEA and the Guarantors for repayment of the Loan (the “**Demand Letter**”), and gave notice to Stateview BEA of its intention to enforce its security pursuant to section 244(1) of the BIA (the “**BEA NITES**”). By way of a further letter dated April 10, 2023, DCC made demand pursuant to the Guarantee (the “**Guarantee Demand**”), and gave notice to the Guarantors of its intention to enforce its security pursuant to section 244(1) of the BIA (the “**Guarantor NITES**”). Attached hereto and marked as **Exhibit “9”** to this affidavit are copies of DCC’s Demand Letter, BEA NITES, Guarantee Demand and Guarantor NITES.

25. As of April 10, 2023, the indebtedness owing by Stateview BEA to DCC was \$38,121,787.67, calculated as described in the Demand Letter.

26. DCC recently learned that on or about December 16, 2022, without DCC’s prior written consent, Stateview BEA granted a mortgage against the Real Property in favour of Bergo Ltd., MCO Inc. and Karamitsos as instrument no. SC1953013 in the amount of \$20,850,000 (the “**Unauthorized Second Mortgage**”). Attached hereto and marked as **Exhibit “10”** to this affidavit is a copy of the Unauthorized Second Mortgage.

27. DCC also recently learned that The Toronto-Dominion Bank (“**TD Bank**”) commenced an action in or around March 24, 2023 bearing court file no. CV-23-00696833-0000 against numerous “Stateview” entities, Carlo and Dino and others in respect of an unauthorized overdraft in excess of \$37 million (the “**TD Action**”).

28. Pursuant to a Settlement Agreement dated March 31, 2023 (the “**Settlement Agreement**”), a copy of which is attached hereto as **Exhibit “11”**, the Stateview BEA, Carlo and Dino (and other related parties) acknowledged and agreed that:

- (a) their accounts at TD Bank were used to perpetrate an extensive cheque kiting scheme, which resulted in TD Bank suffering losses that exceed \$37 million;
- (b) they are jointly and severally liable to TD Bank in the amount of \$37,134,091.23 plus interest and costs as a result of the foregoing conduct; and
- (c) the aforesaid obligation is a debt and liability arising out of fraud.

29. DCC also recently learned that, further to the Settlement Agreement, on April 18, 2023, and again with out DCC’s prior written consent, Stateview BEA granted a mortgage against the Real Property in favour of TD Bank as instrument no. SC1972317 in the amount of \$37,134,091.23 (the “**Unauthorized Third Mortgage**”). Attached hereto and marked as **Exhibit “12”** to this affidavit is a copy of the Unauthorized Third Mortgage.

30. On April 20, 2023, DCC received notice from Northbridge General Insurance Corporation that the insurance for various Stateview companies and properties was being terminated for non-payment of premiums effective May 3, 2023. Attached hereto and marked as **Exhibit “13”** to this affidavit is a copy of the notice of termination from Northbridge dated April 18, 2023.

31. The City of Barrie advises that as of April 24, 2023, there are municipal taxes outstanding of \$32,684.87, approximately one-third of which relates arrears dating back to 2022. Attached hereto and marked as **Exhibit “14”** to this affidavit is a copy of the City of Barrie’s tax statement for the Real Property dated April 24, 2023.

32. The updated parcel abstract for the Real Property (Exhibit 3) reveals two recently-registered construction liens from Onespace Unlimited Inc. (“**Onespace**”). Attached hereto and marked as **Exhibit “15”** are copies of Onespace’s claim for lien in the amount of \$38,859.17 registered as instrument SC1973841 (the “**First Onespace Lien**”) and in the amount of \$138,371.21 registered as instrument SC1973842 (the “**Second Onespace Lien**”).

33. According to the First Onespace Lien and the Second Onespace Lien (collectively, the “**Onespace Liens**”), Onespace was retained by Stateview BEA to perform architectural services for the Development Project pursuant to two contracts totalling \$495,697.05. Onespace has been performing services in respect of the Development Project since January 25, 2022, with its date of last supply being April 17, 2023. Onespace alleges it is owed \$177,230.38, inclusive of tax, for its unpaid work.

Basis and Need for a Receiver

34. DCC has the right under its security to apply to the Court for the appointment of a receiver upon default by Stateview BEA, and Stateview BEA consented to such an appointment pursuant to the terms of the Charge and the GSA.

35. Given Stateview BEA’s conduct as described above, DCC believes the appointment of a receiver is just and convenient, and is the most effective and appropriate manner to address the realization of the Real Property and all related issues, including the distribution of sale proceeds to creditors.

36. KSV has consented to act as Receiver over Stateview BEA. Attached hereto and marked as **Exhibit “16”** to this affidavit is a copy of the consent to act as Receiver executed by KSV.

37. This affidavit is sworn in support of the Applicant's application for, among other things, an Order to appoint KSV as receiver over Stateview BEA, and for no improper purpose.

SWORN BEFORE ME by videoconference at)
the City of Toronto, in the Province of Ontario,)
this 28th day of April, 2023)



A Commissioner for Taking Affidavits
Chad Kopach



BRIAN DORR

This is Exhibit "1" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)



Profile Report

STATEVIEW HOMES (BEA TOWNS) INC. as of April 21, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	STATEVIEW HOMES (BEA TOWNS) INC.
Ontario Corporation Number (OCN)	2827517
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	March 29, 2021
Registered or Head Office Address	410 Chrislea Road, 16, Woodbridge, Ontario, Canada, L4L 8B5

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 10

Name DANIEL CICCONE
Address for Service 410 Chrislea Road, 16, Woodbridge, Ontario, Canada, L4L
8B5
Resident Canadian Yes
Date Began March 29, 2021

Name CARLO TAURASI
Address for Service 410 Chrislea Road, 16, Woodbridge, Ontario, Canada, L4L
8B5
Resident Canadian Yes
Date Began March 29, 2021

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 Officer(s)

Name DANIEL CICCONE
Position Secretary
Address for Service 410 Chrislea Road, 16, Woodbridge, Ontario, Canada, L4L 8B5
Date Began March 29, 2021

Name DANIEL CICCONE
Position Treasurer
Address for Service 410 Chrislea Road, 16, Woodbridge, Ontario, Canada, L4L 8B5
Date Began March 29, 2021

Name CARLO TAURASI
Position President
Address for Service 410 Chrislea Road, 16, Woodbridge, Ontario, Canada, L4L 8B5
Date Began March 29, 2021

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.

Corporate Name History**Name**

STATEVIEW HOMES (BEA TOWNS) INC.

Effective Date

March 29, 2021

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 Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

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.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

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.

Document List

Filing Name	Effective Date
CIA - Initial Return PAF: CARLO TAURASI - DIRECTOR	March 29, 2021
BCA - Articles of Incorporation	March 29, 2021

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

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.

This is Exhibit "2" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)

Dorr Capital Corporation
 41 Scarsdale Road, Unit 6
 Toronto, ON M3B 2R2 www.dorrcapital.com



DELIVERED VIA EMAIL

April 1, 2021

Stateview Homes (BEA Towns) Inc.
 16-410 Chrislea Road
 Woodbridge, Ontario
 L4L 8B5

Attention: Dino Taurasi, Carlo Taurasi and Daniel Ciccone
 Dear Sirs:

Re: First Mortgage Land Loan
Project Name: Ardagh Road and Summerset Drive, Barrie, Ontario
Loan No.: 21077

Dorr Capital Corporation is pleased to advise that we are prepared to offer the following loan facilities (the "**Loan**") subject to the terms and conditions outlined below (hereinafter called the "**Commitment**").

Borrower Name:	Stateview Homes (BEA Towns) Inc. (the " Borrower ")
Lender:	Dorr Capital Corporation (the " Lender ")
Servicer:	Dorr Capital Corporation (" DCC ")
Guarantor(s):	Joint and Several Guarantees from Dino Taurasi and Carlo Taurasi and any other parties as the Lender may deem advisable collectively known as (the " Guarantor " and/or " Guarantors ").
Loan Facility:	\$37,500,000 First Mortgage Land Loan
Project Description:	The subject property is approximately 11.2 acres and is located at Ardagh Road and Summerset Drive in Barrie, Ontario (the " Property "). The Property will be developed into 154 back-to-back townhomes and 66 rear-lane townhomes, with GFA of 366,544 square feet. The Borrower represents and warrants to



the Lender that the 154 back-to-back townhomes units have been presold. The Borrower is also planning for a future development of a 5-storey, 90-unit condo apartment with GFA of 93,000 square feet located on the Property (collectively, the "Project").

Property Legal

Description:

Block 76, Plan 51M1167 City of Barrie

Purpose:

The Loan shall be utilized by the Borrower only for the following purposes: to assist the Borrower to acquire the Property, fund transaction costs, establish a 6-month Interest Reserve and to provide an equity takeout.

Initial Funding:

\$35,800,000 (the "Initial Advance")

Subsequent Funding:

\$1,700,000 (the "Second Advance")

Interest Rate:

The greater of Prime plus 7.80% and 10.50% per annum for the first 12 months of the term of the Loan (or the first 18 months of the term if the Borrower exercises its first option to extend the term of the Loan in accordance with the provisions hereof or the first 24 months of the term if the Borrower exercises its first and second options to extend the term of the Loan in accordance with the provisions hereof) and the greater of Prime plus 12.30% and 15.00% per annum for the last month of the term (as it may have been extended) (the "Interest Rate")

Interest:

Interest shall accrue and be calculated daily on the outstanding balance of the amounts of the Loan advanced from time to time at the Interest Rate and be compounded monthly, not in advance, and shall be payable monthly, interest only throughout the Term of the loan. The Borrower will be required to fund interest at the Interest Rate from its own resources, by way of pre-authorized debits to the Borrower's Project account.

Interest Reserve:

N/A - Interest will be kept current from Borrower's own resources.

- Term:** Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, the Loan is repayable in full on the date that is 13 months from the date of the Initial Advance if the same occurs on the first calendar day of a month otherwise 13 months from the first calendar day of the month next following the date of the Initial Advance (the "**Maturity Date**").
- Optional extension:** The term of the Loan is subject to two extension rights of six (6) months each as follows: not later than 90 days prior to the Maturity Date but not less than 60 days prior to the Maturity Date (as it may have been extended), provided that no Event of Default has ever occurred during the term of the Loan, the Borrower shall be entitled to give written notice to the Lender advising that it wishes to extend the Maturity Date by 6 months, which notice must be accompanied by payment of the Extension Fee, whereupon at the Lender's option the term of the Loan shall be extended by 6 months. If the Lender elects not to extend the term, the payment accompanying the Borrower's notice as aforesaid shall be returned to the Borrower.
- Commitment Fee:** \$750,000 deemed earned upon acceptance of this Commitment (the "**Commitment Fee**") with \$100,000 payable upon acceptance of this Commitment and the balance of \$650,000 payable upon funding of the Initial Advance. The Borrower acknowledges that this fee and the Placement Fee are a reasonable estimate of the Lender's costs incurred in sourcing, investigating, underwriting and preparing the Loan and holding monies available to fund the Loan and that these fees are still earned by the Lender and payable by the Borrower if the Loan is not advanced. In the event that the funding of the Loan is not completed for any reason other than the Lender's default, the full Commitment Fee and Placement Fee will be payable and retained as liquidated damages without prejudice to and in addition to any other remedy available to the Lender. If the Lender suffers losses, costs and damages in excess of the amount of the Commitment Fee and the Placement Fee, the Lender shall be entitled to seek compensation from the Borrower in addition to the Commitment Fee and Placement Fee. The Borrower directs the

Lender to deduct the amount of the Commitment Fee and the Placement Fee from the proceeds of the Initial Advance.

Placement Fee: \$281,250 deemed earned upon acceptance of this Commitment and payable upon funding of the Initial Advance.

Administration Fee: The Lender shall charge an administration fee (“**Administration Fee**”) of \$500 per advance throughout the term of the loan.

Discharge Fee: A discharge fee (“Discharge Fee”) of \$500 shall be deemed earned by the Lender and payable by the Borrower prior to the delivery of the final discharge of the Security for the Property.

Discharge statements will be provided to the Borrower within three business days of written notice.

Extension Fee: If an extension is granted by the Lender the following fees will apply.

- Extension Fee of 1.00% (per extension period) of the outstanding amount under the Loan shall become due and payable upon the first day of the extension period.

Regulatory Fees: A maximum amount of **\$5,500 plus HST** for applicable regulatory fees.

Legal Fees: For the account of the Borrower and the Borrower hereby irrevocably directs the Lender and the Lender’s solicitors to deduct the same from the proceeds of the Initial Advance and any other advance of the Loan.

Repayment: Interest only, payable monthly in arrears as set out in the “Interest” section above.

Prepayment: The Loan is closed for the first 12 months of the term and the Borrower has no right to prepay the Loan in whole or in part prior to the end of the twelfth month of the term.

Security:

The Borrower, prior to any advance of funds, shall deliver the following security documents (collectively the “**Security**”) which shall be in form, scope and substance satisfactory to the Lender and its legal counsel:

1. First mortgage with a principal amount of \$37,500,000 granting a first fixed charge against the Project.
2. A first-ranking assignment of rents and leases registered against title to the Project.
3. The guarantee of the Guarantors for the full amount of the Loan and all other costs, expenses and amounts owing hereunder or under the Security, together with an assignment and postponement of claims by the Guarantors and all shareholders of the Borrower relating to any claims against the Borrower and each other Guarantor. The Borrower and each of the Guarantors shall represent and warrant to the Lender the amount (if any) of any existing claims by any shareholders of the Borrower and each Guarantor against the Borrower or any Guarantor.
4. General Security Agreement registered under the Personal Property Security Act of Ontario granting a first-ranking security interest in all personal property of the Borrower, including without limitation:
 - Accounts and Book Debts of the Borrower in respect of the Project.
 - Agreements of Purchase and Sale inclusive of Purchasers’ Deposits
 - All present and after acquired personal property of the Borrower in respect of Project.
 - Rights of the Borrower (a) under all building/development permits and the monies paid thereunder, (b) to all plans, specifications and drawings related to the Project, and (c) under all contracts and agreements relating to the Property and the Project.

5. The Lender shall have received an acceptable insurance binder, certificate or cover note, to be followed, within 30 days of the issuance of the binder or cover note, with a certified copy of a policy or policies of insurance, satisfactory to the Lender, containing the requirements of Schedule "A" hereto and including evidence of a Comprehensive General Liability Insurance policy for the Project in an amount of not less than \$5,000,000 per occurrence. The Commercial General Liability Policy must reference the Property and DCC is to be added as an additional insured.

We will require the insurance policy(ies) to be reviewed by an Independent Insurance Consultant, at the Borrower's expense.

6. If registered title to the Property is held by a nominee or trustee, the beneficial owner or owners will execute a beneficial owners agreement, pursuant to which, among other things, it or they charge its or their beneficial interest or interests in the Property in favour of the Lender, authorizes the nominee or trustee to execute all documentation as required pursuant to this Commitment (including, if such nominee or trustee is not the Borrower, a guarantee and postponement and assignment of claims), and agree to be bound thereby as if it or they executed the same itself or themselves.
7. The Lender's solicitors shall obtain Title Insurance, at the cost of the Borrower, on the mortgage and the Property.
8. Pledge of shares of the Borrower.
9. Subordination and Standstill Agreement with terms satisfactory to the Lender. *(if applicable)*
10. Assignment of all condominium voting rights upon registration of the condominium corporation to be exercisable in the event of default. *(if applicable)*

*Ardagh Road and Summerset Drive, Barrie, ON
File No: 21077*

11. Negative pledge by Borrower and Guarantors to not repay any shareholder loans, redeem shares, pay out dividends, withdraw equity from the Project or increase compensation to principals of any of the Borrower or Guarantors until the Loan has been fully repaid.
12. Joint and several environmental warranty and indemnity agreement by the Borrower and Guarantors stated to survive repayment of the Loan.
13. A cost overrun and completion guarantee from the Borrower and Guarantors with respect to the Project (if applicable).
14. Such other and further security and documentation as may be required by the Lender or its counsel to complete and perfect the Security.

The Security may be completed and registered in the name of Dorr Capital Corporation or its Nominee. Notwithstanding such registration, day-to-day administration of the Loan shall be by:

Dorr Capital Corporation
41 Scarsdale Road, Unit 6
Toronto, Ontario
M3B 2R2

to which all correspondence, enquiries, principal and interest and other payments, and any other matters whatsoever with respect to the Loan should be directed.

Funding Conditions:

The obligation of the Lender to make the first advance of the Loan is subject to fulfillment by the Borrower of the following conditions, to the satisfaction of the Lender:

1. Title to the Property must be satisfactory to DCC and DCC's solicitors, with no encumbrances other than Permitted Encumbrances and no work orders.

2. All Security documents must be executed and registered, the Lender's solicitors must provide a satisfactory report on registration of the Security. The Lender shall have received such off-title inquiry responses for the Property, including from the applicable Tax Department and the Building and Zoning Department, as it may require.
3. Satisfactory confirmation of equity injection in the Project in the amount of \$12,500,000.
4. Inspection of the Property by DCC and if required a meeting with the Borrower, all to the satisfaction of the Lender.
5. A soils test report and Geotechnical Report by an acceptable professional engineer or such other similar report as is acceptable to the Lender, must be provided, demonstrating to the satisfaction of 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 with the recommendations, if any, which may be contained in such soils test report. Such report must be accompanied by the Form of Reliance Certificate (attached to this Commitment as Schedule "C") from the consultant to the Lender and shall confirm that the Lender and its assigns can rely upon such report for lending purposes.
6. The Borrower will obtain at its own expense an environmental audit, from a firm approved by the Lender, confirming that in their professional opinion there is no evidence that the site or any structures thereon are contaminated by any environmental hazards and recommending that no further action need be taken or will provide evidence of a remediation plan that will leave the site environmentally acceptable to the relevant Provincial and Federal Agencies and further evidence that said remediation plan is being performed, as budgeted for in the approved budget for the Project, and has been formally

approved by the Ontario Ministry of the Environment and Climate Change. Such environmental audit must be accompanied by the Form of Reliance Certificate (attached to this Commitment as Schedule "C") from the consultant to the Lender and shall confirm that the Lender and its assigns can rely upon such report for lending purposes.

7. All levies, impost fees, local improvement charges, property taxes and other charges affecting the Project due and payable shall have been paid to the date of the first advance of funds unless they are to be funded as part of the first advance.
8. The Borrower shall have provided the Lender with (a) a survey of the Project by an Ontario licensed land surveyor, indicating no encroachments, easements or rights of way, save those which the Lender may specifically accept and showing the relationship of the Property to public thoroughfares for access purposes and (b) all site plans, plans and specifications, applications to municipalities, building and servicing permits, and engineers reports, as applicable and as the Borrower may have in its possession or control relating to the Property or the Project.
9. The Lender shall have received from an approved appraiser a satisfactory appraisal of the Project confirming a fair market land value of \$50,000,000 on an "as approved" basis. Such appraisal report must be accompanied by the Form of Reliance Certificate (attached to this Commitment as Schedule "C") from the appraiser to the Lender and shall confirm that the Lender and its assigns can rely upon such appraisal for lending purposes.
- 10 The Lender is to be satisfied in its sole discretion that the required municipal and/or regional approvals necessary to proceed with the Project are in place.
- 11 Receipt and satisfactory review of the Agreement of Purchase and Sale of the Property.

- 12 Receipt and satisfactory review by Lender of the project budget/proforma confirming the Project budget.
- 13 *Intentionally Deleted (Tarion Warranty Corporation enrolment)*
- 14 Receipt and satisfactory Anti-Money Laundering and Client Information inclusive of beneficial owners within the Project.
- 15 The Borrower and each Guarantor and beneficial owner authorize the Lender to make inquiries concerning its character, general reputation, personal characteristics, financial and credit data, including its respective directors, officers, shareholders, and principals, and to verify any information provided to the Lender hereunder, all for the purpose of underwriting and servicing the Loan.
- 16 Receipt and satisfactory review of a personal net worth and/or financial statement(s) for the last three years from the Borrower and the Guarantors on DCC's standard form, duly signed and witnessed. In addition, the Lender is to receive satisfactory bank references and credit reports for the Borrower and Guarantors, both prior to the initial advance and at any time thereafter, as required by the Lender, until the Loan is fully repaid.
- 17 This Commitment is conditional on the Lender receiving full approval by the Lender's investment committee.
- 18 Receipt and satisfactory review of any cost sharing agreements related to the subject Project, by the Lender and its legal counsel (if applicable).
- 19 A statutory declaration regarding the Borrower's compliance with the *Construction Act* (Ontario).
- 20 The Borrower shall have provided a signed Mortgage Application in the form of Schedule "D".

- 21 Other conditions precedent deemed appropriate by the Lender for a project of this nature.

Other Conditions

1. Advances of the Loan shall take place only (a) if no Event of Default exists and (b) on title to the Project being acceptable to our solicitors and all matters in connection with the Security and other documentation deemed necessary or advisable by our solicitors being complied with by the Borrower and Guarantors and all Security and other instruments and agreements to evidence and secure the Loan are duly executed, with evidence of registration where applicable.
2. The Project may not be sold by the Borrower, in whole or in part, other than by individual unit sales in the normal course of business without the Lender's prior written consent, which consent may be unreasonably withheld, conditioned and/or delayed by the Lender.

Additionally, the Loan may not be assumed by a purchaser of the Project, in whole or in part, without the Lender's prior written consent, which consent may be unreasonably withheld, conditioned and/or delayed by the Lender.

3. The Lender shall require a satisfactory opinion and report from its solicitors indicating, among other things, the validity, enforceability and priority of all Security and the state of title of the Project. The Borrower shall be entitled to pay for title insurance to replace any title opinion, if it wishes.
4. The Lender shall require for the Borrower, any corporate beneficial owners and corporate Guarantors, evidence of corporate existence and authority, including without limitation certified copies of articles, by-laws and authorizing resolutions of directors, a certificate of non-restriction and incumbency and a certificate of status, all as the Lender and its counsel may require, together with an opinion of counsel to the Borrower and the Guarantors as to usual matters such as:

corporate existence, powers and authority, absence of litigation, and execution, delivery and enforceability of this Commitment and all Security.

5. The Borrower shall establish a separate bank account for the Project at a financial institution acceptable to the Lender, through which all advances and disbursements shall be made with respect to the Project.
6. The Lender will require a satisfactory Letter of Transmittal regarding all professional reports including, without limiting, the environmental report. A Transmittal Letter is to be issued for each report, addressed to DCC and state that the report can be relied upon by the Lender, and its assigns, for mortgage financing purposes.
7. The representations and warranties of the Borrower and the Guarantors set out herein and in the Security must be true and correct and there shall be no Event of Default that shall have occurred and be continuing.
8. Such other information that the Lender and/or its solicitor may reasonably require.

Availability:

Initial Advance

Single advance in the amount of \$35,800,000 less interest reserve and closing costs.

Second Advance

Single advance in the amount of \$1,700,000 less interest reserve and closing costs.

INITIAL ADVANCE		SECOND ADVANCE
Loan Amount	\$ 35,800,000	\$ 1,700,000
Less:		
Closing Costs	(677,975)	-
Placement Fees	(281,250)	-
Commitment Fee	(750,000)	-
Net Advance	\$ 34,090,775	\$ 1,700,000

Financing Program:

USES				
	Total		Per Unit	%
Land Value	\$	50,000,000	\$ 227,273	100.00%
Total Cost	\$	50,000,000	\$ 836,574,052	100.00%

SOURCES				
	Total		Per Unit	%
Land Loan	\$	37,500,000	\$ 170,455	75.00%
Equity	\$	12,500,000	\$ 56,818	25.00%
Total Source of Funds	\$	50,000,000	\$ 227,273	100.00%

Closing Date:

On or before April 14, 2022, or such other date as is agreed to by the lender and the Borrower. In any event if the initial advance of the Loan is not funded by April 30, 2022, for any reason other than Lender default, this Commitment, at the option of the Lender, shall be null and void and the Lender shall be released of any present or further obligations hereunder. Notwithstanding the foregoing, the Borrower and Guarantors shall remain liable for any outstanding fees and costs as set out herein.

Representations and Warranties:

The Borrower and Guarantors represent and warrant the following to the Lender, each of which shall be true and correct for each advance hereunder:

- (i) If any of the Borrower and the Guarantors is a corporation, it is a corporation validly existing, duly organized and in good standing under the laws of its jurisdiction of incorporation and is in compliance with legal requirements applicable to doing business in such jurisdiction. The Borrower is not a "non-resident" within the meaning of the *Income Tax Act* (Canada). The Borrower and the Guarantors have the right to enter into this Commitment and to charge or pledge the Property and all other assets herein stipulated as security for the Loan and have the power and authority to execute and deliver this Commitment, the Security and all other documents contemplated hereby and to perform and complete the transaction contemplated herein;

- (ii) The legal description of the Property is accurately set out above. The legal and beneficial owner of the Property is the Borrower. Title to the Property is good and marketable and free from all easements, rights-of-way, agreements, restrictions, mortgages, charges, liens, executions and other encumbrances. The Borrower and the Guarantors have not withheld any information of a material nature relating to the Property, the Borrower or the Guarantors;
- (iii) The execution and delivery by the Borrower and the Guarantors of this Commitment and the applicable Security and the performance of their respective obligations hereunder and thereunder do not and will not conflict with or result in a breach of any of the terms, conditions or provisions of their articles, charter documents, by-laws or any unanimous shareholder agreement, as applicable;
- (iv) The execution and delivery by the Borrower and the Guarantors of this Commitment and the applicable Security and the performance of their respective obligations hereunder and thereunder have been duly authorized or will, prior to funding, have been ratified by all necessary corporate action, and no authorization under any applicable law and no registration, qualification, approval, designation, declaration or filing with any government body, agency, or authority having jurisdiction over the Borrower or any of the Guarantors is or was necessary therefor, except as contemplated herein;
- (v) The Borrower possesses all consents, approvals, permits and authorizations under any applicable law and under any agreement to which it is a party or by which it is bound, which are necessary in connection with the operation of its business, the Project, and the performance of its obligations hereunder and under the Security. All such consents, approvals, permits and authorizations are in full force and effect and the Borrower is not in default in any respect thereunder, which default would have a material adverse effect. No action exists, is pending or threatened which has as its object the revocation, amendment or qualification of

any such consent or authorization and all applicable appeal periods in respect of such actions have expired. The Project and its development and construction are in compliance with all laws;

- (vi) The Borrower is not in default under any indenture, mortgage, deed of trust, agreement or other instrument to which it is a party or by which it or any of its property may be bound;
- (vii) Each of the Borrower and the Guarantors has filed all tax returns which is required to be filed by it and has paid or remitted when due all taxes, assessment and government charges imposed upon it except such tax, assessment or charge which is being contested in good faith and for which each of the Borrower or Guarantors, as the case may be, has made adequate reserves;
- (viii) With respect to the Property the Borrower has obtained and is in compliance with: (a) all terms and conditions of all authorizations which are required under any environmental law; and (b) all environmental laws. The Borrower does not generate hazardous materials or transport, treat or dispose of any hazardous materials nor is the Borrower aware of any underground storage tanks or surface contaminants located on the Property. The Borrower has never caused or permitted (A) a release of any contaminant from or on the Property or (B) any hazardous materials to be placed, held, located, or disposed of on or under the Property. No enforcement action, investigation or outstanding order from any official body in respect of any hazardous materials or release of contaminants is existing, threatened or pending with respect to the Borrower or the Property. No hazardous substances are used, stored, discharged or present on the Property, except in compliance with environmental laws;
- (ix) The Borrower has complied with and will, at all times during the term of the Loan, comply with the requirements of the *Construction Act* (Ontario) and the regulations pursuant thereto;

- (x) The Property complies in all material respects with all relevant by-laws relating to the use thereof and there are no work orders issued against the Property by any governmental body;
- (xi) All documents and information delivered by or on behalf of the Borrower and the Guarantors to the Lender is true and accurate and may be relied upon by the Lender in executing this Commitment and making the Loan;
- (xii) There are no existing or pending claims, suits, actions, proceedings, judgments or orders outstanding against the Borrower or any of the Guarantors or involving the Property;
- (xiii) All necessary municipal services are available to the lot line of the Project;
- (xiv) All financial information provided by the Borrower and Guarantors to the Lender, including but not limited to, financial information provided in respect of the values and other matters pertaining to the Property and financial statements for the Borrower and the Guarantors, is true and accurate and may be relied upon by the Lender in executing this Commitment and making the Loan and there has been no material adverse change in the Borrower's or any Guarantor's financial condition or operations since the date of such financial statements; and
- (xv) All property taxes, levies, assessments, penalties or other costs payable to a municipality or other local government in respect of the Property have been paid and no such amount is in arrears or is due and unpaid or will be paid on the Initial Advance.

Reporting Requirements:

The Borrower and/or Guarantors shall provide to the Lender:

1. Within 120 days of each fiscal year end during the term of the Loan, accountant prepared financial statements for the Borrower and each corporate Guarantor;

2. Updated financial statements and/or net worth statements annually for each personal Guarantor;
3. Quarterly updates regarding zoning approval and servicing progress, costs, and sales activity relating to the Project;
4. The Borrower and Guarantors agree to be fully responsible for remittance and payment of any and all HST collected by or due to any of them and submission of HST credits or claims, and will provide monthly accounting of same to the Lender if requested by the Lender; and
5. Such other financial and supporting information as the Lender may request acting reasonably.

Permitted Encumbrances: Other than the DCC Security, no other mortgages, pledges or encumbrances on the Property or on the shares of the Borrower shall be permitted, except with the prior written consent of the Lender.

Subsequent Financing: No financing subsequent to the Loan shall be permitted without the prior written consent of the Lender, with such consent not to be unreasonably withheld. The Borrower shall disclose to the Lender all existing or proposed financing related to the Project. The Borrower will provide evidence, satisfactory to the Lender, as to the source of the Borrower's required equity in the Project.

Assignment: The Commitment and the Security may not be assigned, transferred or otherwise disposed of by the Borrower without the Lender's prior written consent. However, the Commitment and Security or any interest therein may be assigned or participated by the Lender (and its successors and assigns), in whole or in part, without the consent of the Borrower or the Guarantors. Except as hereinafter provided, the Borrower and Guarantors consent to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Loan, the Project, the Borrower, and the Guarantors within the possession or control of the Lender.

Sign: DCC shall have the right to erect a sign on the Project, at its own expense, indicating it has provided financing on the Project during the period for which the financing or any portion

thereof, remains outstanding. DCC may also refer to this Project in its advertising at any time after the first advance under the Loan.

Defaults:

In this Commitment and the Security, "Event of Default" means any of the following:

1. in the event of the Borrower failing to pay any amount when due hereunder;
2. in the event of the Borrower or any Guarantor being in breach of any covenant, condition or term of the Commitment or the Security;
3. if any representation made by the Borrower, the Guarantors or their agents, or any information provided by them is found to be materially untrue or incorrect;
4. if any of the Borrower or Guarantors commits an act of bankruptcy or becomes insolvent or bankrupt or has a receiver or receiver and manager appointed for it or over any of its material assets or if any creditor takes possession of any of its material assets or if any execution, distress or other like process is levied or enforced upon the Property or any part thereof or if any compromise or arrangement with creditors is made by any of them;
5. if any of the Borrower or Guarantors shall be deceased or be the subject of any bankruptcy, arrangement with creditors, proposal, amalgamation, reorganization, liquidation, winding-up, dissolution, receivership or material proceedings, material litigation or continuation under the laws of any other jurisdiction, including without limitation the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada), whether initiated or commenced by them or not;
6. in the event of any default by the Borrower or any Guarantor under any other mortgages or encumbrances

registered against title to or otherwise affecting the Property or any part thereof;

7. in the event of the registration of any construction lien against title to the Property or any part thereof which is not discharged or vacated within a period of ten (10) days after the date of registration thereof;
8. in the event that the Property or any material part thereof is abandoned or there is any cessation of the business activities now being conducted thereupon by the Borrower or any beneficial owner thereof or any of their respective officers, agents, employees, tenants or invitees or any material part thereof;
9. if any Event of Default as defined in the Security occurs;
10. if in the sole opinion of the Lender, a material adverse change occurs relating to the Borrower, any Guarantor, the Property, the Project, or the risk associated with the Loan; and
11. if any default occurs under any loan made by the Lender or DCC to the Borrower or any of the Guarantors or any person controlled by any of the Guarantors.

Upon the occurrence of an Event of Default, the Lender, at its option, may (a) cease or delay further funding of the Loan; (b) declare the principal and interest on the Loan and any other amount due under the Commitment forthwith due and payable, whereupon the same shall be and become immediately due and payable in full, and make demand to the Borrower for immediate payment of the same, and (c) exercise any and/or all remedies available to it at law or in equity hereunder, under the Security or otherwise.

Construction Liens:

If a construction lien is filed or registered against title to the Property or if the Borrower, any Guarantor or Lender receives notice of any such lien, then, at the option of the Lender, and in

addition to any other remedies it may have, the Lender shall not be required to make any further advance of the Loan until funds sufficient to satisfy such construction lien have been deposited with the Lender or until such time as such lien has been vacated, deleted or discharged.

Costs: All appraisal, engineering, inspection, title, survey, legal, insurance review and other customary underwriting, inspection, securing or enforcement expenses of the Lender, are for the account of and shall be paid by the Borrower and may at the Lender's option be deducted from an advance of the Loan and the Borrower hereby irrevocably directs and authorizes the Lender to pay such expenses and costs, together with any outstanding balance of the Commitment Fee, or any other amount due to the Lender, from and out of any advance of funds under this Loan, in the event the same have not been paid at the time thereof.

Waiver: 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 its behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to, or waiver of any provision of, this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantors. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.

Governing Law: The Commitment and Loan shall be governed by and construed under laws of the Province of Ontario.

Time: Time is of the essence in this Commitment.

Severance: The Borrower and Guarantors 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.

Joint and Several:

If the Borrower or the Guarantors are comprised of more than one person or corporation, the obligations hereunder shall be the joint and several obligations of each such person or corporation comprising the Borrower or Guarantors unless otherwise specifically stated herein.

First Right:

The Lender shall have a right of first refusal to finance or arrange financing for any subsequent phases of the development, of which the Project forms a part, or any further development to be developed on the lands adjacent thereto and shall be given the first opportunity and a reasonable period of time, after delivery to the Lender of all reasonably requested information, to provide a commitment to fund such further development.

Indemnity:

The Borrower and Guarantors, jointly and severally, shall indemnify and save harmless the Lender and its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever arising out of the provisions of this Commitment and the Security, any letters of credit or letters of guarantee issued, sale or lease of the Project and/or the use or occupation of the Project including, without limitation, those arising from the right to enter the Project from time to time and to carry out the various tests, inspections and other activities permitted by the Commitment and the Security. In addition to any liability imposed on the Borrower and Guarantors under any instrument evidencing or securing the Loan indebtedness, the Borrower and Guarantors shall be liable for any and all of the Lender's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or

attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Project of any hazardous or noxious substances. The representations, warranties, covenants and agreements of the Borrower and Guarantor set forth in this subparagraph:

- (i) Are separate and distinct obligations from the Borrower's and Guarantors' other obligations;
- (ii) Survive the payment and satisfaction of their other obligations and the discharge of the Security from time to time taken as security therefore;
- (iii) Are not discharged or satisfied by foreclosure of the charges created by any of the Security; and
- (iv) Shall continue in effect after any transfer of the land including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

Lender's Solicitors:

The Lender's solicitor shall be:

Blaney McMurtry LLP
2 Queen Street East, Suite 1500
Toronto, Ontario
M5C 3G5

Attention: Mr. Steven Jeffery

**Lender's Insurance
Consultant:**

The Lender's insurance consultant shall be:

Proincon Limited
287 Tache Avenue
Winnipeg, Manitoba
R2H 2A1

Attention: Wayne Fast

Lender's Cost Consultant:

Not applicable.

No Merger; Conflict:

The representations, warranties, covenants and obligations herein set out shall not merge or be extinguished by the execution or registration of the Security but shall survive until all obligations under this Commitment and the Security have been duly performed and the Loan, interest thereon and any other moneys payable to the Lender are repaid in full. In the event of any inconsistency or conflict between any of the provisions of the Commitment and any provision or provisions of the Security, the provisions of the Commitment will prevail.

Confidentiality:

The Borrower and Guarantors acknowledge and agree that the terms and conditions recited herein are confidential between themselves and the Lender, its solicitors, cost consultant, insurance consultant and Project monitor. The Borrower and Guarantors agree not to disclose the information contained herein to a third party, other than their lawyer, without the Lender's prior written consent.

Proceeds of Crime (Money Laundering) and Terrorist Financing Act:

Pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (the "Act"), the Lender is required to ask for identification of the Borrower, the Guarantors and any third party involved in the transaction, and for information with respect to the source of funds used in connection with the Borrower's equity in the Property. The Borrower and each Guarantor hereby covenant and agree to provide, prior to funding, such identification and information as may be reasonably required to ensure the Lender's compliance with the Act.

Material Changes:

If at any time before the Closing Date there is or has been any material change, discrepancy or inaccuracy in any information, statements, representations or warranties made or furnished to the Lender by or on behalf of the Borrower or upon the occurrence of an Event of Default under this Commitment which cannot be or is not rectified or nullified by the Borrower to the Lender's satisfaction within ten (10) days after written notification thereof by the Lender to the Borrower or the

Lender's due diligence investigations regarding the Act produces a materially adverse result, the Lender shall be entitled forthwith to withdraw and cancel its obligations hereunder and to declare any funds which have been advanced, together with Interest and other amounts, to be forthwith due and repayable in full.

Further Assurances:

The Borrower and the Guarantors will execute all reasonable documentation required by DCC and its solicitors from time to time.

Timing of Payments:

Any payment to be made by the Borrower hereunder, including of principal or interest, shall be received by the Lender prior to 1:00 p.m. (Toronto time). Any payment received after that time shall be deemed to have been received on the next following banking day.

Privacy Act Consent:

By signing this Commitment, each of you, being the parties signing (including all mortgagors and all guarantors) agrees that the Lender is authorized and entitled to:

- a) Use your Personal Information (as hereinafter defined) to assess your ability to obtain your loan and to evaluate your ability to meet your financial obligations. This use includes disclosing and exchanging your Personal Information on an on-going basis with credit bureaus, credit reporting agencies and financial institutions or their agents, or to service providers, in order to determine and verify, on an on-going basis, your continuing eligibility for your loan and your continuing ability to meet your financial obligations. This use, disclosure and exchange of your Personal Information will continue as long as your loan is outstanding, and will help protect you from fraud and will also protect the integrity of the credit-granting system;
- b) If the security for your loan includes an insured mortgage, to disclose your Personal Information to the mortgage insurer and to exchange, on an on-going basis, your Personal Information with such mortgage insurer, for all purposes related to the provision of mortgage insurance; and;

*Ardagh Road and Summerset Drive, Barrie, ON
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- c) Use, disclose and exchange, on an on-going basis, all the personal information collected by us or delivered by you to us from time to time in connection with your loan and any information obtained by us from time to time pursuant to paragraphs (a) and (b) above (collectively your "**Personal Information**") to other organizations (including members of the Dorr Capital Corp) which may fund all or any part of your loan and/or own all or any part of your loan and the security securing your loan from time to time and permit prospective investors in your loan to inspect your Personal Information

Even though your loan and the security securing your loan may be funded or owned by one or more other organizations, Dorr Capital Corp will continue to service your loan.

If you are in agreement with the foregoing terms and conditions, please indicate by signing and returning one (1) copy of this Commitment along with a cheque for \$100,000 to the Lender's office by noon on April 5, 2022. If the Loan is not advanced for any reason other than a Lender default, any deposits received on account of this loan will be applied against due diligence expenses of the Lender and fees owing hereunder and will not be refundable. If this letter is not returned to us, duly executed, by such date and time, this letter shall be deemed null and void.

Yours truly,

Dorr Capital Corporation



Brian Dorr – President, CEO

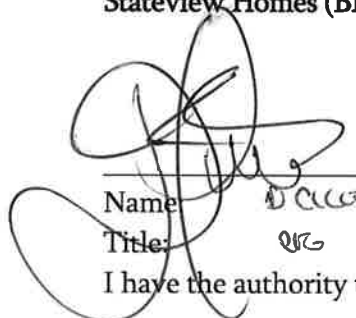
Ardagh Road and Summerset Drive, Barrie, ON
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ACCEPTANCE



Borrower and Guarantors hereby accept the terms and conditions of the Commitment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Commitment and authorize the credit checks contemplated herein.

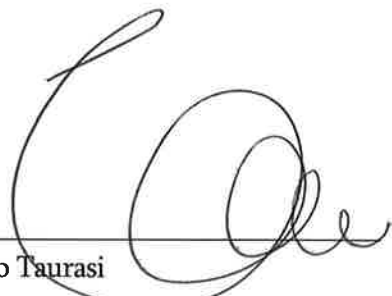

DATED AT APRIL, this 5th day of APRIL, 2022.

Stateview Homes (BEA Towns) Inc.


 Name: D. Ciccolo
 Title: VP
 I have the authority to bind the corporation

Guarantors:


 [Witness]

 [Witness]


 Carlo Taurasi

 Dino Taurasi

SCHEDULE "A"
INSURANCE REQUIREMENTS

1. GENERAL

- a. All insurance policies referred to herein shall be in form and with insurers reasonably acceptable to Lender and contain the original signatures of the insurers, not just the insurance broker or agent, unless otherwise agreed, and shall be delivered to the Lender within 30 days of issuance of the insurance cover note or binder.
- b. All policies shall be permitted to contain reasonable deductibles.
- c. If the Borrower fails to take out and keep in force such minimum insurance as is required hereunder, then Lender may, but shall not be obligated to, take out and keep in force such insurance at the immediate sole cost and expense of the Borrower plus costs incurred, or use other means at its disposal under the terms of the Mortgage.
- d. It is clearly understood and agreed that the Insurance Requirements contained herein are a minimum guide and, although must be adhered to throughout the life of the Mortgage, in no way represent an opinion as to the full scope of insurance cover a prudent Borrower would arrange to adequately protect its interest and the interest of Lender, and the Borrower must govern itself accordingly.

2. COURSE OF CONSTRUCTION

The following policies of insurance must be submitted:

- a. All Risks Builders Course of Construction on:
 - i) One hundred percent (100%) of the estimated final construction cost of the property, including reasonable soft costs.

ADDITIONAL INFORMATION

- All insurance policies must be forwarded to our insurance consultant for review. The cost of such review shall be for the account of the Borrower.
- All insurance policies shall be in form and with insurers reasonably acceptable to the Lender and contain the original signatures of the insurers.
- The Borrower and Beneficial Owner(s), if any, must be shown as a Named Insured or Additional Named Insured under all policies of insurance.
- The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Property as an insured location must be shown on the insurance policies.

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- The Property and, where applicable, Pressure, Mechanical, & Miscellaneous Electrical Apparatus policies shall contain a standard mortgage clause in favour of the Lender.
- Insurance must be on an "All Risks" basis of physical loss or damage, including Earthquake and Flood Insurance.
- Insurance must be for 100% of Full Replacement Cost of the Property, without deduction for foundations and footings, and including confirmation that the "same or adjacent site" clause has been deleted from the Replacement Cost wording.
- There must be a Stated Amount clause to waive the co-insurance conditions, or confirmation that there are no co-insurance restrictions applicable to the building(s).
- There must be evidence Sewer Back-Up coverage under the Property policy.
- There must be evidence of full By-Laws extensions, including the increased cost of construction, cost of demolition of the undamaged portion of the Property and resultant loss of income.
- There must be evidence of Business Income Insurance, with a minimum period of indemnity of 18 months. This coverage should be written using the IBC Form 4109B, or an industry equivalent, providing 100% co-insurance, all-risk coverage, including full by-laws, earthquake and flood protection. The indemnity period must not cease when the premises become tenantable or operational.
- There must be evidence of comprehensive Pressure, Mechanical, & Miscellaneous Electrical Apparatus insurance covering all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical and mechanical breakdown. Alternatively, there needs to be satisfactory evidence that there is no Pressure, Mechanical, & Miscellaneous Electrical Apparatus exposure at the Property (i.e. how are building(s) heated/ventilated and are there any elevators/escalators).
- If the Property is insured under a "blanket" insurance policy, please indicate what amounts have been declared relative to physical loss or damage as well as for business interruption for the Property under the statement of values filed with the insurers.
- There must be evidence of Liability Insurance, with a minimum limit of liability of \$5,000,000.00 per occurrence covering the Property. This may be in the form of primary insurance or primary and excess/umbrella insurance. The Lender must be shown as an Additional Insured with respect to claims arising out of the operations of the Insured.
- Such other insurance as the Lender may reasonably require given the nature of the security and that which a prudent owner of similar security would purchase and maintain, or cause to be purchased and maintained.

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- All policies of insurance **must** provide the Lender with at least 30 days' prior written notice of adverse material change or cancellation (15 days' notice for non-payment). **Please note that the Lender WILL NOT ACCEPT "will endeavour to provide" language for such notice.**

If the Property is under construction, additional insurance coverage as set out below (as applicable).

- "All Risks" Builders Risk Course of Construction (Broad Form or CCDC 201 or equivalent) including (a) physical damage limit of not less than 100% of the total hard costs, (b) minimum 25% of the total soft costs or 100% of recurring soft costs, (c) delay in startup coverage with limit of 100% of the anticipated annual rents (assuming full occupancy) written on a delayed income basis. The policy shall allow for partial or full occupancy.
- Commercial General Liability or Wrap-up liability coverage with a limit of not less than \$5,000,000 or such other amount as may be required by the Lender acting reasonably with regard to the operations of the Borrower and shall include a "Cross Liability" clauses and must include all contractors, sub-contractors and trades.
- Architects' and Engineers' errors and omissions insurance for at least \$1,000,000 or such greater amount as the Lender may reasonably require.
- All other items and conditions of the Lender as applicable and as required by the Lender.

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SCHEDULE "B" PERSONAL NET WORTH STATEMENT

PERSONAL & EMPLOYMENT INFORMATION

First Name: _____ Last Name: _____ Telephone (home): _____ SIN (required): _____ Driver's License: _____ Are you currently a client of Dorr Capital Corporation? Current Address: _____ _____ _____	Spouse's Name: _____ Marital Status: _____ Telephone (work): _____ Date of Birth: _____ # of dependents: _____ Length of time at current address: _____
Employer's Name: _____ Address: _____ _____ Annual Employment Income: \$ _____ Income from other sources (specify): \$ _____ Total Annual Income (state year of reference) \$ _____ Bank Reference: _____ Address: _____ _____	Present Position: _____ Length of Service: _____ Details: _____ _____

SUMMARY ~ FINANCIAL INFORMATION

	ASSETS	VALUE	LIABILITIES	Description	BALANCE OWING
CASH, DEPOSITS & MARKETABLE SECURITIES	BANK/TRUST CR/UNION	\$	OUTSTANDING LOANS	Refer to section D	\$
REAL ESTATE	Must agree with section "B"	\$	MARGIN ACCOUNTS	Refer to section A	\$
EQUITY IN NON-ARMS LENGTH COMPANIES	Must agree with section C	\$	OUTSTANDING MORTGAGES	Refer to section D	\$
INVESTMENTS (Specify)		\$	OTHER LIABILITIES (itemize)		\$
OTHER ASSETS (itemize)					
TOTAL ASSETS		\$	TOTAL LIABILITIES		\$
			NET WORTH		\$

Ardagh Road and Summerset Drive, Barrie, ON
File No: 21077

(Supporting Schedules)

ASSETS

Page 2 of 2

SECTION "A" ~ SECURITIES AND TAX SHELTERS

Description of Security and Quantity Held	Registered to/ To whom pledged	Market Value	Cost	Margin Accts Balance Owing	Annual Profit or Loss
1		\$		\$	\$
2		\$		\$	\$
3		\$		\$	\$
4		\$		\$	\$
TOTAL		\$		\$	\$

SECTION "B" ~ REAL ESTATE

Address and Description (Acreage, Home, Business)	Title in Name of	Date Purchased	Market Value	Purchase Price	% Owned
1			\$ -		0%
2			\$ -		0%
3			\$ -		0%
4			\$ -		0%
5			\$ -		0%
6			\$ -		0%
TOTAL			\$		

SECTION "C" ~ EQUITY IN NON ARMS-LENGTH COMPANIES

Name of Company	Nature of Business	Position / Relationship	Value of Equity Invested	% Ownership
1			\$	0%
2			\$	0%
3			\$	0%
4			\$	0%
5			\$	0%
6			\$	0%
NOTE: ATTACH FINANCIAL STATEMENTS		TOTAL	\$	

LIABILITIES

SECTION "D" ~ SECURITY

Lender Name	Security	Amount	Terms & Rate	Outstanding Balance
1				\$
2				\$
3				\$
4				\$
5				\$
6				\$
TOTAL				\$

I warrant and confirm that the information given herein is true and I understand clearly that it is being used to determine my credit responsibility. You are authorized to obtain any information you require relative to this application from any sources to which you may apply and each such source is hereby authorized to provide you with such information. You are furthermore authorized to disclose any response to direct inquiries from any other lender or credit bureau, such information on my loaning account as you consider appropriate, and I hereby agree to indemnify you against and save you harmless from any and all claims in damages or otherwise arising from such disclosure on your part. You are also authorized to retain the application whether or not the relative mortgage is approved

Dated this _____ day of _____, _____

Signature (in ink)

*Ardagh Road and Summerset Drive, Barrie, ON
File No: 21077*

SCHEDULE "C"
RELIANCE CERTIFICATE

TO: **Dorr Capital Corporation**, and such persons for whom they act as agent or trustee from time to time, and in each case, their respective successors and assigns

RE: **Commitment Letter** dated _____ by **Dorr Capital Corporation** and addressed to **[name addressees of report]** (the "Report")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby certifies, agrees and confirms that the addressees hereof, and their respective successors and assigns, shall be entitled to rely on the Report to the same extent and with such effect as if such Report were prepared for and addressed to them. Potential liability to the Lender arising from this report is limited to the amount of professional liability insurance maintained in a minimum amount of \$1 million.

DATED the ___ day of _____, 20__.

By: _____
Name:
Title:

Ardagh Road and Summerset Drive, Barrie, ON
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SCHEDULE 'D' MORTGAGE DISCLOSURE STATEMENT

Mortgage Brokerages, Lenders and Administrators Act This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below. Disclosure to Borrower			
Cost of Borrowing Disclosure			
Property to be mortgaged: Ardagh Road and Summerset Drive, Barrie , ON			
Details of Mortgage:			
The principal amount of the mortgage \$37,500,000 will be repayable monthly in arrears, interest only, paid on the 1 st day of each month, starting one month after Interest Adjustment Date (IAD). The total amount of all payments over the 12-month term will be \$3,937,500 . The mortgage will be amortized over n/a years.			
Interest:			
The date on which interest begins to accrue is the first day of the month following the date of the first advance of funds under the Loan, if any grace period is given, the details are:			
The annual interest rate is 10.50% . Interest on the Loan shall be calculated daily, and compounded and payable monthly not in advance based on the number of days that the Loan is outstanding.			
Where the annual interest rate may change, the method of determining the annual interest rate is: N/A			
Fees and Costs Payable by Borrower:			
	Comments	Value	Included in APR
Commitment Fee		\$750,000.00	Yes
Placement Fee		\$281,250.00	
Legal Fees and Other Transactions		\$ 25,400.00	Yes
Total Costs:		\$1,056,650	
Total Cost of Borrowing:			
Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: \$4,994,150 APR: 13.32% The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.			
Terms and Conditions:			
Prepayment Privileges: <u>See commitment for detail</u>			
Transferability: <u>See commitment for details</u>			
Method of Payment: <u>See commitment for details</u>			
Special Conditions: <u>See commitment for details</u>			
Particulars / Penalties: <u>See commitment for details</u>			
1 of 2			

Mortgage Brokerages, Lenders and Administrators Act

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

Disclosure to Borrower

Conflict of Interest Disclosure:

Referral Fees to Brokerage and/or Broker/Agent:

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

Mortgage – Commissions

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

Other Compensation

The Lender involved in this transaction may provide the brokerage fees or incentives dependent on the interest rate and the term(s) accepted by the Borrower. The brokerage may retain the fees and incentives or may use them for the benefit of another of the brokerage's clients.

Information on Brokerage:

The Brokerage is representing the Lender in this transaction.

The Brokerage has acted for 38 lenders during the previous fiscal year.

Name and Address of Brokerage: Dorr Capital Licence #: 12099

Name of Authorized Person on behalf of Brokerage: Brian Dorr Licence #: M09002014

Date: April 1, 2022

Authorized Signature: 

Disclosure of Material Risks:

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

Acknowledgement

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

Date: 04/05/22

Borrower: 

Date: 04/05/22

Borrower: 

Date: 04/05/22

Borrower: 

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

Date: 04/05/22

Borrower: 

Date: 04/05/22

Borrower: 

Date: 04/05/22

Borrower: 

Ardagh Road and Summerset Drive, Barrie, ON
File No: 21077

SCHEDULE "E"

Item	Estimated Fee Amount	Comments
Deducted From Initial Advance:		
Expense Recovery re: Credit & Back Ground checks	\$35 per credit report \$75 - \$150 (per guarantor)	<ul style="list-style-type: none"> To reimburse Lender for expenses incurred by credit bureaus and background checks
Valuation Verification (Altus)	\$250 Per Loan	<ul style="list-style-type: none"> Valuation Verification
Site Inspection	To be determined	<ul style="list-style-type: none"> To reimburse lender for all reasonable cost as part of due diligence
Title Search (Teranet)	\$40 per PIN	<ul style="list-style-type: none"> To confirm title (as required)
Property Insurance Review	\$500 - \$1,500	<ul style="list-style-type: none"> Peer review insurance coverage by ProIncor
Regulator Fee	TBD	<ul style="list-style-type: none"> To reimburse Lender for expenses incurred in processing Loan with financial regulators, m
Environmental Site Assessment – Peer Review Report	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> Peer review of subject property for hazardous and contaminants
Geotechnical Reports – Peer Review Report	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> Peer review of subject property for site suitability
Cost Consultant Review	\$1,500 - \$2,500 per Report	<ul style="list-style-type: none"> Peer review of construction budget, work in and cost to complete
Planning Review	\$1,500 - \$3,000 per Report	<ul style="list-style-type: none"> Peer review of planned development
Costs During Term of the Loan		
Mortgage Statement	\$500 per Statement	<ul style="list-style-type: none"> For information purposes and audit verification
N.S.F. Cheque and/or Failed Debit under an EFT Plan	\$500 per occurrence	<ul style="list-style-type: none"> Borrower shall pay liquidated damages to cover the Lender's administrative costs
Insurance Coverage Change or Annual Review	\$500 per occurrence	<ul style="list-style-type: none"> Lapsed or cancelled insurance not replaced by borrower. Lender shall have to replace coverage without notice to borrower.
Subsequent Advance Review (Hard & Soft Costs)	\$500 - \$1,000	<ul style="list-style-type: none"> Deducted from the draw upon release of funds to the Borrower
Annual Review	\$1,500 per year	<ul style="list-style-type: none"> Confirmation of realty taxes, insurance coverage and general project monitoring
Bank Processing Fee	\$500	<ul style="list-style-type: none"> On repayment of Loans over \$2 Million
Mortgage Discharge Statement	\$500 per statement	<ul style="list-style-type: none"> Pay off and discharge mortgage
Bank Wire Fee	TBD	<ul style="list-style-type: none"> As charged by the financial institution.
Default Costs:		
Default Letters	\$750 per occurrence	<ul style="list-style-type: none"> For each collection letter written whether in connection with one default or more
Default Administration	\$5,000 First Month; \$10,000 Each Month Thereafter	<ul style="list-style-type: none"> \$5,000 for 1st default that remains uncured for 30 days, \$10,000 for all subsequent defaults that remain uncured for 14 days.

This is Exhibit "3" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)

LAND
REGISTRY
OFFICE #51

58763-1764 (LT)

PREPARED FOR dkearns01
ON 2023/04/27 AT 10:08:19

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

PROPERTY DESCRIPTION: BLOCK 76, PLAN 51M1167; CITY OF BARRIE

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
SUBDIVISION FROM 58763-1688

PIN CREATION DATE:
2019/10/01

OWNERS' NAMES
STATEVIEW HOMES (BEA TOWNS) INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2019/10/01 **						
RO1455050	2001/04/26	AGREEMENT		*** DELETED AGAINST THIS PROPERTY *** 776565 ONTARIO LIMITED KIERLAND DEVELOPMENTS INC.		
REMARKS: LT340470 - AFFECTS ALL/PART VARIOUS LANDS ADDED 2007/02/15 BY A. ROBERTSON						
SC112709	2003/05/06	TRANSFER EASEMENT		*** DELETED AGAINST THIS PROPERTY *** KIERLAND DEVELOPMENTS INC.	THE CORPORATION OF THE CITY OF BARRIE	
REMARKS: OVER PTS 7, 8, 15 & 16 PL 51R31449						
SC1292445	2016/03/31	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 1934811 ONTARIO LIMITED	PACE SAVINGS & CREDIT UNION LIMITED	
SC1292446	2016/03/31	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** 1934811 ONTARIO LIMITED	PACE SAVINGS & CREDIT UNION LIMITED	
REMARKS: SC1292445						
SC1292447	2016/03/31	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 1934811 ONTARIO LIMITED	DEVONLEIGH LAND INC.	
SC1512095	2018/05/23	NOTICE		*** DELETED AGAINST THIS PROPERTY *** DEVONLEIGH LAND INC.		
SC1544922	2018/10/02	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 1934811 ONTARIO LIMITED	DEVONLEIGH LAND INC.	
SC1549673	2018/10/19	NOTICE	\$2	THE CORPORATION OF THE CITY OF BARRIE		C
SC1549674	2018/10/19	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PACE SAVINGS & CREDIT UNION LIMITED	THE CORPORATION OF THE CITY OF BARRIE	
REMARKS: SC1292445, SC1292446 TO SC1549673						
SC1549675	2018/10/19	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY ***		

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

LAND
REGISTRY
OFFICE #51

58763-1764 (LT)

PREPARED FOR dkearns01
ON 2023/04/27 AT 10:08:19

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
		REMARKS: SC1292446 TO SC1549673		PACE SAVINGS & CREDIT UNION LIMITED	THE CORPORATION OF THE CITY OF BARRIE	
SC1549676	2018/10/19	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** DEVONLEIGH LAND INC.	THE CORPORATION OF THE CITY OF BARRIE	
		REMARKS: SC1292447 TO SC1549673				
SC1549677	2018/10/19	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** DEVONLEIGH LAND INC.	THE CORPORATION OF THE CITY OF BARRIE	
		REMARKS: SC1512095 TO SC1549673, DELETED ON 2020/02/28		BY A. MEISSINGER		
SC1549678	2018/10/19	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** DEVONLEIGH LAND INC.	THE CORPORATION OF THE CITY OF BARRIE	
		REMARKS: SC1544922 TO SC1549673				
51M1167	2019/09/24	PLAN SUBDIVISION				C
SC1626429	2019/09/25	NO SUB AGREEMENT		THE CORPORATION OF THE CITY OF BARRIE	1934811 ONTARIO LIMITED	C
SC1626442	2019/09/25	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PACE SAVINGS & CREDIT UNION LIMITED	THE CORPORATION OF THE CITY OF BARRIE	
		REMARKS: SC1292445, SC1292446 TO SC1626429				
SC1626443	2019/09/25	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** DEVONLEIGH LAND INC.	THE CORPORATION OF THE CITY OF BARRIE	
		REMARKS: SC1292447 TO SC1626429				
SC1626444	2019/09/25	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** DEVONLEIGH LAND INC.	THE CORPORATION OF THE CITY OF BARRIE	
		REMARKS: SC1544922 TO SC1626429				
SC1630125	2019/10/08	APL (GENERAL)		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF BARRIE	THE CORPORATION OF THE CITY OF BARRIE	
		REMARKS: AMEND LEGAL DESCRIPTION				
SC1632768	2019/10/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** DEVONLEIGH LAND INC.		
		REMARKS: SC1292447.				
SC1632769	2019/10/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** DEVONLEIGH LAND INC.		
		REMARKS: SC1544922.				

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

LAND
REGISTRY
OFFICE #51

58763-1764 (LT)

PREPARED FOR dkearns01
ON 2023/04/27 AT 10:08:19

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC1632910	2019/10/21	APL (GENERAL) <i>REMARKS: DELETING SC1512095</i>		*** COMPLETELY DELETED *** DEVONLEIGH LAND INC.		
SC1634265	2019/10/25	TRANSFER <i>REMARKS: PLANNING ACT STATEMENTS.</i>		*** COMPLETELY DELETED *** 1934811 ONTARIO LIMITED	WYNSTAR BEAR CREEK GP INC.	
SC1634633	2019/10/28	DISCH OF CHARGE <i>REMARKS: SC1292445.</i>		*** COMPLETELY DELETED *** PACE SAVINGS & CREDIT UNION LIMITED		
SC1675034	2020/04/17	APL (GENERAL) <i>REMARKS: RO1455050</i>		*** COMPLETELY DELETED *** BRUMWELL, SCOTT		
SC1887687	2022/04/19	TRANS PARTNERSHIP <i>REMARKS: PLANNING ACT STATEMENTS.</i>	\$25,660,000	WYNSTAR BEAR CREEK GP INC. WYNSTAR BEAR CREEK LP.	STATEVIEW HOMES (BEA TOWNS) INC.	C
SC1887688	2022/04/19	CHARGE	\$37,500,000	STATEVIEW HOMES (BEA TOWNS) INC.	DORR CAPITAL CORPORATION	C
SC1887689	2022/04/19	NO ASSGN RENT GEN <i>REMARKS: SC1887688</i>		STATEVIEW HOMES (BEA TOWNS) INC.	DORR CAPITAL CORPORATION	C
SC1922727	2022/08/16	CHARGE		*** COMPLETELY DELETED *** STATEVIEW HOMES (BEA TOWNS) INC.	BERGO INVESTMENT LIMITED MCO MANAGEMENT INC. KARAMITSOS, TONY	
SC1953013	2022/12/16	CHARGE	\$20,850,000	STATEVIEW HOMES (BEA TOWNS) INC.	BERGO INVESTMENT LIMITED MCO MANAGEMENT INC. KARAMITSOS, TONY	C
SC1953027	2022/12/16	DISCH OF CHARGE <i>REMARKS: SC1922727.</i>		*** COMPLETELY DELETED *** BERGO INVESTMENT LIMITED MCO MANAGEMENT INC. KARAMITSOS, TONY		
51R43964	2023/03/15	PLAN REFERENCE				C
SC1972317	2023/04/06	CHARGE	\$37,134,091	STATEVIEW HOMES (BEA TOWNS) INC.	THE TORONTO-DOMINION BANK	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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PREPARED FOR dkearns01
ON 2023/04/27 AT 10:08:19

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC1973841	2023/04/18	CONSTRUCTION LIEN	\$38,859	ONSPACE UNLIMITED INC.		C
SC1973842	2023/04/18	CONSTRUCTION LIEN	\$138,371	ONSPACE UNLIMITED INC.		C

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

This is Exhibit "4" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)

CERTIFICATE

TO: DORR CAPITAL CORPORATION (the “Lender”)

AND TO: Blaney McMurtry LLP, its solicitors

RE: That certain commitment letter dated the 1st day of April, 2022, from the Lender, as lender, to Stateview Homes (BEA Towns) Inc. (the “Borrower”), as borrower (the “Commitment”)


All capitalized terms used in this certificate, unless otherwise defined herein or where the context requires otherwise, shall have the meanings ascribed to them in the Commitment.

I, Daniel Ciccone, the Treasurer and Secretary of the Borrower, hereby certify that the Ownership Structure Chart attached hereto as Schedule “A”:

1. lists all of the shareholders of the Borrower and, where such shareholders are not natural persons, the shareholders of such shareholders, and so on until only natural persons who own or control 25% (directly or indirectly) or more of the Borrower if any, are shown on the “top line” of such chart; and
2. is true, accurate and complete in all respects.

[Signing Page Follows]

DATED the 14th day of April, 2022.

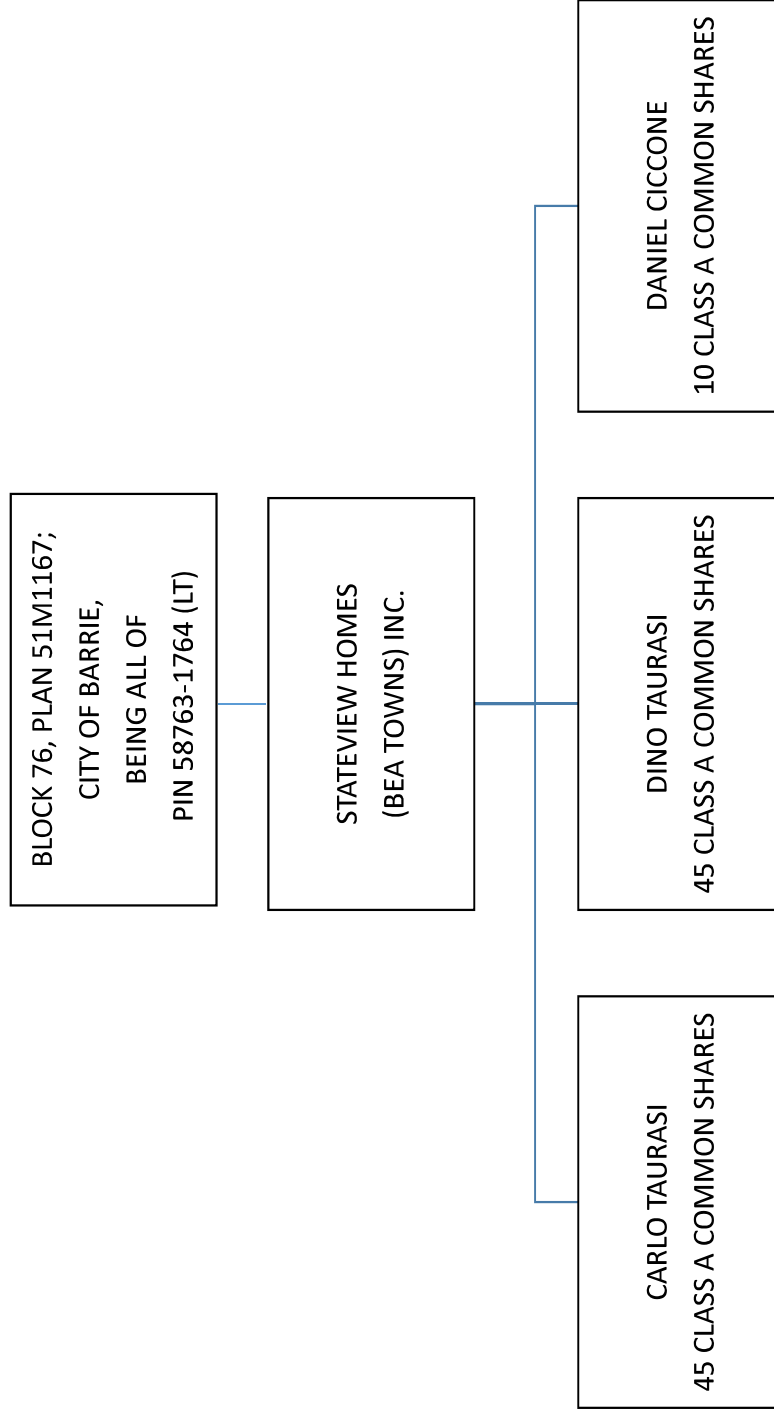
DocuSigned by:


Name: Daniel Ciccone
Title: Treasurer and Secretary

SCHEDULE "A"

(see attached)

April 14, 2022



This is Exhibit "5" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)

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

yyyy mm dd Page 1 of 27

Properties

PIN 58763 - 1764 LT Interest/Estate Fee Simple
 Description BLOCK 76, PLAN 51M1167; CITY OF BARRIE
 Address SUMMERSET DRIVE
 BARRIE

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 STATEVIEW HOMES (BEA TOWNS) INC.
 Address for Service 410 Chrislea Road
 Unit 16
 Woodbridge, Ontario
 L4L 8B5

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 DORR CAPITAL CORPORATION
 Address for Service 41 Scarsdale Rd, Unit 6
 Toronto, Ontario
 M3B 2R2

Statements

Schedule: See Schedules

Provisions

Principal \$37,500,000.00 Currency CDN
 Calculation Period See schedule
 Balance Due Date On demand
 Interest Rate
 Payments
 Interest Adjustment Date 2022 05 01
 Payment Date 1st of each month
 First Payment Date 2022 05 01
 Last Payment Date 2023 06 01
 Standard Charge Terms
 Insurance Amount Full insurable value
 Guarantor

Signed By

Gouri Indira Kumar 2 Queen Street East Suite 1500 acting for Signed 2022 04 14
 Toronto
 M5C 3G5
 Chargor(s)

Tel 416-593-1221

Fax 416-593-5437

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

Submitted By

BLANEY MCMURTRY LLP 2 Queen Street East Suite 1500 2022 04 19
 Toronto
 M5C 3G5

Tel 416-593-1221

Fax 416-593-5437

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

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Chargor Client File Number :	BDS-42504
Chargee Client File Number :	CHG/BEA TOWNS/1077280028

SCHEDULE - ADDITIONAL PROVISIONS

ARTICLE 1 INTERPRETATION

1.1 Definitions

Capitalized terms used in this Charge shall have the respective meanings assigned to them in Appendix I attached hereto.

1.2 Interpretation and Headings

The Chargor acknowledges that this Charge and each of the other Loan Documents are the result of negotiations between the parties and shall not be construed in favour of or against any party by reason of the extent to which any party or its legal counsel participated in its preparation or negotiation. The words “hereto”, “herein”, “hereof”, “hereby”, “hereunder” and similar expressions refer to the whole of this Charge including, without limitation, these additional provisions, and not to any particular Section or other portion thereof or hereof and extend to and include any and every document supplemental or ancillary hereto or in implementation hereof. The words “Article”, “Section”, and “Subsection”, and similar expressions refer to the specified article, section, subsection or other portion of this Schedule. Words in the singular include the plural and words in the plural include the singular. Words importing the masculine gender include the feminine and neuter genders where the context so requires. Words importing the neuter gender include the masculine and feminine genders where the context so requires. The headings do not form part of this Charge and have been inserted for convenience of reference only. Any reference to “including” shall mean “including without limitation” whether or not expressly provided. If more than one Person is named as, or otherwise becomes liable for or assumes the obligations and liabilities of the Chargor, then all such Persons shall be jointly and severally liable for all such obligations and liabilities.

ARTICLE 2 CHARGE, PAYMENT AND INTEREST

2.1 Charge

To secure the full and timely payment and performance of the Indebtedness, the Chargor hereby charges the Charged Property to the Chargee. The Charge shall operate until all Indebtedness is fully paid and performed to the Chargee in the manner contemplated by the Charge and the other Loan Documents.

2.2 Covenant to Pay

The Chargor hereby acknowledges itself indebted and covenants with the Chargee to pay the Indebtedness to the Chargee as and when provided in this Charge without any deduction, set-off, abatement, or counterclaim.

2.3 Interest Rate

The Principal Amount shall bear and accrue interest at the Interest Rate both before and after default, demand, maturity and judgment until paid.

2.4 Payment

The Chargor shall pay the Indebtedness to the Chargee as follows:

- (a) interest at the Interest Rate on the Principal Amount or such portion as may be advanced from time to time, calculated daily from the respective dates of such advances, shall become due and payable in monthly instalments on the first day of each calendar month following the date of advance and on the first day of each and every month thereafter and, at the option of the Chargee, may be deducted from any advance;
- (b) any part of the Indebtedness that is not principal or interest on principal will be payable on demand with interest thereon at the Interest Rate; and

(c) the Principal Amount will become due and payable on demand.

2.5 Prepayment

The Chargor shall not have the right to prepay all or any part of the Principal Amount of the Loan except as set out in the Commitment.

2.6 Intentionally Deleted

2.7 Timing and Place of Payment

Notwithstanding any other provision of this Charge, all payments under this Charge shall be made to the Chargee or as it may direct in writing by electronic direct-debit transfer before 1:00 o'clock in the afternoon (Eastern Standard Time) on any day on which payment is to be made. The Chargor shall provide all written authorizations and sample cheques as the Chargee may require from time to time. If for any reason the electronic direct-debit transfer for any payment is made after 1:00 o'clock in the afternoon (Eastern Standard Time) on any particular day, such payment will be deemed to have been made on the next following Business Day for the purpose of calculating interest. If an electronic direct-debit transfer is not made on the day such payment is required to be made, the Chargor will immediately pay the Chargee a reasonable servicing fee as determined by the Chargee or its servicer to cover the administration costs and expenses arising therefrom. Until paid, such servicing fee, together with interest thereon at the Interest Rate shall be added to the Indebtedness and be secured by this Charge.

2.8 Compound Interest

If the Chargor defaults in any payment of interest or other payment due pursuant to this Charge, compound interest at the Interest Rate will accrue and be payable on the sum in arrears (including all arrears of interest) from time to time, both before and after default, demand, maturity and judgment until paid and shall be paid forthwith. If the arrears and the compound interest are not paid within the interest calculation period provided in the Provisions section of the electronic Charge/Mortgage to which the Schedule is attached from the time of default, a rest will be made and compound interest at the Interest Rate will be payable on the aggregate amount then due, both before and after maturity, default and judgment, and so on from time to time until paid. All such compound interest shall be added to the Indebtedness and shall be secured by this Charge.

2.9 Application of Payment

Prior to an Event of Default, all payments received by the Chargee on account of the Indebtedness shall be applied as follows, regardless of any other designation of such payments as principal, interest or other charges: first, to the repayment of sums advanced by the Chargee pursuant to this Charge or any of the other Loan Documents for any reason (other than the Principal Amount), including sums advanced to pay Realty Taxes, Costs, insurance premiums or other charges against the Charged Property (together with interest thereon at the Interest Rate from the date of advance until paid), then to the payment of accrued but unpaid interest which is then due and payable, and finally, to reduction of the Principal Amount. Notwithstanding the foregoing, from and after an Event of Default, all payments received by the Chargee pursuant to the Loan shall be applied by the Chargee to principal, interest and such other charges due hereunder or under the other Loan Documents in such order as the Chargee shall determine in its sole discretion.

2.10 Advances and Costs

Neither the preparation, execution nor registration of this Charge or the other Loan Documents shall bind the Chargee to advance all or any part of the Principal Amount. The Chargor covenants to pay all Costs to the Chargee forthwith on demand whether or not all or any part of the Principal Amount is advanced. Until paid, all Costs together with interest thereon at the Interest Rate shall be added to the Indebtedness and secured by this Charge.

2.11 Proof of Outstanding Amounts

The records maintained by the Chargee of the amounts of the Loan advanced to the Chargor and secured by this charge, the amount of advances of the Loan which are outstanding and the amount of interest and other fees and costs payable or secured under this Charge shall constitute *prima facie* proof thereof in any legal proceedings or action in respect of the Loan or this Charge.

ARTICLE 3
REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations, Warranties and Covenants

The Chargor represents, warrants to and covenants with the Chargee that:

(a) **Organization, Power and Authority**

The Chargor: (i) is a duly organized and validly existing corporation under the laws of its governing jurisdiction; (ii) has full power, authority and legal right to own the Charged Property and to carry on its business thereon in compliance with all Applicable Laws and is duly licensed, registered or qualified in all jurisdictions where the character of its undertaking, property and assets or the nature of its activities makes such licensing, registration or qualification necessary or desirable; (iii) has full power, authority and legal right to enter into each of the Loan Documents to which it is a party and to do all acts and execute and deliver all other documents as are required to be done, observed or performed by it in accordance with their respective terms; (iv) has taken all necessary action and proceedings to authorize the execution, delivery and performance of the Loan Documents to which it is a party and to observe and perform the provisions of each in accordance with its terms; and (v) shall maintain in good standing its existence, capacity, power and authority as a corporation and shall not liquidate, dissolve, wind-up, terminate, merge, amalgamate, consolidate, reorganize or restructure or enter into any transaction or take any steps in connection therewith.

(b) **Enforceability of Loan Documents**

The Loan Documents constitute valid and legally binding obligations of the Chargor, enforceable against it in accordance with their terms, and are not subject to any right of rescission, right of set-off, counterclaim or defence of any nature or kind. Neither execution and delivery of the Loan Documents, nor compliance with the terms and conditions of any of them (i) has resulted or will result in a violation of the constating documents governing the Chargor, if any, including any unanimous shareholders' agreement, or any resolution passed by the board of directors or shareholders of the Chargor, (ii) has resulted or will result in a breach of or constitute a default under Applicable Laws or any agreement or instrument to which the Chargor is a party or by which it or the Charged Property or any part thereof is bound, or (iii) requires any approval or consent of any Person except such as has already been obtained.

(c) **Title**

The Chargor has good and marketable title in fee simple to the Charged Property free and clear of all Liens except Permitted Encumbrances and the Lien of this Charge. The Chargor is the sole legal and beneficial owner of the Charged Property. The Chargor shall defend title to the Charged Property for the benefit of the Chargee from and against all actions, proceedings and claims of all Persons. No Person has any option, right of first refusal or other right to acquire the Charged Property or any part thereof or interest therein.

(d) **Priority**

This Charge and the other Loan Documents are and shall be a valid first Lien or Liens on the Charged Property at all times, subject only to Permitted Encumbrances.

(e) **Transfer or Encumbrance of Charged Property**

Neither the Chargor nor any other Person having a beneficial or ownership interest in the Chargor, the Charged Property, or any part thereof (which shall include, without limitation, a partnership interest in any partnership that has an interest in the Charged Property) shall directly or indirectly sell, transfer, convey, dispose, or assign any legal or beneficial interest in the Chargor, the Charged Property or any part thereof (whether voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration of record), except with the prior written consent of the Chargee, which consent may be arbitrarily withheld. No Liens shall be created, issued, incurred or permitted to exist (by operation of law or otherwise) on any part of the Charged Property or any interest therein, other than the security of this Charge and the other Loan Documents, and Permitted Encumbrances. If any other Lien is asserted against the Charged Property, the Chargor shall promptly, and at its expense, (i) give the Chargee a detailed written

notice of such Lien (including origin, amount and other terms), and (ii) pay the underlying claim in full or take such other action so as to cause it to be released and discharged or, in the Chargee's discretion, provide a bond or other security satisfactory to the Chargee for the payment of such claim.

(f) **Realty Taxes and Utility Charges**

All Realty Taxes have been paid when due. The Chargor shall pay all Realty Taxes when due and, within 15 days after the end of each calendar year or upon request by the Chargee from time to time, shall provide the Chargee with evidence satisfactory to the Chargee that all Realty Taxes have been paid when due. The Chargor shall not suffer or permit the joint assessment of the Charged Property with any other real property constituting a separate tax lot or with any other real or personal property. The Chargor shall promptly pay for all utility services provided to the Charged Property when due.

(g) **Litigation**

The Chargor has no judgments or orders of any court or tribunal outstanding against it. There is no litigation, administrative proceeding, investigation or other legal action or claims (including any proceeding under any applicable bankruptcy or insolvency laws) pending or, to the knowledge of the Chargor, threatened, against the Charged Property or the Chargor, including any dispute between the Chargor and any governmental authority affecting the Chargor or the Charged Property. Upon becoming aware of any such matters, the Chargor shall promptly notify the Chargee of same and shall provide the Chargee with reasonable information in respect thereof as the Chargee may require from time to time, provided that in doing so, the Chargor shall not be deemed to have cured the fact that its representation set out in this Subsection has become incorrect.

(h) **Rights of Way, Easements, Permits, Services and Access**

The Chargor has obtained and shall maintain in good standing at all times all rights of way, easements, grants, privileges, licenses, certificates, permits, approval entitlements, franchises and other similar property and rights necessary for the lawful construction, occupancy, operation and use of the Charged Property. The Charged Property has unrestricted and unconditional rights of access to public highways at all existing access points and is served by all services and utilities necessary or convenient to the full use and enjoyment of the Charged Property. All such services and utilities are located in the public highway(s) abutting the Land, and are connected so as to serve the Charged Property without passing over other property, except to the extent such other property is subject to a perpetual easement for such utility benefiting the Charged Property. All roads necessary for the full utilization of the Charged Property for its current purpose have been completed and dedicated to public use and accepted by all governmental authorities.

(i) **Management**

There shall be no change in the day-to-day control and management of the Chargor or the Charged Property. The Chargor shall not terminate, replace or appoint any manager or terminate or amend the management agreement for the Chargor or the Charged Property without the Chargee's prior written approval, which approval shall not be unreasonably withheld. Any change in ownership or control of the manager shall be cause for the Chargee to re-approve such manager and the applicable management agreement. Each manager shall hold and maintain all necessary licenses, certifications and permits required by law. The Chargor shall fully perform all of its covenants, agreements and obligations under the management agreement.

(j) **Inspection**

The Chargee, its servicer, agents, representatives and employees, upon reasonable prior notice to the Chargor, may inspect the Charged Property and conduct such environmental and engineering studies as the Chargee may require, provided that such inspections and studies shall not materially interfere with the use and operation of the Charged Property.

(k) **Operation; Maintenance**

The Chargor shall diligently maintain, use, manage, operate and repair the Charged Property in a good, safe and insurable condition in accordance with all Applicable Laws, Permitted

Encumbrances and all Property Agreements, so as to preserve and protect the Charged Property and maximize the earnings, incomes, rents, issues and profits therefrom. The Chargor has complied and will hereafter at all times comply with all of its obligations under the Property Agreements, the Permitted Encumbrances and all other Liens and agreements relating to the Charged Property. The Chargor shall promptly make all necessary repair and replacements to the Charged Property. All repairs, replacements and work done under this Subsection 3.1(k) or under Subsection 3.1(n), or otherwise, shall be made in good and workmanlike manner, shall (if applicable) be of equal or better in quality to the original work, shall be free of all Liens and shall comply with all Applicable Laws, Permitted Encumbrances and Property Agreements. The Chargor shall preserve and keep in full force and effect its corporate status, franchises, rights and privileges under the laws of the jurisdiction of its formation, and all qualifications, licenses and permits applicable to the ownership, use and operation of the Charged Property.

(l) **Compliance with Law**

The Charged Property, including the construction thereof, complies with all Applicable Laws, Permitted Encumbrances and all Property Agreements. The present use and location of the Improvements are legal conforming uses under all Applicable Laws. No Improvements have been made or removed from the Land since the date of the survey of the Land and Improvements delivered by the Chargor prior to the Loan advance and such survey accurately shows the location of all Improvements. The Chargor shall not change the use of the Charged Property, abandon the Charged Property, commit or permit any waste on or of the Charged Property, apply for or consent to any public restriction (including any zoning by-law or amendment or minor variance) or private restriction, or permit the removal of any Improvements or Fixtures from the Charged Property (other than a tenant's improvements removable by a tenant in accordance with its Lease).

The Charged Property is free of structural defects, and all building systems contained therein are in good working order and repair subject to ordinary wear and tear. No proceedings have been commenced or, to the Chargor's knowledge are contemplated with respect to the expropriation of all or any portion of the Charged Property or for the relocation of roadways providing access to the Charged Property.

(m) **Representations and Warranties on Environmental Matters**

To the Chargor's knowledge, (i) no Hazardous Material is now or was formerly used, stored, generated, manufactured, installed, treated, discharged, disposed of or otherwise present at or about the Charged Property or any property adjacent to the Charged Property (except for cleaning and other products currently used in connection with the routine maintenance or repair of the Charged Property in full compliance with Environmental Laws) and no Hazardous Material was removed or transported from the Charged Property, (ii) all permits, licenses, approvals and filings required by Environmental Laws have been obtained, and the use, operation and condition of the Charged Property does not, and did not previously, violate any Environmental Laws, (iii) no civil, criminal or administrative action, suit, claim, hearing, investigation or proceeding has been brought or been threatened, nor have any settlements been reached by or with any parties or any liens imposed in connection with the Charged Property concerning Hazardous Materials or Environmental Laws; and (iv) no underground storage tanks exist on any part of the Charged Property.

(n) **Covenants on Environmental Matters**

The Chargor shall (i) comply strictly and in all respects with applicable Environmental Laws; (ii) notify the Chargee immediately upon the Chargor's discovery of any spill, discharge, release or presence of any Hazardous Material at, upon, under, within, contiguous to or otherwise affecting the Charged Property; (iii) promptly remove such Hazardous Materials and remediate the Charged Property in full compliance with Environmental Laws or as reasonably required by the Chargee based upon the recommendations and specifications of an independent environmental consultant approved by the Chargee; and (iv) promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill, discharge, release or the presence of any Hazardous Materials or any other matters relating to the Environmental Laws or any similar laws or regulations, as they may affect the Charged Property or the Chargor.

The Chargor shall not cause, shall prohibit any other Person within the control of the

Chargor from causing, and shall use prudent, commercially reasonable efforts to prohibit other Persons (including tenants) from causing (i) any spill, discharge or release, or the use, storage, generation, manufacture, installation, or disposal, of any Hazardous Materials at, upon, under, within or about the Charged Property or the transportation of any Hazardous Materials to or from the Charged Property (except for cleaning and other products used in connection with routine maintenance or repair of the Charged Property in full compliance with Environmental Laws), (ii) installing any underground storage tanks at the Charged Property, or (iii) conducting any activity that requires a permit or other authorization under Environmental Laws.

The Chargor shall provide to the Chargee, at the Chargor's expense promptly upon the written request of the Chargee from time to time, documents, records, permits, licences, certificates, approvals, orders, agreements, environmental audits, reports, assessments and inspections to assess the presence or absence of any Hazardous Materials and the potential costs in connection with abatement, cleanup or removal of any Hazardous Materials found on, under, at or within the Charged Property.

The Chargee or an agent of the Chargee may conduct on-site inspections and other investigations of the Charged Property and of the current and past uses of the Charged Property and, at the sole option of the Chargee, may require an environmental assessment by a qualified environmental consultant acceptable to the Chargee at any time during the term of this Charge or any renewal or extension hereof. Without in any way limiting the generality of the foregoing, the Chargee or its agent may enter upon the Charged Property upon reasonable notice to the Chargor to conduct environmental testing, site assessment, investigation or study determined necessary by the Chargee, in its sole discretion. The exercise of any of the powers enumerated in this clause shall not deem the Chargee or its agents to be in possession, management or control of the Charged Property.

The results of all such inspections, investigations, tests, studies and assessments shall be satisfactory to the Chargee and, without limitation, evidence the absence of any Hazardous Materials at the Charged Property and the absence of any contamination of any part of the Charged Property by any Hazardous Materials. If the results of an environmental assessment, inspection, test, study or investigation conducted during the term of the Charge or any renewal or extension thereof are not satisfactory to the Chargee, then, at the option of the Chargee, the entire Indebtedness shall become immediately due and payable. In this regard, the acceptance of any payments by the Chargee at any time during or after the term of the Charge or any renewal or extension thereof shall not constitute a waiver of or otherwise prejudice the right of the Chargee to demand and receive full repayment of the Charge.

All costs of such inspections, investigations and environmental assessments shall be borne by the Chargor, shall be paid on demand by the Chargee and shall be secured by this Charge.

(o) **Environmental Indemnity**

As between the Chargor and the Chargee, all risk of loss associated with non-compliance with Environmental Laws, or with the presence of any Hazardous Materials at, upon, within, contiguous to or otherwise affecting the Charged Property, shall lie solely with the Chargor. Accordingly, the Chargor shall bear all risks and costs associated with any loss (including any loss in value attributable to Hazardous Materials), damage or liability therefrom, including all costs of removal of Hazardous Materials or other remediation required by the Chargee or by law. The Chargor shall indemnify, defend and hold the Chargee and its shareholders, directors, officers, employees and agents harmless from and against all loss, liabilities, damages, claims, costs and expenses (including reasonable costs of defence and consultant fees, investigation and laboratory fees, court costs, and other litigation expenses) arising out of or associated, in any way, with (i) the non-compliance with Environmental Laws, (ii) the existence of Hazardous Materials in, on, or about the Charged Property, (iii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to Hazardous Materials, (iv) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials, (v) a breach of any representation, warranty or covenant contained in Subsections 3.1(m), (n) or (o) whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, or (vi) the imposition of any environmental lien encumbering the Charged Property; provided, however, the Chargor shall not be liable under such indemnification to the extent such loss, liability, damage, claim, cost or expense results solely from the Chargee's gross negligence or wilful misconduct. The Chargor's obligations under this Subsection 3.1(o) shall arise

whether or not any governmental authority has taken or threatened any action in connection with the presence of any Hazardous Materials, and whether or not the existence of any such Hazardous Materials or potential liability on account thereof is disclosed and shall continue notwithstanding the repayment of the Loan or any transfer or sale of any right, title and interest in the Charged Property (by foreclosure, deed in lieu of foreclosure or otherwise). Additionally, if any Hazardous Materials affect or threaten to affect the Charged Property, the Chargee may (but shall not be obligated to) give such notices and take such actions as it deems necessary or advisable at the expense of the Chargor in order to abate the discharge of any Hazardous Materials or remove the Hazardous Materials. Any amounts payable to the Chargee by reason of the application of this Subsection 3.1(o) shall become immediately due and payable and shall bear interest at the Interest Rate from the date loss or damage is sustained by the Chargee until paid. The obligations and liabilities of the Chargor under this Subsection 3.1(o) shall survive the making of any advance or replacement of the Loan, any full or partial release, termination or discharge of any Loan Document or the security thereof and any remedial proceedings taken by or on behalf of the Chargee under any Loan Document or otherwise at law or in equity.

(p) **Full and Accurate Disclosure**

None of the Loan Documents, Property Agreements, Permitted Encumbrances and other documents and materials provided by or on behalf of the Chargor to the Chargee contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained herein or therein not misleading. No statement of fact made by or on behalf of the Chargor in this Charge or in any of the other Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained herein or therein not misleading. There is no fact presently known to the Chargor which has not been disclosed to the Chargee which adversely affects, nor as far as the Chargor can foresee, might adversely affect, the Charged Property or the business, operations or condition (financial or otherwise) of the Chargor.

(q) **Financial Statements, Reports and Budgets**

- (i) The financial statements and net worth statements (if any) delivered by the Chargor to the Chargee in connection with the Chargor, any guarantor, indemnifier or beneficial owner and the Loan are true and correct with no material change since the date of preparation to the date of the Loan advance. Except as disclosed in such financial statements and net worth statements, there are no liabilities (fixed or contingent) affecting the Charged Property or the Chargor.
- (ii) The Chargor shall furnish to the Chargee:
 - (a) copies of all management reports, if any, provided to the Chargor from time to time, within 10 days after the same are provided to the Chargor;
 - (b) within 15 days before each anniversary of the Loan advance, a detailed rent roll and detailed operating statement (showing yearly activity and year-to-date) stating operating revenues, operating expenses, operating income and net cash flow for the preceding calendar year;
 - (c) within 120 days after the end of each fiscal year of the Chargor, the Chargor shall furnish to the Chargee a current (as of the end of such fiscal year) balance sheet and a detailed operating statement stating operating revenues, operating expenses, operating income, net worth statement and net cash flow for each of the Chargor, each Covenantor, and the Charged Property, and, if required by the Chargee, prepared on a review basis and certified by an independent public accountant reasonably satisfactory to the Chargee;
 - (d) quarterly updates regarding zoning approval and servicing progress, costs, and sales activity relating to the project;

- (e) if required by the Chargee, monthly accounting of any and all HST collected by or due to the Chargor or any Covenantor; and
- (f) such other financial and supporting information requested by the Chargee.

All financial statements shall be in scope and detail reasonably satisfactory to the Chargee and certified by the chief financial representative of the Chargor. All financial statements shall be prepared in accordance with generally accepted accounting principles in Canada in effect on the date so indicated and consistently applied (or such other accounting basis reasonably acceptable for the Chargee).

- (iii) The Chargor shall deliver to the Chargee such additional information regarding the Chargor, its subsidiaries, its business, any guarantor, indemnifier or beneficial owner and the Charged Property promptly after the Chargee's request therefor. The Chargor shall permit the Chargee to examine such records, books and papers of the Chargor which reflect upon its financial condition and the income and expenses of the Charged Property.
- (iv) At least thirty (30) days prior to the commencement of each of its fiscal years, the Chargor will provide to the Chargee its proposed annual operating and capital improvements budget for such fiscal year for the Charged Property (the "**Annual Operating Budget**") for review and approval by the Chargee. Each operating budget shall contain such usual, proper and reasonable categories and breakdowns for items of revenue, expenses and cash flow as dictated by reasonable and prudent practice, and as would be prepared by reasonable and prudent building owners and managers similar to the Charged Property, with monthly and year-to-date columns. The Chargee shall be entitled to advise as to whether or not it is satisfied with the Annual Operating Budget and, if it is not satisfied, its proposals as to modification or amendment. The Annual Operating Budget as revised and approved by the Chargee shall become the Chargee approved operating budget for the Charged Property for the next succeeding fiscal period. If the Chargee has areas of dissatisfaction upon which it and the Chargor are unable to agree, then the balance of the Annual Operating Budget shall be deemed to be approved by the Chargee and the areas in dispute shall be governed by the most recent Chargee approved operating budget until the dispute is resolved. If any such dispute is not resolved within 30 days after the Chargee has identified the areas of dissatisfaction, then either the Chargor or the Chargee may commence arbitration proceedings under the *Arbitration Act, 1991* (Ontario) to resolve the dispute, and the result of such arbitration shall be binding on the parties hereto.

(r) **Tax Returns**

The Chargor has filed all federal, provincial and municipal tax returns required to be filed and have paid or made adequate provision for the payment of all federal, provincial and municipal taxes, charges and assessments payable by the Chargor. The Chargor believes that its tax returns properly reflect the income and taxes of the Chargor for the periods covered thereby, subject only to reasonable adjustments required by the Canada Revenue Agency or other applicable tax authority upon audit. As of the date of the Loan advance, the Chargor has no liability (fixed or contingent) for any taxes, surtaxes, duties, rates, and other similar charges or statutory trusts imposed by Applicable Laws or any governmental authority (including all related interest, penalties and fines), except as reflected in its financial statements delivered to the Chargee.

(s) **Notice of Certain Events**

Upon becoming aware of same, the Chargor shall promptly notify the Chargee of any Event of Default or other events which, with the giving of notice, lapse of time or both, would constitute an Event of Default. The Chargor represents and warrants to the Chargee that no such Event of Default or other event has occurred as of the date of the Loan advance.

(t) **Estoppel Certificates**

The Chargor, within 10 days after request, and without charge, shall furnish to the Chargee a written statement, duly acknowledged, setting forth the amount due on the Loan, the terms of payment of the Loan, the date to which interest has been paid, whether any offsets or defences exist against the Loan and, if any are alleged to exist, the nature thereof in detail, and such other matters as the Chargee reasonably may request.

(u) **Further Assurances**

The Chargor shall promptly (i) cure any defects in the execution and delivery of the Loan Documents and (ii) execute and deliver, or cause to be executed and delivered, all such other documents, agreements and instruments as the Chargee may reasonably request to further evidence and more fully describe the collateral for the Loan, to correct any omissions in the Loan Documents, to perfect, protect or preserve any liens created under any of the Loan Documents or to make any recordings, file any notices, or obtain any consents, as may be necessary or appropriate in connection therewith.

(v) **Leasing**

All Leases entered into after the date of registration of this Charge and all terminations or surrenders of Leases proposed to be done or agreed to after such date shall first be approved by the Chargee.

3.2 Due on Sale or Encumbrance

If, without the prior written consent of the Chargee, the Chargor or any beneficial or unregistered owner of the Charged Property:

- (a) directly or indirectly sells, conveys, transfers, or disposes of all or any part of the Charged Property or any interest therein or agrees to do so; or
- (b) is a corporation or company and the effective voting control of such corporation or company changes, or if such corporation or company merges or amalgamates with any other corporation or company; or
- (c) creates, assumes or permits to exist any Lien (whether prior or subordinate to the security of this Charge and the other Loan Documents) on all or any part of the Charged Property;

then, the Chargee may, at its option, declare the Indebtedness to be immediately due and payable and all powers conferred by the Charge and the other Loan Documents, at law or in equity shall become exercisable, including the power of sale herein contained. This provision shall apply to every sale, conveyance, transfer, disposition or Lien of the Charged Property regardless of whether voluntary or not. The Chargee's consent to one sale, conveyance, transfer, disposition or Lien of the Charged Property or any interest in the Chargor shall not be deemed to be a waiver of the Chargee's right to require such consent to any future occurrence of same.

3.3 Survival of Representations, Warranties and Covenants

The representations, warranties, covenants and obligations of the Chargor in each of the Loan Documents are now and will continue to be true and correct at all times until the Loan is repaid in full and shall survive the making of any advance or partial repayment of the Loan, any full or partial release, termination or discharge of any Loan Document or security, and any remedial proceedings taken by the Chargee under any Loan Document or otherwise at law or in equity and shall be fully effective and enforceable by the Chargee notwithstanding any due diligence performed by or on behalf of the Chargee or any breach or other information (to the contrary or otherwise) known to the Chargee at any time.

ARTICLE 4
INSURANCE, DAMAGE AND DESTRUCTION

4.1 Insurance

The Chargor shall maintain insurance as follows:

- (a) Property and Business Interruption Insurance The Chargor shall keep the Charged Property insured against damage by fire and the other hazards covered by a standard extended coverage and all-risk insurance policy for the full insurable value thereof (including footings and foundation) on a replacement cost claim recovery basis (without reduction for depreciation or co-insurance and with such endorsements as the Chargee may require), and shall maintain such other property insurance as required by the Chargee from time to time. The Chargee reserves the right to require from time to time the following additional insurance: boiler and machinery; flood; earthquake/sinkhole; worker's compensation and/or building law or ordinance. The Chargor shall maintain use and occupancy insurance covering, as applicable, rental income or business interruption, with coverage in an amount not less than 12 months anticipated gross rental income or gross business earnings, as applicable in each case, attributable to the Charged Property. The Chargor shall not maintain any separate or additional insurance which is contributing in the event of loss unless it is properly endorsed and otherwise reasonably satisfactory to the Chargee in all respects. The proceeds of insurance paid on account of any damage or destruction to the Charged Property shall be paid to the Chargee to be applied as provided in Subsection 4.2.
- (b) Liability The Chargor shall maintain "Comprehensive General Liability Form" of commercial general liability insurance coverage with the "Broad Form CGL" endorsement (or a comparatively worded form of coverage) with respect to the Charged Property providing for limits of liability of not less than \$5,000,000 for both injury to or death of a person and for property damage per occurrence, and such other liability insurance as reasonably required by the Chargee from time to time.
- (c) Construction During the period in which construction of the Improvements is taking place, the Chargor shall maintain or cause to be maintained (i) builder's "all risk" (including coverage for the perils of earthquake, flood, and sewer backup) insurance on a replacement cost, no co-insurance basis, for an amount covering insured physical loss or damage representing not less than 100% of the total hard costs of the project plus at least 25% of total soft costs of the project (each as approved by the Chargee), with loss payable to the Chargee, as its interest may appear, including an Insurance Bureau of Canada approved mortgage clause acceptable to the Chargee and (ii) wrap-up liability insurance in an amount per occurrence that is satisfactory to the Chargee from time to time, for third party bodily injury and/or property damage liability and in the aggregate for products and completed operations liability, in which policy or policies of insurance the definition of insured shall include, in addition to the Chargor, all contractors, sub-contractors and trades engaged in the project with respect to work or operations at the project, provided that such work or operations directly relate to the Charged Property. The architects and engineers engaged in any project at the Charged Property will maintain professional liability insurance for an amount satisfactory to the Chargee per claim and in the annual aggregate.
- (d) Form and Quality All insurance policies shall be in form and substance acceptable to the Chargee and shall name the Chargee as a first mortgagee, an additional insured, and loss payee or chargee thereunder, as its interest may appear, with loss payable to the Chargee, without contribution, under a standard Canadian mortgage clause. All such insurance policies and endorsements shall be fully paid for and shall have a term of not less than one year. All insurers shall be acceptable to the Chargee in its sole discretion. Each policy shall provide that such policy may not be cancelled or materially changed except upon 30 days' prior written notice of intention of non-renewal, cancellation or material change to the Chargee and that no act or thing done by the Chargor shall invalidate any policy as against the

Chargee. Original or certified copies of all insurance policies shall be delivered by the Chargor to and held by the Chargee prior to the Loan advance, provided that if insurance certificates or binders evidencing such insurance and acceptable to the Chargee are delivered prior to the Loan advance, such insurance policies may be delivered to the Chargee within 60 days thereafter. Upon renewal or amendment of any policy from time to time, the Chargor shall provide the Chargee with a copy of the renewal or amendment within 10 Business Days of it being issued. Blanket policies shall be permitted only if the Chargee receives appropriate endorsements and/or duplicate policies containing the Chargee's right to continue coverage on a *pro rata* pass-through basis and that coverage will not be affected by any loss on other properties covered by the policies. The Chargor shall pay or cause to be paid all the premiums for such policies as the same become due and payable in advance except to the extent provision for such payment has been made from a reserve fund established under the Commitment. If the Chargor fails to pay such premiums when due, the Chargee may obtain such insurance and pay the premium therefor and the Chargor shall, on demand, immediately reimburse the Chargee for all expenses incurred in connection therewith. The Chargor shall assign the policies and proceeds of insurance to the Chargee, in such manner and form that the Chargee and its successors and assigns shall at all times have and hold the same as security for the payment of the Loan. The Chargor hereby authorizes and directs the issuer of any such insurance or awards to make payment directly to the Chargee. The proceeds of insurance policies coming into the possession of the Chargee shall not be deemed trust funds, and the Chargee shall be entitled to apply such proceeds as herein provided.

- (e) Adjustments The Chargor shall give immediate written notice of any loss to the insurance carrier and to the Chargee. The Chargor hereby irrevocably authorizes and empowers the Chargee, as attorney-in-fact for the Chargor coupled with an interest, to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom the Chargee's reasonable expenses incurred in the collection of such proceeds. Nothing contained in this Section 4.1(d), however, shall require the Chargee to incur any expense or take any action hereunder.
- (f) Compliance with Insurance Policies The Chargor promptly shall comply with, and shall cause the Charged Property to comply with, all the terms of each insurance policy required by this Charge and all requirements of the insurer of each such policy. The Chargor shall not by any action or omission invalidate any insurance policy required to be carried hereunder or materially increase the premiums on any such policy above the normal premium charged by the carrier of such policy.

4.2 Use and Application of Insurance Proceeds

If the Charged Property shall be damaged or destroyed, in whole or in part, by fire or other casualty, the Chargor shall give prompt notice thereof to the Chargee. All insurance proceeds and expropriation awards arising in respect of the Charged Property shall, at the option of the Chargee in its sole discretion, be applied in reduction of the Indebtedness, whether or not the Indebtedness is at that time due and payable and whether or not any Event of Default has occurred. Following the occurrence of such damage or destruction, the Chargor, regardless of whether insurance proceeds are available, shall promptly proceed to restore, repair, replace or rebuild the same to be of at least equal value and of substantially the same character as prior to such damage or destruction, all to be effected in accordance with Applicable Laws.

ARTICLE 5 EVENTS OF DEFAULT

5.1 Events of Default

Each of the following shall constitute an Event of Default under this Charge:

- (a) the failure of the Chargor or any guarantor, joint debtor, indemnifier, beneficial owner or other obligor of or in respect of the Indebtedness or the Charged Property

(collectively, with the Chargor, the “**Covenantors**”) to pay any regularly scheduled instalment of principal, interest or other amount due under the Loan Documents when due, or the Covenantors’ failure to pay any amount relating to the Loan on demand, whether by acceleration or otherwise;

- (b) the Covenantors default in performing or observing any covenant or obligation on its part to be observed and performed in this Charge or in any of the other Loan Documents;
- (c) any representation or warranty of any Covenantor in any Loan Document or in any financial statement, rent roll or other document at any time delivered by or on behalf of any Covenantor in connection with the Loan is or becomes incorrect or misleading in any material respect;
- (d) proceedings are commenced by any Person seeking the dissolution, liquidation, winding-up or termination of any Covenantor or a resolution is passed or an order is made for the dissolution, liquidation or winding-up of or termination of any Covenantor or other cancellation or suspension of its incorporation or termination of its existence;
- (e) a decree or order of a court of competent jurisdiction is entered adjudging any Covenantor a bankrupt or insolvent or approving as properly filed a petition seeking the winding-up, reorganization, reconstruction or arrangement of any Covenantor 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 any Covenantor or against all or any part of the assets of any Covenantor or ordering the winding up or liquidation of its affairs, or appointing a trustee, receiver, receiver and manager, interim receiver, custodian, liquidator or other person with similar powers of any Covenantor or all or any part of its assets;
- (f) any Covenantor becomes insolvent, commits an act of bankruptcy, 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 in bankruptcy, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers of itself or of all or any part of its assets, or files a petition or application or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditor’s rights or consents to, or acquiesces in, the filing of such petition;
- (g) a receiver, receiver-manager or receiver and manager of any Covenantor of any material part of its properties, assets or undertakings is appointed, or if a monitor is appointed in respect of any Covenantor;
- (h) an encumbrancer takes possession of the Charged Property or any other property of any Covenantor, or any distress or analogous process is levied upon any Covenantor;
- (i) all or any part of the Charged Property becomes subject to any Lien, other than the Permitted Encumbrances, the Lien of this Charge and the other Loan Documents;
- (j) any default by any Covenantor or the Chargor under any of the Permitted Encumbrances or under any other security or agreement made or assumed by any Covenantor (or by which it is bound) in favour of any person in connection with the Charged Property or made or assumed by any Covenantor (or by which it is bound) in favour of the Chargee whether or not such security or agreement is in connection with the Charged Property;

- (k) any sale, transfer, conveyance, or assignment of any part or all of the Charged Property, or any interest therein, or of any interest in the Chargor, except as permitted by this Charge;
- (l) a final judgment or decree for the payment of money due shall have been obtained or entered or any writ of execution, distress, attachment or other similar process shall have been issued or levied against any Covenantor in an amount which, in the opinion of the Chargee, acting reasonably, would materially and adversely affect the ability of such Covenantor to fulfil its obligations to the Chargee under the Loan or any of the Loan Documents;
- (m) any part of the Charged Property is condemned or expropriated; or
- (n) any other Event of Default under any other Loan Document.

ARTICLE 6 REMEDIES

6.1 Acceleration

Upon an Event of Default, the entire Indebtedness shall, at the option of the Chargee in its sole discretion, immediately become due and payable, with interest thereon at the Interest Rate to the date of actual payment thereof, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, each of which are hereby expressly waived, and all the Chargee's rights and remedies under this Charge, the other Loan Documents, and otherwise at law and in equity shall immediately become enforceable.

6.2 Power of Sale

Upon the Chargee's rights and remedies hereunder becoming enforceable, the Chargee may sell the Charged Property or any part thereof by public auction or private sale and on such terms as to credit and otherwise as may appear to it most advantageous, and for such price as can be reasonably obtained therefor. The Chargee shall be entitled to buy in or rescind or vary any contract for sale of any of the Charged Property, and resell without being answerable for any loss occasioned thereby. In the case of a sale on credit, the Chargee shall only be accountable for monies actually received in cash as and when so received. For such purposes, the Chargee may make and execute all agreements and assurances which it shall think fit. The purchaser shall in no case be bound to enquire whether notice of intention to sell has been given or default made, or otherwise as to the regularity or validity of any sale made hereunder, and any sale by the Chargee shall be valid as regards the purchaser and shall not in any way be affected thereby. The Chargee shall be entitled to apply the proceeds of any sale hereunder first in payment of all costs, charges and expenses incurred in respect of such sale, as more particularly described below, and secondly in payment of all amounts of interest and principal owing hereunder. If any surplus remains after the Chargee has fully satisfied its claims, such surplus shall be paid to the party then entitled by law to receive such surplus. The powers conferred on the Chargee hereunder are in addition to and not in limitation of any other rights or powers of the Chargee under this Charge, or at law or in equity.

The costs of any sale proceedings hereunder, whether such sale proves abortive or not, including all commissions and other fees payable to real estate agents and brokers in connection with any such sale, and all costs, charges and expenses (including, without limitation, legal fees on a substantial indemnity basis) incurred in inspecting the Charged Property, which the Chargee shall be entitled to do, or about taking, recovering or keeping possession of the Charged Property, or in enforcing the remedies of the Chargee under this Charge, or by reason of non-payment or in procuring payment of the monies hereby secured, shall be added to the Indebtedness and bear interest at the Interest Rate provided for in this Charge as well after as before maturity, and shall be a charge on the Charged Property and shall be payable immediately with interest as aforesaid, and in default of payment, may be paid from the proceeds of any sale of the Charged Property.

6.3 Possession

Upon the Chargee's rights and remedies hereunder becoming enforceable, the Chargee may enter into and take possession of the Charged Property and shall be entitled to:

- (a) have, hold, use, occupy, possess and enjoy the Charged Property without let, suit, hindrance, interruption or denial of the Chargor or any other Person;
- (b) maintain, repair and complete the construction of the Improvements;
- (c) inspect, manage, take care of, collect Rents and lease the Charged Property or any part thereof for such terms and for such rents (which may extend beyond the date of demand) and on such conditions and provisions (including providing any leasehold improvements and tenant inducements) as the Chargee may determine in its sole discretion, which leases shall have the same effect as if made by the Chargor; and
- (d) pay from such Rents received all expenses of maintaining, preserving, protecting and operating the Charged Property, making any additions and replacements thereto and all charges payment of which may be necessary to preserve or protect the Charged Property and the Chargee shall have and enjoy and may exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including without limitation power to advance its own monies at the Interest Rate and to enter into contracts and undertake obligations for the foregoing purposes upon the security hereof,

and all costs, charges and expenses incurred by the Chargee in the exercise of such rights (including allowances for the time, service or effort of any Person appointed by the Chargee for the above purposes, and all reasonable legal fees and disbursements incurred and all commissions and other fees payable to real estate agents and brokers in connection with any lease), together with interest thereon at the Interest Rate, shall be payable forthwith by the Chargor to the Chargee, and until paid shall be added to the Indebtedness and shall be secured by this Charge. Each lease or renewal of lease made by the Chargee while in possession of the Charged Property shall continue for its full term notwithstanding the termination of the Chargee's possession. The Chargee shall not be liable for any loss or damage sustained by the Chargor or any other Person resulting from any lease entered into by the Chargee, any failure to lease the Charged Property, or any part thereof, or from any other act or omission of the Chargee or any receiver in managing the Charged Property, nor shall the Chargee be obligated to perform or discharge any obligation or liability of the Chargor under any Lease, Loan Document or otherwise at law or in equity.

6.4 Exercise Rights of Chargor; Distraint

Upon the Chargee's rights and remedies hereunder becoming enforceable, the Chargee shall 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 6.5 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. If the Chargor shall make default in payment of any part of the interest payable under this Charge at any of the dates or times fixed for payment thereof, it shall be lawful for the Chargee to distraint therefor upon the Charged Property or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the Charged Property, so much of such interest as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. The Chargee may distraint for arrears of principal or other monies owing hereunder in the same manner as if the same were arrears of interest.

6.5 Receiver

Upon the Chargee's rights and remedies hereunder becoming enforceable, the Chargee may, in its sole discretion, at such time and from time to time and with or without entry into possession of the Charged Property or any part thereof by writing appoint a receiver or receiver and manager either privately or by court appointment (hereinafter referred to as a "Receiver") of the Charged Property or any part thereof and with or without security and may from time to time by similar writing remove any Receiver and appoint another in his stead and that, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. Upon the appointment of any such Receiver or Receivers from time to time the

following provisions shall apply:

- (a) the statutory declaration of an officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (b) every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect of the Charged Property or any part thereof whether in respect of any tenancies created in priority to these presents or subsequent thereto;
- (c) every such Receiver may, in the discretion of the Chargee and by writing, be vested with all or any of the powers and discretions of the Chargee under this Charge and the other Loan Documents, including without limitation the power to:
 - (i) exercise the powers of the Chargee set out in Sections 6.2, 6.3 and 6.4, as if the word "Chargee" in those Sections was replaced with the word "Receiver", and every such Receiver shall have authority to execute any lease of any premises in the Charged Property in the name of and on behalf of the Chargor, and the Chargor undertakes to ratify and confirm whatever any such Receiver may do on the Charged Property;
 - (ii) complete any unfinished construction upon the Charged Property or any part thereof, including without limitation the power to:
 - (A) appoint and engage superintendents, architects, engineers, decorators, planners, consultants, managers, advisors and such other personnel which, in the discretion of the receiver, may be required to complete the construction, furnishing and operation of the Charged Property or any part thereof;
 - (B) enter into contracts for the supply of materials and services which the receiver deems necessary for the completion and operation of the Charged Property or any part thereof;
 - (C) enter into and enforce and take the benefit of contracts and arrangements in respect of the Charged Property or any part thereof which provide loans, grants, licences, concessions or franchises from municipal or other governmental authorities or from any other source whatsoever;
 - (D) enforce, use and take the benefit of construction contracts, contracts for services or materials, performance bonds, insurance contracts, development agreements, plans, studies, reports, information or any other matter, material or arrangement in respect of the Charged Property or any part thereof;
 - (E) arrange financing and borrow money on such terms as the receiver deems reasonable in the circumstances and which the receiver deems necessary, to pay for any of the matters herein mentioned which financing may be secured against the Charged Property or any part thereof in priority to this Charge or otherwise; and
 - (F) terminate any contracts or arrangements made by the Chargor in connection with the Charged Property on such terms as the receiver deems reasonable;
 - (iii) mortgage, operate, use, amend, repair, alter or extend the Charged Property or any part thereof in the name of the Chargor; and
 - (iv) grant extensions of time, take and perfect or abstain from taking and perfecting security, give up security, accept compositions or compromises, grant releases and discharges, and release any part of the Charged Property or otherwise deal with the Chargor, debtors of the Receiver, sureties and others and with the Charged Property and other security as the Receiver sees

fit without prejudice to the liability of the Chargor to the Chargee or the Chargee's rights hereunder;

- (d) the Chargee may from time to time by such writing fix the remuneration of every such Receiver who shall be entitled to deduct the same out of the Charged Property or the proceeds thereof;
- (e) every such Receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (f) the appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such receivership shall not have the effect of constituting the Chargee a mortgagee in possession in respect of the Charged Property or any part thereof; and
- (g) no such Receiver shall be liable to the Chargor to account for monies or damages other than cash received by him in respect of the Charged Property or any part thereof and out of such cash so received every such Receiver shall in the following order pay:
 - (i) its remuneration aforesaid;
 - (ii) all payments made or incurred by it in connection with the management, operation, repair, alteration or extension of the Charged Property or any part thereof;
 - (iii) in payment of interest, principal and other monies which may, from time to time, be or become charged upon the Charged Property in priority to this Charge, and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect of the Charged Property or any part thereof,
 - (iv) in payment to the Chargee of all Indebtedness and all reserves payable under the Commitment, to be applied by the Chargee in such order as the Chargee may determine, and
 - (v) thereafter any surplus remaining in the hands of every such Receiver after payments made as aforesaid shall be accountable to the party entitled by law to receive such surplus.

The Chargee may at any time and from time to time terminate any such receivership by notice in writing to the Chargor and to any such Receiver. Save as to claims for accounting under subsection (g) of this Section, the Chargor hereby releases and discharges the Chargee and every such Receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Chargor or any person claiming through or under him by reason or as a result of anything done by the Chargee or any successor or assign claiming through or under it or any such Receiver under the provisions of this Section unless such claim be the direct and proximate result of its gross negligence or wilful misconduct.

6.6 Chargee's Right to Perform Obligations

If the Chargor shall fail, refuse or neglect to make any payment or perform any act required by the Loan Documents, including without limitation any failure to pay any amount due to any party under any reciprocal shared facilities agreement or similar agreement with respect to the Charged Property, then while any Event of Default exists, and without notice to or demand upon the Chargor and without waiving or releasing any other right, remedy or recourse the Chargee may have because of such Event of Default, the Chargee may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of the Chargor, and shall have the right to enter upon the Charged Property for such purpose and to take all such action thereon and with respect to the Charged Property as it may deem necessary or appropriate. If the Chargee shall elect to pay any sum due with reference to the Charged Property, the Chargee may do so in reliance on any bill, statement or assessment procured from the appropriate governmental authority

or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created by the Loan Documents, the Chargee shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same. The Chargor shall indemnify the Chargee for all losses, expenses, damages, claims and causes of action, including legal fees (on a solicitor and client basis), incurred or accruing by reason of any acts performed by the Chargee pursuant to the provisions of this Subsection 6.6. All sums paid by the Chargee pursuant to this Subsection 6.6, including without limitation any failure to pay any amount due to any party under any reciprocal shared facilities agreement or similar agreement with respect to the Charged Property, and all other sums expended by the Chargee to which it shall be entitled to be indemnified, together with interest thereon at the Interest Rate from the date of such payment or expenditure until paid, shall be added to the Indebtedness, shall be secured by the Loan Documents and shall be paid by the Chargor to the Chargee upon demand.

6.7 Concurrent Remedies

The Chargee may exercise all remedies provided for in this Charge or otherwise at law or in equity concurrently or in such order and at such times as it may see fit and will not be obligated to exhaust any right or remedy before exercising any of its other rights or remedies pursuant to any other provisions contained in this Charge, any other Loan Document or otherwise at law or in equity.

6.8 Judgments

The taking of a judgment or judgments against the Chargor or any other Person for breach of its obligations contained in this Charge or any other Loan Document will not merge or extinguish such obligations or affect the Chargee's rights to interest on the Indebtedness at the Interest Rate. Any such judgment may provide that interest thereon will be computed at the Interest Rate until such judgment is fully paid and satisfied.

6.9 Remedies Cumulative

The rights and remedies of the Chargee under the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies otherwise provided at law or in equity. No right or remedy of the Chargee shall be exclusive of or dependent on any other right or remedy and any one or more of such rights and remedies may be exercised independently or in combination from time to time. Any single or partial exercise by the Chargee of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in any Loan Document shall not waive, alter, affect or prejudice any other right or remedy to which the Chargee may be lawfully entitled for such default or breach.

6.10 Extension of Time and Waiver

Neither any extension of time given by the Chargee to the Chargor or any Person claiming through the Chargor, nor any amendment to this Charge or other dealing by the Chargee with a subsequent owner of the Charged Property will in any way affect or prejudice the rights of the Chargee against the Chargor or any other Person or Persons liable for payment of the Indebtedness. The Chargee may waive any Event of Default in its sole discretion. No waiver will extend to a subsequent Event of Default, whether or not the same as or similar to the Event of Default waived, and no act or omission by the Chargee will extend to, or affect, any subsequent Event of Default or the rights of the Chargee arising from such Event of Default. Any such waiver must be in writing and signed by the Chargee. No failure on the part of the Chargee or the Chargor to exercise, and no delay by the Chargee or the Chargor in exercising, any right pursuant to this Charge will operate as a waiver of such right. No single or partial exercise of any such right will preclude any other or further exercise of such right.

6.11 Discharge of Charge and Release

The Chargee will have a reasonable period of time after full payment and satisfaction of the Indebtedness to prepare and execute a discharge of this Charge. Interest at the Interest Rate will continue to run and accrue on all Indebtedness until full payment has been received by the Chargee. All reasonable legal and other expenses for the preparation, execution, delivery and

registration of the discharge shall be paid by the Chargor upon demand. The Chargor shall register such discharge. The Chargee may release in its discretion and at any time any Person or any part or parts of the Charged Property from all or any part of the Indebtedness or the security either with or without any consideration and without releasing any other part of the Charged Property or any other Person from this Charge or from any of the covenants contained in this Charge, and without being accountable to the Chargor for the value of the Charged Property released or for any money except that actually received by the Chargee. Every part or lot into which the Charged Property is or may hereafter be divided will stand charged with the entire Indebtedness. The Chargee may grant time, renewals, extensions, indulgences, releases and discharges, may take securities from and give the same up, may abstain from taking securities from or from perfecting securities, may accept compositions and proposals, and may otherwise deal with the Chargor and all other Persons and securities as the Chargee may see fit without prejudicing the rights of the Chargee under the Loan or the Loan Documents.

ARTICLE 7 MISCELLANEOUS

7.1 Notice

Any notice, demand or other communication required or permitted to be given or made to the Chargor pursuant to this Charge may be given or made in any manner permitted or provided by the laws applicable thereto, notwithstanding any provision of any other Loan Document to the contrary. Subject to the foregoing, any such notice, demand or communication may be given or made, at the option of the Chargee by personal delivery, by prepaid ordinary, electronic transmission or registered mail (to the address for service of the Chargor set out in this Charge or to the last known address of the Chargor as shown in the Chargee's records) or by facsimile transmission to the facsimile number of the Chargor set out herein or the last known facsimile number of the Chargor as shown in the Chargee's records. Such notice will be sufficient although not addressed to any Person by name or designation and notwithstanding that any Person to be affected thereby may be unknown, unascertained or under a disability. Subject to Applicable Laws, the giving of such notice in the manner aforesaid will be as effective as if the notice had been personally served on all Persons required to be served therewith.

Subject to this Section 7.1, any demand, notice or communication to be made or given in connection with this Charge or any of the Loan Documents shall be in writing and may be made or given by personal delivery, by registered mail, electronic transmission or by facsimile transmission addressed to the recipient as follows: (i) to the Chargor: 16-410 Chrislea Road, Woodbridge, Ontario, L4L 8B4, Attention: Stateview Homes; (ii) to the Chargee: 41 Scarsdale Road, Unit 6, Toronto, Ontario, M3B 2R2, Attention: Brian Dorr, Facsimile No.: 1-866-839-7075, or to such other address, individual or facsimile number as any party may designate by notice given to the other(s) in accordance with this Section. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof, and if made or given by registered mail, on the third Business Day following the deposit thereof in the mail, and if made or given by facsimile transmission, on the first Business Day following the transmittal thereof. If the party giving any demand, notice or other communication knows or reasonably ought to know of any difficulties with the postal system that might affect the delivery of mail, such demand, notice or other communication shall not be mailed, but shall be given by personal delivery or by facsimile transmission.

7.2 General Indemnity

The Chargor shall protect, defend, indemnify and save harmless the Chargee its shareholders, directors, officers, employees and agents from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation reasonable legal fees and expenses), imposed upon or incurred by or asserted against the Chargee by reason of (a) ownership of the Charge, the Charged Property or any interest therein or receipt of any rents; (b) any accident, injury to or death of persons or loss of or damage to the Charged Property occurring in, on or about the Charged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent Charged Property or adjacent parking areas, streets or ways; (c) any use, non-use or condition in, on or about the Charged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent Charged Property or adjacent parking areas, streets or ways; and (d) performance of any labour or services or the furnishing of any materials or other property in respect of the Charged Property or any part thereof. Any amounts payable to the Chargee by

reason of the application of this subsection shall become immediately due and payable and shall bear interest at the Interest Rate from the date loss or damage is sustained by the Chargee until paid.

7.3 Disclosure

The Chargor acknowledges that the Chargee and its successors and assigns may sell or transfer or grant a participation in all or any interest in the Loan and Loan Documents to a third party, without further notice to or consent of the Chargor. The Chargor shall co-operate with the Chargee in any such sale, transfer or grant. The Chargor shall provide such information, legal opinions and documents relating to the Chargor, the Charged Property and any tenants of the Charged Property as the Chargee may reasonably request in connection with such sale, transfer or grant at no cost or expense to the Chargee. The Chargee and each Person having an interest in the Loan from time to time may release, disclose, exchange, share, transfer and assign as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, Lease defaults or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by the Chargee relating to the Chargor, any guarantor, indemnitor or beneficial owner, the Charged Property or the Loan (both before and after the Loan advance and/or default) without notice to or the consent of the Chargor or any other Person to any prospective purchaser, transferee or grantee of the Loan and their respective employees, third party advisors and agents.

7.4 Amendments and Waivers

No amendment or waiver of any provision of the Loan Documents shall be effective unless in writing and signed by the party against whom enforcement is sought.

7.5 Time of the Essence

Time is of the essence with respect to this Agreement.

7.6 Waivers

No course of dealing on the part of the Chargee, its officers, employees, consultants or agents, nor any failure or delay by the Chargee with respect to exercising any right, power or privilege of the Chargee under the any of the Loan Documents, shall operate as a waiver thereof.

7.7 Governing Law

This Charge and the Loan Documents shall be governed by and construed in accordance with the laws of the Province in which the Charged Property is located and the applicable laws of Canada.

7.8 Successors and Assigns

This Charge shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. This Charge may be assigned by the Chargee at any time without prior notice to or consent of the Chargor.

7.9 No Merger

Notwithstanding the execution and delivery of this Charge and the other Loan Documents and the advance of all or part of the Loan, the Commitment shall remain in full force and effect and the provisions thereof are intended not to merge or be extinguished. In the event of any conflict or inconsistency between the provisions of this Charge and the provisions of the Commitment, the provisions of the Commitment shall prevail to the extent of any such conflict or inconsistency. In the event of any conflict or inconsistency between the provisions of this Charge and the provisions of any other Loan Document (other than the Commitment), the provisions of this Charge shall prevail to the extent of any such conflict or inconsistency. This Charge is intended to supplement and not derogate from the other Loan Documents.

7.10 Currency

All dollar references in this Charge are expressed in Canadian dollars.

7.11 Obligations as Covenants

Each obligation of the Chargor expressed in this Charge, even though not expressed as a covenant, is deemed for all purposes to be a covenant made with the Chargee.

7.12 Land Registration Reform Act

The parties hereby exclude from this Charge all of the covenants deemed to be included by section 7(1) of the *Land Registration Reform Act* (Ontario) (the “Act”), which covenants are hereby replaced by the covenants and agreements contained herein.

7.13 Severability

If any one or more of the provisions contained in this Charge shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Chargee, be severable from and shall not affect any other provision of this Charge, but this Charge shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Charge.

7.14 Limit on Rate of Interest

- (a) If any provision of the Charge would oblige the Chargor to make any payment of interest or other amount payable to the Chargee in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Chargee of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Chargee of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows:
 - (i) firstly, by reducing the amount or rate of interest required to be paid to the Chargee under Section 2.3; and
 - (ii) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Chargee which would constitute interest for purposes of section 347 of the *Criminal Code* (Canada).
- (b) Notwithstanding the provisions of this Section 7.14, and after giving effect to all adjustments contemplated thereby, if the Chargee shall have received an amount in excess of the maximum permitted by Subsection 7.14(a), then the Chargor shall be entitled, by notice in writing to the Chargee, to obtain reimbursement from the Chargee in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by the Chargee to the Chargor.
- (c) Any amount or rate of interest referred to in this Section 7.14 shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term of the Loan on the assumption that any charges, fees or expenses that fall within the meaning of “interest” (as defined in the *Criminal Code* (Canada)) shall, if they relate to a specific period of time, be pro-rated over that period of time and otherwise be pro-rated over the period from the date of the first advance of the Loan to the date of demand and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Chargee shall be conclusive for the purposes of such determination.

7.15 Credit and Personal Information Investigations

Each of the Covenantors and their respective principal(s) each acknowledges that for credit purposes the Chargee (including its agents and those to whom the Chargee may assign all of any portion of its interest in the Loan) will collect, use and, where necessary, disclose information in connection with the Commitment and this Charge and will consult its existing files about each of them. Credit purposes include, without limitation, (i) assessing and processing the Commitment and this Charge; (ii) administering the Loan; (iii) enforcing any obligation owed by any Covenantor under or in respect of the Loan or any principal; (iv) fraud prevention; and (v) credit

reporting. Each of the Covenantors and their respective principal(s) each hereby authorizes the Chargee, now or at any time in the future, to the extent necessary for credit purposes, to collect, use and disclose information about each of them and each of their creditworthiness, including, without limitation, information collected and exchanged with third parties (such as references, personal information agents, credit reporting bureaus and other institutions with whom any of the Covenantors or any principal may have financial dealings). Such third parties are hereby authorized to disclose to the Chargee any information it requests pursuant to this Section.

7.16 Construction

In the event that the monies advanced hereunder are or are deemed to be a construction loan, the following conditions shall apply:

- (a) the Chargor further covenants that all installation of services and construction on the Charged Property shall be carried out by reputable contractors with sufficient experience in a project of this nature and size, which contractors must be approved by the Chargee and which approval shall not be unreasonably withheld;
- (b) that the installation of services and the construction of residential dwelling units on the Charged Property, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the municipality and all governmental and regulatory authorities having jurisdiction;
- (c) provided that should the servicing and construction on the Charged Property cease for any reason whatsoever (strikes, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days (Saturdays, Sundays and statutory holidays excepted) unless explained to the satisfaction of the Chargee, then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the Charged Property in such manner and on such terms as it deems advisable. The cost of completion of the servicing and construction of the project by the Chargee and all expenses incidental thereto together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee shall form part of the Indebtedness. All costs and expenses, as well as the said management fee, shall bear interest at the rate as herein provided for and shall form part of the Indebtedness and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law;
- (d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed; and
- (e) all advances which are made from time to time hereunder shall be based on certificates of the Chargee's agents, prepared at the expense of the Chargor, which certificates shall, without limitation, certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction and/or servicing to the date of such certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

APPENDIX I

As used herein, the following terms have the following meanings unless there is something in the subject matter or context inconsistent therewith:

“**Act**” has the meaning set out in Section 7.12.

“**Applicable Laws**” means, in respect of any Person, property, transaction or event, all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licenses, authorization, approvals and all applicable common laws or equitable principles whether now or hereafter in force and effect.

“**Business Day**” means a day other than a Saturday, a Sunday, or a statutory or civic holiday in the Province of Ontario.

“**Charge**” means collectively, the electronic Charge/Mortgage to which the Schedule is attached, the Schedule and all other Schedules and Appendices to the Charge/Mortgage or to the Schedule.

“**Charged Property**” means all legal and beneficial right, title, estate and interest in (a) the land described in the Properties section of the electronic Charge/Mortgage to which the Schedule is attached, together with any greater estate therein as hereafter may be acquired by the Chargor (the “**Land**”), (b) all buildings, structures and other improvements, now or hereafter situated, placed or constructed upon the Land from time to time (the “**Improvements**”), (c) all fixtures, materials, supplies, machinery, equipment, apparatus and other items of personal property now owned or hereafter acquired by the Chargor and now or hereafter attached to, installed in or used in connection with any of the Improvements or the Land, including without limitation, water, gas, electrical, heating, cooling, ventilation, storm and sanitary sewer fixtures, equipment and facilities and all other utilities whether or not situated in easements (the “**Fixtures**”), (d) all plans, specifications, shop drawings and other technical descriptions prepared for construction, repair or alteration of the Improvements, and all amendments and modifications thereof (the “**Plans**”), (e) all leases, subleases, licenses, concessions, occupancy agreements, rental contracts, or other agreements (written or oral) now or hereafter existing relating to the use or occupancy of all or any part of the Land and the Improvements, together with all guarantees, letters of credit and other credit support, modifications, extensions and renewals thereof and all related security and other deposits (the “**Leases**”), (f) all rents, revenues, issues, income, proceeds, profits, and all other payments of any kind under the Leases for using, leasing, licensing, possessing, operating from, residing in, selling or otherwise enjoying all or any part of the Land and the Improvements (the “**Rents**”), (g) all other agreements, including without limitation property management agreements, construction contracts, architects’ agreements, engineers’ contracts, utility contracts, maintenance agreements, franchise agreements, service contracts, permits, licenses, certificates and entitlements in any way relating to the development, construction, use, occupancy, operation, maintenance, enjoyment, acquisition or ownership of the Charged Property (the “**Property Agreements**”), (h) all rights, privileges, tenements, rights-of-way, easements, appendages and appurtenances appertaining to the foregoing, all accessions, replacements and substitutions for any of the foregoing and all proceeds thereof, (i) all insurance policies, unearned premiums therefor and proceeds from such policies covering any of the above Charged Property now or hereafter acquired by the Chargor, (j) all of the Chargor’s right, title and interest in and to any awards, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any governmental authority pertaining to the Land, Improvements or Fixtures and (k) all renewals, substitutions, improvements, accessions, attachments, additions, replacements and proceeds to, of or from each of the foregoing, and all conversions of the security constituted thereby so that the foregoing shall immediately and automatically be deemed a part of the Charged Property and subject to the security of the Charge as fully and completely and with the same priority and effect as those now owned by the Chargor and specifically described herein, without any further mortgage or assignment or conveyance by the Chargor. As used in this Charge, the term “Charged Property” shall mean all or, where the context permits or requires, any portion of the above or any interest therein.

“**Chargee**” means the Person or Persons named as Chargee in the Chargee(s) section of the electronic Charge/Mortgage to which the Schedule is attached and their respective successors and assigns.

“Chargor” means the Person or Persons named as Chargor in the Chargor(s) section of the electronic Charge/Mortgage to which the Schedule is attached and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.

“Commitment” means the commitment letter dated April 1, 2022, from the Chargee to the Chargor, as it may be amended, restated or reissued from time to time.

“Costs” means all fees, costs, charges and expenses incurred by or on behalf of the Chargee for or incidental to (a) preparing, executing and registering the Loan Documents, (b) collecting payments due to the Chargee under the Loan Documents, (c) enforcing and realizing on this Charge and the other Loan Documents, including power of sale, foreclosure, execution, judicial sale, court appointed or private receivership, possession and/or management of the Charged Property and other enforcement proceedings, (d) inspecting, protecting, securing, completing, insuring, repairing, equipping, taking and keeping possession of, managing, selling or leasing the Charged Property, including all protective disbursements and curing any defaults under or renewing any leasehold interests, (e) exercising any rights of a receiver appointed under this Charge or otherwise and such receiver’s fees and expenses (including all legal fees and disbursements and agents’ costs and expenses), (f) obtaining any environmental audits or other inspections, tests or reports with respect to the Charged Property, (g) complying with any notices, orders, judgments, directives, permits, licenses, authorizations or approvals with respect to the Charged Property, (h) performing the obligations of the Chargor under the Loan Documents, (i) all legal fees and disbursements in connection with the Loan, on a full indemnity basis, and (j) any other fees, costs, charges or expenses payable to the Chargee under the Commitment or any of the Loan Documents or otherwise at law or in equity. “Costs” will also include interest at the Interest Rate on all such fees, costs, charges and expenses.

“Covenantors” has the meaning set out in Subsection 5.1(a).

“Environmental Laws” means all Applicable Laws, now or hereafter enacted, governing the environment or natural resources, occupational health and safety matters and/or Hazardous Materials, including, without limitation, such laws governing or regulating (a) the use, generation, storage, removal, recovery, treatment, handling, transport, disposal, control, release, discharge of, or exposure to, Hazardous Materials, (b) requiring notification or disclosure of releases of Hazardous Materials or other environmental conditions whether or not in connection with a transfer of title to or interest in Charged Property, or (c) the presence of Hazardous Materials on or at the Charged Property.

“Event of Default” has the meaning set out in Article 5.

“Fixtures” has the meaning set out in the definition of Charged Property in this Appendix.

“Hazardous Materials” means (a) petroleum or chemical products, whether in liquid, solid, or gaseous form, or any fraction or by-product thereof, (b) asbestos or asbestos-containing materials, (c) polychlorinated biphenyls (PCBs), (d) radon gas, (e) underground storage tanks, (f) any explosive or radioactive substances, (g) lead or lead-based paint, or (h) any other substance, material, waste or mixture which is or shall be listed, defined, or otherwise determined by any governmental authority to be hazardous, toxic, dangerous or otherwise regulated, controlled or giving rise to liability under any Environmental Laws.

“Improvements” has the meaning set out in the definition of Charged Property in this Appendix.

“Indebtedness” means all existing and future indebtedness and other covenants, obligations and liabilities owing by the Chargor to the Chargee from time to time pursuant to the Loan and the Loan Documents, matured or not, direct or indirect, absolute or contingent, including without limitation (a) the Principal Amount, (b) all interest and compound interest at the Interest Rate, (c) Costs, (d) the Prepayment Charge, if any, (e) any amount, cost, charge, expense or interest which has been added to the Indebtedness under the Loan Documents or which is otherwise due and payable thereunder or secured thereby, and (f) the payment, performance, discharge and satisfaction of all other obligations of the Chargor to the Chargee under or in respect of the Loan, the Indebtedness and/or Loan Documents.

“**Interest Adjustment Date**” means the Interest Adjustment Date specified in the Provisions section of the electronic Charge/Mortgage to which the Schedule is attached.

“**Interest Rate**” means the rate of interest set out in the Commitment.

“**Land**” has the meaning set out in the definition of Charged Property in this Appendix.

“**Leases**” has the meaning set out in the definition of Charged Property in this Appendix.

“**Lien**” means any mortgage, charge, pledge, hypothec, assignment, lien, lease, sublease, easement, right of way, security interest, restrictions, covenants or encroachments of any kind or nature affecting all or any part of the Charged Property.

“**Loan**” means the loan made by the Chargee to the Chargor in the original principal amount of \$37,500,000.00 and all other amounts secured by this Charge and the other Loan Documents.

“**Loan Documents**” means, collectively, all documents, instruments, agreements and opinions now or hereafter evidencing, securing, guaranteeing and/or relating to the Loan and the Indebtedness or any part thereof, including the Commitment, this Charge, and the Security referred to in the Commitment. Reference in this Charge to any Loan Document or other instrument or agreement shall include all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto or thereof from time to time.

“**Payment Date**” means the first day of each calendar month in each and every year commencing on the first day of the first calendar month following the Interest Adjustment Date and ending on the date of demand.

“**Permitted Encumbrances**” means as of any particular time any of the following encumbrances, provided that the Chargee is satisfied in its sole discretion that same do not, in the aggregate, materially impair the servicing, development, construction, operation, management or marketability of the Charged Property, or the validity, enforceability or priority of security of this Charge and the other Loan Documents: (a) Liens for Realty Taxes or utility charges in either case only if same are not yet due or payable; (b) registered easements, rights of way, restrictive covenants and servitudes and other similar rights in land granted to, reserved or taken by any governmental authority or public utility, or any registered subdivision, development, servicing, site plan or other similar agreement with any governmental authority or public utility provided in each case that (i) same has been complied with and (ii) the Chargee is satisfied in its sole discretion with the nature, scope and cost of any outstanding obligations thereunder and security has been posted to ensure performance of all such obligations; (c) any subsisting reservations contained in the original grant of the Land from the Crown; (d) Leases which are either disclosed by the Chargor to the Chargee prior to the Loan advance in a rent roll or other document, or entered into after the Loan advance in accordance with the Loan Documents; and (e) such other Liens consented to in writing by the Chargee in its sole discretion.

“**Person**” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee, estate, limited liability company, unincorporated organization, real estate investment trust, government or any agency or political subdivision thereof, or any other form of entity.

“**Principal Amount**” means the principal amount of the Loan advanced and outstanding from time to time, together with all money that is added from time to time to such principal amount under the terms of this Charge.

“**Property Agreements**” has the meaning set out in the definition of Charged Property in this Appendix.

“**Realty Taxes**” means all taxes, duties, rates, imposts, levies, assessments and other similar charges, whether general or special, ordinary or extraordinary, or foreseen or unforeseen and all related interest, penalties and fines which at any time may be levied, assessed, imposed or be a Lien on, against or in respect of the Charged Property or any part thereof, the Chargor or any beneficial or unregistered owner with respect to its interest in the Charged Property, or any leasing, occupancy, operation, use or possession of the Charged Property.

“Registry Office” means the Land Registry Office for the Land Titles Division of the County of Simcoe (Barrie) (No. 51).

“Rents” has the meaning set out in the definition of Charged Property in this Section.

“Schedule” means the Schedule - Additional Provisions to which this Appendix is attached and includes this Appendix and all other Appendices attached to such Schedule.

This is Exhibit "6" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)

GENERAL SECURITY AGREEMENT

THIS AGREEMENT made this 14th day of April, 2022.

B E T W E E N:

STATEVIEW HOMES (BEA TOWNS) INC.

(hereinafter referred to as the “**Debtor**”)

- and

DORR CAPITAL CORPORATION

(hereinafter referred to as the “**Secured Party**”)

WHEREAS the Secured Party has agreed to make a loan (the “**Loan**”) to the Debtor pursuant to a commitment letter dated April 1, 2022, from the Secured Party, as lender, to the Debtor, as borrower (which commitment letter, as it may be amended, modified, restated or consolidated from time to time, is hereinafter referred to as the “**Commitment**”) and secured by, *inter alia*, a charge/mortgage (the “**Mortgage**”) of the Property (as defined in the Commitment).

AND WHEREAS the Debtor has agreed to grant to the Secured Party a security interest in and an assignment, mortgage and charge of the Collateral (as defined in Section 2.1) to secure the Loan and the Indebtedness (as defined in the Mortgage).

NOW THEREFORE in consideration of the premises the Debtor hereby agrees with the Secured Party as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

Unless otherwise provided herein, all capitalized terms and expressions used herein shall have the same meaning as set out in the Mortgage. The following terms have the following meanings:

“**Agreement**” means this agreement and all amendments made thereto by written agreement between the Secured Party and the Debtor; and

“**Collateral**” has the meaning ascribed to that term in Section 2.1.

“**Lien**” means any mortgage, charge, pledge, hypothec, assignment, lien, lease, sublease, easement, right of way, security interest, restrictions, covenants or encroachments of any kind or nature affecting all or any part of the Charged Property;

“**Permitted Encumbrances**” means as of any particular time any of the following encumbrances: (a) Liens for Taxes or utility charges in either case only if same are not yet due or payable; (b) registered easements, rights of way, restrictive covenants and servitudes and other similar rights in land granted to, reserved or taken by any governmental authority or public utility, or any registered subdivision, development, servicing, site plan or other similar agreement with any governmental authority or public utility; (c) any subsisting reservations contained in the original grant of real property from the Crown; (d) Leases; and (e) such other Liens consented to in writing by the Secured Party in its sole discretion; and

“**Property Agreements**” means all agreements, including without limitation property management agreements, construction contracts, architects’ agreements, engineers’ contracts, utility contracts, maintenance agreements, franchise agreements, service contracts, permits, licenses, certificates and entitlements in any way relating to the development, construction, use, occupancy, operation, maintenance, enjoyment, acquisition or ownership of the Charged Property.

Section 1.2 Interpretation and Headings

The terms “accessions”, “chattel paper”, “document of title”, “goods”, “instruments”, “intangibles”, “money”, “proceeds” and “security” whenever used herein shall, except as expressly defined herein, have the meanings given to those terms, or the singular or plural thereof, as the case may be, in the *Personal Property Security Act* (Ontario) (the “**PPSA**”), as now enacted or as the same may from time to time be amended, re-enacted or replaced. The words “hereto”, “herein”, “hereof”, “hereby”, “hereunder” and similar expressions refer to the whole of this Agreement and not to any particular Section or other portion thereof or hereof and extend to and include any and every document supplemental or ancillary hereto or in implementation hereof. Words in the singular include the plural and words in the plural include the singular. Words importing the masculine gender include the feminine and neuter genders where the context so requires. Words importing the neuter gender include the masculine and feminine genders where the context so requires. Any reference to “including” shall mean “including without limitation” whether or not expressly provided. If more than one Person is named as, or otherwise becomes liable for or assumes the obligations and liabilities of the Debtor, then all such Persons shall be jointly and severally liable for such obligations and liabilities. The headings do not form part of this Agreement and have been inserted for convenience of reference only.

ARTICLE 2 SECURITY INTEREST

Section 2.1 Security Interest

As general and continuing security for the payment and performance of the Indebtedness, the Debtor hereby grants to the Secured Party a security interest in all of the present and future undertaking and property, both real and personal, of the Debtor (collectively, the “**Collateral**”), and as further general and continuing security for the payment and performance of the Indebtedness, the Debtor hereby assigns the Collateral to the Secured Party and mortgages and charges the Collateral as and by way of a fixed and specific mortgage and charge to the Secured Party. Without limiting the generality of the foregoing, the Collateral shall include all right, title and interest that the Debtor now has or may hereafter have in all property of the following kinds:

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- (a) Accounts Receivable: all debts, accounts, claims and choses in action which are now or which may hereafter become due, owing or accruing due to the Debtor (collectively, the “**Receivables**”);
- (b) Equipment: all machinery, equipment, fixtures, furniture, tools, plant, vehicles and other tangible personal property, whether or not described in any schedule hereto (collectively, the “**Equipment**”);
- (c) Inventory: all chattels, goods and other tangible personal property that are held by the Debtor for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process or materials used or consumed in a business or profession, including, without limitation, raw materials, work-in-process and materials used or consumed or to be used or consumed in the business of the Debtor;
- (d) Chattel Paper: all chattel paper;
- (e) Contracts: any and all present and future undertakings, commitments, contracts and other agreements of every nature and kind entered into or assumed by the Debtor, whether written or oral, in respect of the Charged Property, or any part thereof, or any right or interest of the Debtor therein or thereto and any amendments, extensions, renewals and replacements which have been made or may hereafter be made thereto, together with:
 - (i) all benefits, proceeds and advantages which now are or may hereafter be derived therefrom;
 - (ii) all debts, demands, choses in action and claims which are now or may hereafter be or become due, owing or accruing due to the Debtor therefrom; and
 - (iii) all books, accounts, invoices, letters, papers and documents in any way evidencing or relating thereto;
- (f) Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (g) Intangibles: all intangibles not described in Section 2.1(a), including, without limitation, all goodwill, patents, trademarks, copyrights and other industrial property;
- (h) Investment Property: all present and future investment property held by the Debtor, including security, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and dividends and income derived therefrom (collectively, the “**Investment Property**”);

- (i) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (j) Books, Records, Etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in Sections 2.1(a) to (i) inclusive, and all contracts, security, instruments and other rights and benefits in respect thereof;
- (k) Permitted Encumbrances: all Permitted Encumbrances and all Property Agreements;
- (l) Reserves: all reserves and deposits paid to the Secured Party pursuant to the Commitment;
- (m) Permits, Licences, Etc.: all permits, consents, licenses, authorizations and approvals granted by any governmental authority or utility in respect of the Charged Property and all rights and benefits in respect thereof;
- (n) Proceeds: all proceeds of the property described in Sections 2.1(a) to (k) inclusive including, without limiting the generality of the foregoing, all personal property in any form or fixtures derived directly or indirectly from any dealing with such property or the proceeds therefrom and any payment that indemnifies or compensates for the loss of or damage to such property or the proceeds therefrom; and
- (o) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in Sections 2.1(a) to (n) inclusive;

provided that such grant, assignment, mortgage and charge shall not (i) extend or apply to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Debtor, but should the Secured Party enforce the said assignment or mortgage and charge, the Debtor shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of the said assignment and mortgage and charge, or (ii) render the Secured Party liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Debtor is a party or by which it is bound. Without limiting the foregoing, the Collateral shall include, and the security interest granted hereby shall attach to, all present and future right, title, estate and interest of any beneficial owner in the Collateral.

Section 2.2 Attachment of Security Interest

The Debtor acknowledges that value has been given and agrees that the security interest granted hereby will attach when the Debtor signs this Agreement and the Debtor has any rights in the Collateral. There is no agreement between the parties hereto, express or implied, to postpone the attachment of the assignment and security interest granted hereby. Upon full repayment and performance of the Indebtedness, the Collateral shall be re-assigned to the Debtor at the Debtor's expense.

Section 2.3 No Need for Consent

The Debtor represents to the Secured Party that none of the Collateral in existence on the date hereof (a) is incapable of being assigned or otherwise secured in favour of the Secured Party in accordance with the provisions of this Agreement, (b) is incapable of further assignment or security granted by the Secured Party or by any receiver or receiver and manager after an Event of Default, or (c) requires the consent of any third party to the security interest, assignment, mortgage and charge granted hereby, except for any consent that has already been obtained.

Section 2.4 Where Consent Required

If any Collateral cannot be secured in favour of the Secured Party in accordance with the provisions of this Agreement or requires the consent of any third party to such security, the following provisions shall apply: (a) the Debtor shall forthwith attempt to obtain the consent of any necessary third party to the security in favour of the Secured Party; and (b) the Debtor shall hold all benefit to be derived therefrom in trust for the Secured Party as security for payment of the Indebtedness and shall deliver up all such benefit to the Secured Party forthwith and upon demand.

Section 2.5 Collateral Consisting of Investment Property

If any of the Collateral consists of Investment Property, (a) the Debtor authorizes the Secured Party to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Secured Party or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Secured Party shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Secured Party or its nominee as such record owner, and agrees that no proxy or proxies given by the Secured Party to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Secured Party "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as the Secured Party shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities intermediary, originated by the Secured Party, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.

ARTICLE 3 COVENANTS

Section 3.1 Covenants

Without limiting other covenants, obligations and liabilities of the Debtor under the Loan Documents, the Debtor covenants with the Secured Party that the Debtor shall:

- (a) maintain, use and operate the Collateral and carry on and conduct its business in a lawful and business-like manner and in accordance with any agreement now or hereafter entered into with the Secured Party;
- (b) upon the request of the Secured Party, deliver to the Secured Party from time to time as the same are acquired by the Debtor all Investment Property (to the extent certificated). Such delivery shall be effected by depositing with the Secured Party all certificates representing such Investment Property (to the extent certificated). All certificates so deposited shall, unless all necessary consents and approvals are obtained, not contain any reference to restrictions on the transfer of the shares represented thereby and shall be duly endorsed in blank for transfer or shall be attached to duly executed powers of attorney or forms of transfer;
- (c) not, without the prior written consent of Secured Party, permit any of the Equipment to be removed at any time from the property where it is currently located, unless the removed item is removed temporarily for maintenance and repair or, if removed permanently, is obsolete and is replaced by an article of equal or better suitability and value, owned by Debtor and is free and clear of any Lien except the security of the Loan Documents;
- (d) defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and, except as otherwise provided herein, shall keep the Collateral free and clear of all Liens except those in favour of the Secured Party;
- (e) not change its chief executive office and the location of the office where it keeps its records respecting the Receivables, or move any of the Investment Property or Equipment from the property where it is currently located, without the prior written consent of the Secured Party;
- (f) pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same become due and payable, and will exhibit to the Secured Party, when required, the receipts and vouchers establishing such payment;
- (g) keep proper books of account in accordance with sound accounting practice, will furnish to the Secured Party such financial information and statements and such information and statements relating to the Collateral as the Secured Party may from time to time require, and the Debtor will permit the Secured Party or its authorized agents at any time at the expense of the Debtor to examine the books of account

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and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;

- (h) not change its name or, if the Debtor is a corporation, will not amalgamate with any other corporation without first giving notice to the Secured Party of its new name and the names of all amalgamating corporations and the date when such new name or amalgamation is to become effective;
- (i) from time to time forthwith at the request of the Secured Party execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Secured Party to effectively carry out the full intent and meaning of this Agreement or to better evidence and perfect the security interest, assignment and mortgage and charge granted hereby; and
- (j) pay to the Secured Party forthwith upon demand all reasonable costs incurred by or on behalf of the Secured Party in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, protecting and preserving the security interest, assignment and mortgage and charge granted hereby and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses, together with interest thereon at the Interest Rate shall be added to and form part of the Indebtedness.

ARTICLE 4 INSURANCE

Section 4.1 Insurance

The Debtor shall obtain and maintain, at its own expense, insurance against loss or damage to the Collateral as required by Article 4 of the schedule of additional provisions to the Mortgage. The Debtor shall give the Secured Party notice of any damage to, or loss of, the Collateral forthwith upon the occurrence of any such damage or loss. Should the Debtor fail to make any payment or perform any other obligation provided in this Section 4.1, the Secured Party shall have the right, but not the obligation, without notice or demand upon the Debtor and without releasing the Debtor from any obligation hereunder or waiving any rights to enforce this Agreement, to make such payment or perform any or all of such obligations. The amount of all such payments made and all costs, fees and expenses incurred by the Secured Party in performing such obligations shall be immediately due and payable by the Debtor and until paid, shall be added to the Indebtedness and shall bear interest at the Interest Rate.

ARTICLE 5 DEALING WITH COLLATERAL

Section 5.1 No Liability for Loss

The Secured Party may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning

all matters pertaining to its rights and duties hereunder. In the holding or dealing with any of the Collateral, the Secured Party and any nominee on its behalf shall have no liability for, and the Debtor hereby agrees to indemnify and save harmless the Secured Party from and against any loss, damage, liability, cost or expense of any nature or kind incurred by the Debtor or any other Person excluding only any loss or damage arising directly from the Secured Party's gross negligence or wilful misconduct.

Section 5.2 Notification of Account Debtors

Both before and after an Event of Default occurs, the Secured Party may give notice of this Agreement and the security interest and assignment granted hereby to any account debtors of the Debtor or to any other person liable to the Debtor and to make all further payments to the Secured Party, and any payment or other proceeds of Collateral received by the Debtor from account debtors or from any other person liable to the Debtor whether before or after any notice is given by the Secured Party shall be held by the Debtor in trust for the Secured Party and paid over to the Secured Party on request. Nothing herein shall release, discharge, postpone, reassign, or amend or otherwise affect the security of the Secured Party in and to the Collateral and the immediate attachment thereof.

Section 5.3 Application of Funds

All money collected or received by the Secured Party in respect of the Collateral may be applied on account of such parts of the Indebtedness as the Secured Party in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Secured Party may be released to the Debtor, all without prejudice to the Secured Party's rights against the Debtor.

ARTICLE 6 REMEDIES

Section 6.1 Remedies

- (a) On or after the occurrence of any Event of Default and at any time thereafter (i) the entire Indebtedness shall at the option of the Secured Party become immediately due and payable or be subject to immediate performance, as the case may be, without presentment, protest or notice of dishonour, all of which are expressly waived; and (ii) any or all security granted hereby shall, at the option of the Secured Party, become immediately enforceable.
- (b) In addition to any right or remedy provided by any Loan Documents or otherwise at law or in equity, the Secured Party will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently or both:
 - (i) the Secured Party may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "**Receiver**") of the Collateral (which term when used in this Section 6.1(b) shall include the whole or any part of the Collateral) and may remove or replace such

Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Secured Party" when used in this Section 6.1(b) shall include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party shall not be in any way responsible for any misconduct or negligence of any such Receiver;

- (ii) the Secured Party may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party;
- (iii) to have Investment Property included in the Collateral registered on the books of the issuers of such Investment Property in the name of the Secured Party or such nominee of the Secured Party as the Secured Party shall direct;
- (iv) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral;
- (v) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor;
- (vi) the Secured Party may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
- (vii) the Secured Party may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Secured Party may determine and without notice to the Debtor unless required by law;
- (viii) the Secured Party may accept the Collateral in satisfaction of the Indebtedness upon notice to the Debtor of its intention to do so in the manner required by law;
- (ix) the Secured Party may, for any purpose specified herein, borrow money on the security of the Collateral in priority to the security interest, assignment and mortgage and charge granted by this Agreement;
- (x) the Secured Party may enter upon, occupy and use all or any of the premises, buildings and plant occupied by the Debtor and use all or any of the Equipment and other personal property of the Debtor for such time as the Secured Party requires to facilitate the realization of the Collateral, free of charge, and the Secured Party will not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
- (xi) the Secured Party may charge on its own behalf and pay to others all reasonable amounts for expenses incurred and for services rendered in

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connection with the exercise of the rights and remedies of the Secured Party hereunder, including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at the Interest Rate, will be added to and form part of the Indebtedness hereby secured; and

- (xii) the Secured Party may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith and Interest thereon at the Interest Rate shall be added to the Indebtedness hereby secured.
- (c) On or after the occurrence of any Event of Default and at any time thereafter, the Debtor will not demand or receive any income from or interest on Investment Property, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Secured Party in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Secured Party in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Secured Party may apply the net cash receipts from such income or interest to payment of any of the Indebtedness, provided that the Secured Party shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Indebtedness.
- (d) The Secured Party may grant extensions of time, take, abstain from taking and perfecting and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party sees fit without prejudice to the liability of the Debtor to the Secured Party or the Secured Party's rights hereunder.
- (e) The Secured Party will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, firm or corporation in respect of the Collateral.
- (f) The Secured Party may apply any proceeds of realization of the Collateral to payment of expenses in connection with the preservation and realization of the Collateral as above described and the Secured Party may apply any balance of such proceeds to payment of the Indebtedness in such order as the Secured Party sees fit, in its sole discretion.

ARTICLE 7 GENERAL

Section 7.1 Entire Agreement

There are no understandings and agreements between the parties concerning the subject matter of this Agreement, except as set forth in this Agreement and the other Loan Documents. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Secured Party and the Debtor concerning the subject matter hereof except as expressly set forth in this Agreement or in the other Loan Documents. No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto.

Section 7.2 Benefit of Agreement and Assignment

This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns. The rights of the Secured Party under this Agreement may be assigned by the Secured Party without prior notice to or consent of the Debtor. The Debtor may not assign its obligations under this Agreement.

Section 7.3 Notices

Any notice, demand, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be delivered in accordance with the notice provisions set out in the Mortgage.

Section 7.4 Severability

If any one or more of the provisions contained in this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Secured Party, be severable from and shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Agreement.

Section 7.5 Further Assurances

The Debtor hereby agrees to execute such further assurances as may be reasonably required by the Secured Party from time to time to perfect this agreement and assignment.

Section 7.6 Waivers

No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No course of dealing on the part of the Secured Party, its officers, employees, consultants or agents, nor any failure or delay by the Secured Party with respect to exercising any right, power or privilege of Secured Party under this Agreement, shall operate as a waiver thereof.

Section 7.7 Successors and Assigns

This Agreement shall be binding upon the heirs, executors, administrators, successors and permitted assigns of the Debtor and shall benefit the heirs, executors, administrators, successors and assigns of the Secured Party.

Section 7.8 Assignment

The Secured Party may assign this Agreement without prior written notice to or consent of the Debtor.

Section 7.9 Additional Continuing Security

This Agreement and the security interest, assignment and mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Secured Party and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by the Secured Party or until the charge securing the Indebtedness is discharged.

Section 7.10 Discharge

The Debtor shall not be discharged from any of the Indebtedness or from this Agreement except by a release or discharge signed in writing by the Secured Party or until the charge securing the Indebtedness is discharged.

Section 7.11 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Section 7.12 Executed Copy

The Debtor acknowledges receipt of a fully executed copy of this Agreement and the financing statement registered against the Debtor under the PPSA in favour of the Secured Party.

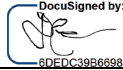
Section 7.13 Counterpart

This Agreement may be executed in counterparts and all counterparts taken together shall constitute an executed copy of this Agreement.

[Signing page follows]

IN WITNESS WHEREOF the Debtor has executed this Agreement.

STATEVIEW HOMES (BEA TOWNS) INC.

Per: 
Name: Daniel Ciccone
Title: Treasurer & Secretary

I have the authority to bind the Corporation.

This is Exhibit "7" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)

GUARANTEE AND POSTPONEMENT OF CLAIM

1. **IN CONSIDERATION** of **DORR CAPITAL CORPORATION** (the **“Lender”**) making loans and advances to **STATEVIEW HOMES (BEA TOWNS) INC.** (the **“Debtor”**) pursuant to a commitment letter dated April 1, 2022, from the Lender, as lender, to the Debtor, as borrower, and accepted by the Debtor and the undersigned (which commitment letter, as it may be amended, supplemented, restated or consolidated from time to time, is hereinafter called the **“Commitment”**) and in further consideration of the sum of TEN DOLLARS (\$10.00) paid by the Lender to each of the undersigned and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the undersigned) the undersigned (hereinafter sometimes called a **“Guarantor”** and collectively, the **“Guarantors”**) hereby agrees to duly and punctually pay to the Lender:
- (a) all present and future indebtedness, obligations and liabilities owing by the Debtor (and the Debtor's successors and assigns and any person substituted for the Debtor or added as a debtor under the Commitment) to the Lender from time to time pursuant to the Commitment, the Security (as defined in the Commitment) or pursuant to any other document, agreement, instrument or other writing contemplated by or arising out of or in connection with the Commitment (the **“Indebtedness”**); and
 - (b) all commissions, charges, costs and other expenses (including legal fees and disbursements on a solicitor and his own client basis) arising out of or incurred by the Lender in connection with any of the following:
 - (i) the collection of the Indebtedness;
 - (ii) the enforcement of the rights of the Lender against the Debtor under the Commitment or any of the Security;
 - (iii) the realization upon or disposition of any security or securities, including without limitation the Security, from time to time held by or on behalf of the Lender for the Indebtedness; and
 - (iv) the enforcement of this guarantee.

Notwithstanding anything to the contrary contained herein, it is understood and agreed that the only property of Daniel Ciccone to which the Lender shall have recourse to satisfy the obligations of such guarantor under this guarantee shall be the rights and interest of the guarantor in and to its shares in the capital of the Debtor. Nothing contained in this paragraph shall mitigate, impair, prejudice or otherwise adversely affect the right of the Lender to exercise and enforce its full rights and recourses against the Debtor and all of the Debtor's property and assets of any description whatsoever in the event that the Debtor fails or neglects to repay in full the Indebtedness.

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2. This guarantee shall be a continuing guarantee and shall apply to and secure all amounts referred to in paragraph 1 hereof, including, without limitation, any ultimate balance due or remaining unpaid to the Lender; and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or from time to time of any sum of money for the time being due or remaining unpaid to the Lender. Each of the Guarantors agrees that they shall not be entitled to withdraw, terminate, cancel, revoke or determine their liability under this guarantee by notice respecting Indebtedness incurred or arising before or after such notice.
3. Each Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made upon such Guarantor, which demand shall be deemed to have been effectually made on the day upon which an envelope containing such demand addressed to such Guarantor at its address set out in paragraph 24 hereof (or such other address of which such Guarantor shall have given the Lender notice in accordance with paragraph 24 hereof) is posted, by registered mail, postage prepaid, in the post office. Each Guarantor's liability hereunder shall bear interest from and including the date of such demand at a rate of interest equal to the Interest Rate (as defined in the Commitment) calculated daily and compounded monthly after demand and default hereunder and before and after any judgement, if any.
4. This guarantee is irrevocable, absolute and unconditional and the liability and obligations of each of the Guarantors hereunder shall not be released, discharged, mitigated, impaired or affected by:
 - (a) any grant of time, renewals, extensions, indulgences, releases, discharges or modifications which the Lender may extend to or make with the Debtor, any of the Guarantors or any other person, firm or corporation;
 - (b) any amendments, modifications or variations, material or otherwise, of or made to the Commitment or any of the Security or any other document, agreement, instrument, security or writing contemplated by or arising out of or in connection with the Commitment, whether with or without the knowledge or consent of any of the Guarantors;
 - (c) any waiver by the Lender of, or failure or forbearance of the Lender to enforce, any of the terms, covenants, conditions or provisions of the Commitment, the Security or any other security or securities granted to the Lender in order to secure payment to the Lender of the Indebtedness owing by the Debtor to the Lender;
 - (d) the taking of security or securities (which word as used herein includes securities taken by the Lender from the Debtor and others, monies which the Debtor has on deposit with the Lender, other assets of the Debtor held by the Lender in safekeeping or otherwise, and other guarantees) from the Debtor or any other person, firm or corporation and the release, discharge or alteration of such security or securities, any dealing by the Lender with any security or securities which is or may be inconsistent with the provisions of any agreement between the Lender and the Debtor or which may contravene or breach any provision of any such agreement

- 3 -

or which may contravene or breach any duty that the Lender may owe to or have in respect of the Debtor, or any other dealing with such security or securities;

- (e) the abstention from taking security or securities from the Debtor or any other person, firm or corporation or from perfecting, continuing to keep perfected or taking advantage of any security or securities;
- (f) any loss, diminution of value or unenforceability of any security or securities received from the Debtor or any other person, firm or corporation and including any other guarantees received by the Lender;
- (g) any other dealings with the Debtor, any one or more of the Guarantors or any other person, firm or corporation;
- (h) the Lender's failure to give or extend credit or make loans or advances to the Debtor;
- (i) the Lender's acceptance of compositions from the Debtor;
- (j) the application by the Lender of all monies at any time and from time to time received from the Debtor, any one or more of the Guarantors or any other person, firm or corporation on account of such part or parts of the Indebtedness owing by the Debtor to the Lender, in such manner as the Lender deems best and the changing of such application in whole or in part and at any time or from time to time;
- (k) the release or discharge of the Debtor (including, without limitation, as part of any novation effected in connection with the Commitment and the Indebtedness) or of any one or more of the Guarantors by operation of law or otherwise;
- (l) any change in the name, objects, capital structure, constitution or legal status of the Lender, any of the Guarantors or the Debtor;
- (m) the sale of the Debtor's business or any part thereof;
- (n) any amalgamation, arrangement or reorganization of the Lender, the Debtor or any of the Guarantors;
- (o) the death, incapacity or bankruptcy of the Lender, the Debtor or any of the Guarantors;
- (p) any change in the membership of the Debtor's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise; or
- (q) any other act, omission, matter or circumstance which, but for this paragraph 4, would or might constitute a legal or equitable discharge or defence of a surety or guarantor.

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5. Each of the Guarantors hereby expressly waives notice of the acceptance of this guarantee and notice of non-performance, non-payment or non-observance on the part of the Debtor of any of the terms, covenants, conditions and provisions of the Commitment or any of the Security or the non-payment of any amounts owing by the Debtor to the Lender.
6. Without prejudice to any of the rights or recourses which the Lender may have against the Debtor, each of the Guarantors hereby expressly waives any right to require the Lender to:
 - (a) value, realize upon or dispose of any security or securities of the Debtor or any other person, firm or corporation held by the Lender; or
 - (b) initiate or exhaust any other remedy which the Lender may have in law or equity;before requiring or becoming entitled to demand payment from the Guarantors or any of them under this guarantee and each of the Guarantors renounces all benefits of discussion and division.
7. The liability of the Guarantors under this guarantee shall not be, and shall not be deemed to have been, waived, released, discharged, mitigated, impaired or affected:
 - (a) by or upon the receivership, bankruptcy, winding-up, dissolution or distribution of the assets of the Debtor (whether voluntary or compulsory); or
 - (b) by the failure or omission of the Lender in any of the events set out in subparagraph 7(a) above to prove its claim or prove its full claim; or
 - (c) in the event that the Debtor should make a bulk sale of any of its assets within the provisions of any *Bulk Sales Act* or any composition with creditors or scheme of arrangement,and upon the occurrence of any of the events set out in subparagraphs 7(a) and (c) above, all Indebtedness owing to the Lender by the Debtor shall at the sole option of the Lender, thereupon immediately be due and payable to the Lender. In such event, the Lender shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full, and the Guarantors shall continue to be jointly and severally liable hereunder for any balance of the Indebtedness which may be owing to the Lender by the Debtor. The retention by the Lender of any security or securities shall not, as between the Lender and each of the Guarantors, be considered as a purchase of such securities, or as payment, satisfaction or reduction of the Indebtedness due to the Lender by the Debtor or any part thereof.
8. All advances, renewals, extensions and credits:
 - (a) made or granted by the Lender to the Debtor;
 - (b) made or granted by the Lender purportedly to or for the Debtor after the bankruptcy or insolvency of the Debtor, whether or not the Lender has received notice thereof; and

(c) obtained from the Lender purportedly by or on behalf of the Debtor;

shall be deemed to form part of the Indebtedness of the Debtor that is guaranteed hereunder, and this guarantee and the covenants, agreements and obligations of the Guarantors contained herein shall nevertheless be binding upon each of the Guarantors, jointly and severally, until such time as all such monies have been paid in full to the Lender and all Indebtedness owing to the Lender by the Debtor has been discharged, notwithstanding:

- (i) any lack or limitation of power, incapacity or disability of the Debtor or of the partners, directors, officers or agents thereof;
- (ii) that the Debtor may not be a legal or suable entity;
- (iii) any irregularity, defect or informality in the obtaining of such advances, extensions, renewals or credits, whether or not the Lender had or should have had knowledge thereof;
- (iv) that for any reason the Debtor has no legal existence, or is or becomes under no legal obligation to discharge and repay the Indebtedness owing to the Lender by the Debtor; or
- (v) that any monies owing by the Debtor to the Lender become irrecoverable from the Debtor by operation of law or for any reason whatsoever, including without limitation because the Commitment or any other agreement between the Debtor and the Lender is void or voidable or is ultra vires the Lender,

and any such advance, extension, renewal or credit which may not be recoverable from the undersigned as guarantors, shall be recoverable from each of the Guarantors, jointly and severally, as principal debtors in respect thereof and shall be paid to the Lender on demand with interest at the rate set out in paragraph 3 hereof.

9. All compositions and payments received by the Lender from the Debtor or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the Guarantors to claim the benefit thereof in reduction of the Indebtedness owing to the Lender by the Debtor. The Guarantors shall not be entitled to claim repayment against the Debtor and shall not have any right to be subrogated in any rights of the Lender until all Indebtedness owing to the Lender by the Debtor have been discharged to the satisfaction of the Lender and the Lender has, by express release in writing, relieved all of the Guarantors of their joint and several obligations hereunder.
10. This guarantee shall be in addition to and not in substitution for any other guarantees or other securities which the Lender may now or hereafter hold in respect of the Indebtedness owing to the Lender by the Debtor and the Lender shall be under no obligation to marshal in favour of the Guarantors any other guarantees or other securities or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon.

11.

- (a) All debts and liabilities, present and future, of the Debtor to the Guarantors or any of them or of a Guarantor to the other Guarantor, and all claims, present and future, of the Guarantors or any of them against the Debtor or the other Guarantor (whether by subrogation or otherwise) are hereby assigned to the Lender and postponed to the present and future debts and liabilities of the Debtor to the Lender and any payment by the Debtor or a Guarantor of any of the assigned and postponed debts and liabilities to the Guarantors or any of them shall be received and held in trust for the Lender by such Guarantor or Guarantors and paid over to the Lender forthwith upon demand therefor. In addition to the foregoing assignment, each of the Guarantors hereby assigns and transfers to the Lender all its right, title and interest in and to all debts, liabilities, demands and choses in action which are now due, owing, accruing due or which may hereafter become due, owing or accruing due to such Guarantor by the Debtor or the other Guarantor and all claims of whatsoever nature or kind which each Guarantor now has or may hereafter have under any agreement to which any of the Guarantors is or may hereafter be a party (and all amendments which have been made or may hereafter be made thereto) including, without limitation, all contracts, securities, bills, notes, judgements, mortgages and all other rights and benefits which now are or may hereafter be vested in such Guarantor in respect of or as security for any of the said debts, liabilities, demands, choses in action and claims; and also all books, accounts, invoices, letters, papers and documents in any way evidencing or relating to any of the said debts, liabilities, demands, choses in action and claims (all of the foregoing, including all debts and liabilities of the Debtor or any of the Guarantors to each of the Guarantors, being hereinafter collectively referred to as the “Assigned Debts”).
- (b) The Guarantors expressly authorize the Lender:
- (i) to collect, demand, sue for, enforce, recover and receive any of the Assigned Debts and to give a valid and binding receipt and discharge therefor as if the Lender were the absolute owner thereof; and
- (ii) to dispose of (either by public or private sale), realize or enforce any of the Assigned Debts at such time, in such manner, upon such terms and conditions and for such consideration as the Lender may deem advisable, either in its own name or in the name of the Guarantors or any of them, without notice to the Guarantors or any of them and without prejudice to any rights the Lender may have against other parties or to the right the Lender may have against the Guarantors for any deficiency; and upon a sale the Lender shall have the right to buy the whole or any portion of the Assigned Debts offered for sale and the rights of the Guarantors therein shall thereupon be extinguished.
- (c) Each of the Guarantors shall from time to time forthwith upon the request of the Lender furnish to the Lender in writing all information requested relating to the Assigned Debts, including, without limitation, details of any written evidence of

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such Assigned Debts and any security held by any of the Guarantors with respect to any of the Assigned Debts.

- (d) Each of the Guarantors covenants and agrees that all moneys received by the Guarantors or any of them from or in respect of any of the Assigned Debts shall be received and held by such Guarantor or Guarantors in trust for the Lender.
 - (e) Each of the Guarantors covenants and declares that none of the Assigned Debts have been assigned to or pledged or encumbered in favour of any other person, firm or corporation and each of the Guarantors covenants and agrees with the Lender not to assign, pledge or encumber the Assigned Debts or any of them, so long as this agreement remains in force, to or in favour of any other person, firm or corporation without the written consent of the Lender; and each of the Guarantors also covenants and declares that all taxes and imposts whatever levied or imposed upon or in respect of any dealings with goods from the sale of which the Assigned Debts or any of them may have arisen or may hereafter arise have been or will be fully paid and satisfied by the Guarantors and each of them.
 - (f) This assignment and postponement is independent of this guarantee and shall remain in full effect until repayment in full to the Lender of all indebtedness and liabilities owing by the Debtor to the Lender and the payment of any amounts owing to the Lender hereunder notwithstanding that the joint and several liabilities of the Guarantors or any of them under this guarantee may have been discharged or terminated. Each of the Guarantors hereby acknowledges that the assignments to the Lender as set forth herein shall not impose upon the Lender any obligation to do anything to realize on the Assigned Debts or to ensure that the Assigned Debts do not become statute barred by the operation of law relating to limitations of action or otherwise.
12. No action or proceeding brought or instituted under this guarantee and no recovery or judgement in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this guarantee by reason of any further default or defaults under this guarantee or in the payment of any amounts due by the Debtor.
 13. No failure to exercise and no delay in exercising, on the part of the Lender, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other rights, powers or privileges. The rights and remedies herein provided for are cumulative and not exclusive of any rights or remedies provided in law or equity.
 14. No modification of this guarantee shall be effective unless it is in writing and signed by the Guarantors and the Lender.
 15. The Lender shall not be concerned to see or inquire into the existence, powers or capacities of the Debtor, the Guarantors or the officers, directors or agents acting or purporting to act on behalf of the Debtor.

16. All terms, agreements and conditions of this guarantee shall extend to and be binding upon the Guarantors and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns and shall enure to the benefit of and may be enforced by the Lender and its successors and assigns.
17. This guarantee shall be exclusively governed by and construed in accordance with the laws of the Province of Ontario and for the purpose of legal proceedings, this guarantee shall be deemed to have been made in the Province of Ontario and the courts of the Province of Ontario shall have exclusive jurisdiction over all disputes which may arise under this guarantee.
18. This guarantee sets out all agreements between the parties hereto relative to the guarantee and the assignment and postponement of claim herein contained and none of the parties shall be bound by any representation, warranty or promise made by any person relative hereto which is not embodied herein; and it is specifically acknowledged and agreed that this guarantee has been delivered by each of the Guarantors free of any conditions whatsoever and that no representations, warranties or promises have been made to any one or more of the Guarantors affecting their joint and several liabilities hereunder, and that the Lender shall not be bound by any representations, warranties or promises now or at any time hereafter made by the Debtor to any one or more of the Guarantors. This guarantee shall be binding upon and enforceable against every signatory hereto notwithstanding the non-execution hereof by any other proposed signatory or signatories.
19. Any term, condition or provision of this guarantee which is or is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom and be ineffective to the extent of such avoidance, prohibition or unenforceability without invalidating the remaining terms, conditions and provisions hereof and any such avoidance, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such term, condition or provision in any other jurisdiction.
20. If the Debtor amalgamates with any other corporation or corporations, the undersigned acknowledges that the Indebtedness shall include: (i) all indebtedness and obligations of each amalgamating corporation (including the Debtor) to the Lender in existence at the time of such amalgamation; and (ii) all obligations of the amalgamated corporation to the Lender incurred or arising from time to time after such amalgamation. After such amalgamation, all references herein to the "**Debtor**" shall mean the amalgamated corporation and all other provisions of this Agreement shall be deemed to have been amended to the extent required by the context in order to reflect such amalgamation.
21. All nouns and personal pronouns herein shall be read and construed as the number and gender may require in each case and the verb shall be read and construed as agreeing with such noun or pronoun.
22. The words "**herein**", "**hereof**", "**hereunder**", "**herefrom**", "**the guarantee**" and "**this guarantee**" refer to this entire agreement and not to any particular paragraph or subparagraph unless the context so requires.

23. Each of the Guarantors hereby acknowledges receipt of a copy of this guarantee.
24. The address of any of the Guarantors for the purposes of this guarantee and postponement of claim shall be:

410 Chrislea Road, Unit 16
Woodbridge, Ontario

L4L 8B5

Attention: Carlo Taurasi
Facsimile No.: _____

unless the Lender receives written notice of a change in such address.

25. The Guarantors each acknowledge receipt of a copy of the financing statement or statements registered under the *Personal Property Security Act* (Ontario) with respect to this Guarantee.
26. This Guarantee may be executed in several counterparts, each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument.

[Signing page follows]

DATED this 14th day of April, 2022.

DocuSigned by:
Benjamin Singer
B6024DAA3076491...

Witness: Benjamin Singer

DocuSigned by:
Dino Taurasi
25F0D1A063894D3...

Dino Taurasi

DocuSigned by:
Benjamin Singer
B6024DAA3076491...

Witness: Benjamin Singer

DocuSigned by:
Carlo Taurasi
30E01E733E98420...

Carlo Taurasi

DocuSigned by:
Benjamin Singer
B6024DAA3076491...

Witness: Benjamin Singer

DocuSigned by:
Daniel Ciccone
6DEDC39B6698478...

Daniel Ciccone

This is Exhibit "8" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)

Enquiry Result

File Currency: 20APR 2023



All Pages ▾



Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	STATEVIEW HOMES (BEA TOWNS) INC.								
File Currency	20APR 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782006859	1	2	1	7	13APR 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782006859		001	1		20220413 1224 1590 7428	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	STATEVIEW HOMES (BEA TOWNS) INC.								
	Address				City	Province	Postal Code		
	410 CHRISLEA ROAD, UNIT 16				WOODBIDGE	ON	L4L 8B5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	DORR CAPITAL CORPORATION								
	Address				City	Province	Postal Code		
	41 SCARSDALE ROAD, UNIT 6				TORONTO	ON	M3B 2R2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								

Registering Agent	Registering Agent			
	BLANEY MCMURTRY LLP (J. HICKS)			
	Address	City	Province	Postal Code
	1500-2 QUEEN STREET EAST, MARITIME LIFE	TORONTO	ON	M5C 3G5

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	STATEVIEW HOMES (BEA TOWNS) INC.						
File Currency	20APR 2023						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	789730407	2	2	2	7	04JAN 2028	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
789730407		001	6		20230104 1357 5064 7005	P PPSA	05

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	STATEVIEW HOMES (BEA TOWNS) INC.			
	Address	City	Province	Postal Code
	410 CHRISLEA ROAD, UNIT 15 &16	VAUGHAN	ON	L4L 8B5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	BERGO INVESTMENT LIMITED			
	Address	City	Province	Postal Code
	44 UPJOHN ROAD	TORONTO	ON	M3B 2W1

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X	X	X	X	X				X

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	(1) SECOND RANKING GENERAL SECURITY AGREEMENT CREATING A SECURITY INTEREST IN ALL PRESENT AND FUTURE ACQUIRED PERSONAL PROPERTY THE DEBTORS INCLUDING ALL RIGHTS OF THE DEBTORS (A) UNDER ALL

Registering Agent	Registering Agent			
	ESC CORPORATE SERVICES LTD.			
	Address	City	Province	Postal Code
	445 KING STREET WEST, SUITE 400	TORONTO	ON	M5V 1K4

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	STATEVIEW HOMES (BEA TOWNS) INC.								
File Currency	20APR 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	789730407	2	2	3	7	04JAN 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789730407		002	6		20230104 1357 5064 7005				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	MCO MANAGEMENT INC.								
	Address				City	Province	Postal Code		
	8920 WOODBINE AVE., SUITE 400				MARKHAM	ON	L3R 9W9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	BUILDING/DEVELOPMENT PERMITS AND THE MONIES PAID THEREUNDER (B) TO								
	ALL PLANS, SPECIFICATIONS, DRAWINGS, CONTRACTS AND AGREEMENTS								
	RELATING TO THE PROPERTIES LOCATED ON ARDAGH ROAD AND MAPLETON								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor							
Search Conducted On	STATEVIEW HOMES (BEA TOWNS) INC.							
File Currency	20APR 2023							

File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
789730407	2	2	4	7	04JAN 2028				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789730407		003	6		20230104 1357 5064 7005				
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	TONY KARAMITSOS								
	Address			City	Province	Postal Code			
	44 UPJOHN ROAD			TORONTO	ON	M3B 2W1			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make		Model		V.I.N.			
General Collateral Description	General Collateral Description								
	AVENUE, BARRIE, ONTARIO, LEGALLY DESCRIBED AS (PIN# 58763-1764) (LT)								
	BLOCK 76, PLAN 51M1167 CITY OF BARRIE, SUMMERSET DRIVE, BARRIE (HEREINAFTER REFERRED TO AS THE "PROPERTIES" OR "PROJECT") (2)								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	STATEVIEW HOMES (BEA TOWNS) INC.								
File Currency	20APR 2023								
File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
789730407	2	2	5	7	04JAN 2028				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		

789730407		004	6		20230104 1357 5064 7005				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description ASSIGNMENT OF BENEFITS BUT NOT DEBTORS OBLIGATIONS IN ALL MATERIAL AGREEMENTS INCLUDING ALL PRESENT OR FUTURE PROFESSIONAL CONSTRUCTION, MANAGEMENT AND OTHER CONTRACTS, PLANS, SPECIFICATIONS, WORKING								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	STATEVIEW HOMES (BEA TOWNS) INC.								
File Currency	20APR 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
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FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
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Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			

	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description DRAWINGS, BUDGETS FOR PROVISION OF MATERIALS AND EQUIPMENTS, AND SERVICES TO THE PROPERTIES, AND (3) SECOND RANKING ASSIGNMENT OF ALL PRESENT AND FUTURE PURCHASE AGREEMENTS, PURCHASERS DEPOSITS RELATING								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	STATEVIEW HOMES (BEA TOWNS) INC.								
File Currency	20APR 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	789730407	2	2	7	7	04JAN 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789730407		006	6		20230104 1357 5064 7005				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			

		Address			City		Province		Postal Code	
Secured Party		Secured Party / Lien Claimant								
		Address			City		Province		Postal Code	
Collateral Classification		Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description		Year	Make			Model		V.I.N.		
General Collateral Description		General Collateral Description								
		TO DEVELOPMENT WITH RESPECT TO THE PROPERTIES AND PROJECT								
Registering Agent		Registering Agent								
		Address			City		Province		Postal Code	

LAST PAGE

Note: All pages have been returned.

[BACK TO TOP](#)



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This is Exhibit "9" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)

BY EMAIL AND REGISTERED MAIL

April 10, 2023

Stateview Homes (BEA Towns) Inc.
 16-410 Chrislea Road
 Woodbridge, Ontario L4L 8B5

Attention: Messrs. Dino Taurasi, Carlo Taurasi and Daniel Ciccone

Dear Sirs:

Re: Dorr Capital Corporation (the “Lender”) loan to Stateview Homes (BEA Towns) Inc. (the “Loan”)
Approximately 11.2 acres of land located at Ardagh Road and Summerset Drive, Barrie, Ontario (the “Property”)

We are the solicitors for the Lender. We write to you with reference to the commitment letter dated April 1, 2021 from the Lender to you (the “**Loan Agreement**”). You are in default under the Loan Agreement, including a default in paying the interest payment that was due on April 1, 2023. An Event of Default has therefore occurred under the Loan Agreement.

In accordance with the Loan Agreement, on behalf of our client, we hereby declare the principal amount of the Loan and accrued and unpaid interest thereon and any other amounts owing under the Loan Agreement to be forthwith due and payable, and hereby demand that you pay the Loan, all unpaid interest and all other amounts owing under the Loan Agreement on or before April 20, 2023, in the total amount of \$38,121,787.67 (as of April 10, 2023), comprised of the following:

Principal:	\$37,500,000.00
Interest past due (to March 31, 2023):	\$461,815.07
Interest (to April 10, 2023):	\$148,972.60
Discharge Fee:	\$500.00
Legal fees:	\$10,500.00
Total as at April 10, 2023:	\$38,121,787.67

Additional interest will accrue on the principal balance from this date forward in an amount of \$14,897.26 per day and will accrue on all expenses incurred by our client.

Please be advised that unless payment is made on or before April 20, 2023, our client shall be entitled, and intends, to enforce its rights and remedies, including under the Security. Our client reserves its right to act before such date if, for example, it considers the Property to be in peril. We enclose a Notice of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act* (Canada).

Capitalized terms used but not defined in this letter have the respective meanings ascribed to them in the Loan Agreement.

This letter also constitutes demand, hereby made, under all of the Security.

Please govern yourselves accordingly.

Yours very truly,

BLANEY McMURTRY LLP



Kym Stasiuk

KS/ik

Encl.

c. DORR CAPITAL CORPORATION

NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: Stateview Homes (BEA Towns) Inc., an insolvent person

TAKE NOTICE THAT:

1. Dorr Capital Corporation, secured creditor, intends to enforce its security on the insolvent person's property described below:
 - (a) the lands and premises described in Exhibit "1" hereto (collectively, the "**Land**"),
 - (b) all buildings, structures and other improvements, now or hereafter situated, placed or constructed upon the Land from time to time (the "**Improvements**"),
 - (c) all machinery, equipment, decorations and other fixtures now owned or hereafter acquired by the insolvent person (the "**Fixtures**"),
 - (d) all leases, subleases, licenses, concessions, occupancy agreements, rental contracts, or other agreements (written or oral) now or hereafter existing relating to the use or occupancy of all or any part of the Land and the Improvements, together with all guarantees, letters of credit and other credit support, modifications, extensions and renewals thereof and all related security and other deposits (the "**Leases**"),
 - (e) all rents, revenues, issues, income, proceeds, profits, and all other payments of any kind under the Leases for using, leasing, licensing, possessing, operating from, residing in, selling or otherwise enjoying all or any part of the Land and the Improvements,
 - (f) all present and future undertakings, commitments, contracts, encumbrances and other agreements of every nature and kind entered into or assumed by the Insolvent person, whether written or oral, in respect of the Land, or any part thereof, or any right or interest of the Insolvent person therein or thereto and any amendments, extensions, renewals and replacements which have been made or may hereafter be made thereto, together with (i) all benefits, proceeds and advantages which now are or may hereafter be derived therefrom; (ii) all debts, demands, chooses in action and claims which are now or may hereafter be or become due, owing or accruing due to the Insolvent person therefrom; and (iii) all books, accounts, invoices, letters, papers and documents in any way evidencing or relating thereto, and including all deposits paid thereunder,
 - (g) all insurance policies, unearned premiums therefor and proceeds from such policies covering any of the above property now or hereafter acquired by the insolvent person,

- (h) all debts, accounts, claims and choses in action which are now or which may hereafter become due, owing or accruing due to the insolvent person which is located at or related to or used or acquired in connection with the Land,
- (i) all machinery, equipment, fixtures, furniture, tools, plant, vehicles and other tangible personal property, whether or not described in any schedule hereto,
- (j) all chattels, goods and other tangible personal property that are held by the Insolvent person for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process or materials used or consumed in a business or profession, including, without limitation, raw materials, work-in-process and materials used or consumed or to be used or consumed in the business of the Insolvent person,
- (k) all chattel paper,
- (l) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not,
- (m) all present and future investment property held by the Insolvent person, including securities, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Insolvent person in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and dividends and income derived therefrom,
- (n) all intangibles not described above, including, without limitation, all goodwill, patents, trademarks, copyrights and other industrial property;
- (o) all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (p) all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described above, and all contracts, securities, instruments and other rights and benefits in respect thereof;
- (q) all permits, consents, licenses, authorizations and approvals granted by any governmental authority or utility in respect of the Land and all rights and benefits in respect thereof;
- (r) all proceeds of the property described above, including, without limiting the generality of the foregoing, all personal property in any form or fixtures derived directly or indirectly from any dealing with such property or the proceeds therefrom and any payment that indemnifies or compensates for the loss of or damage to such property or the proceeds therefrom; and
- (s) all of the insolvent person's right, title and interest in and to any awards, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any governmental authority pertaining to the Land, Improvements or Fixtures.

2. The security that is to be enforced is the following:
- (a) a charge/mortgage over the Land, Improvements and Fixtures granted by the insolvent person in favour of Dorr Capital Corporation;
 - (b) a general security agreement executed by the insolvent person in favour of Dorr Capital Corporation;
 - (c) an assignment of rents and leases executed by the insolvent person in favour of Dorr Capital Corporation;
 - (d) an assignment of material agreements executed by the insolvent person in favour of Dorr Capital Corporation;
 - (e) an interest reserve account assignment agreement executed by the insolvent person in favour of Dorr Capital Corporation; and
 - (f) an assignment of insurance executed by the insolvent person in favour of Dorr Capital Corporation.
3. The total amount of indebtedness secured by the security is \$38,121,787.67 on April 10, 2023, plus interest and costs accruing and arising thereafter.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED April 10, 2023

DORR CAPITAL CORPORATION
by their solicitors, Blaney McMurtry LLP

Per: _____


Kym Stasiuk

EXHIBIT "1"

Land

Ardagh Road and Summerset Drive, Barrie, Ontario

BLOCK 76, PLAN 51M1167; CITY OF BARRIE and being all of PIN 58763-1764 (LT)

BY EMAIL AND REGISTERED MAIL

April 10, 2023

Dino Taurasi, Carlo Taurasi and Daniel Ciccone
16-410 Chrislea Road
Woodbridge, Ontario L4L 8B5

Dear Sirs:

**Re: Dorr Capital Corporation (the “Lender”) loan to Stateview Homes (BEA Towns) Inc. (the “Loan”)
Approximately 11.2 acres of land located at Ardagh Road and Summerset Drive, Barrie, Ontario (the “Property”)**

We are the solicitors for the Lender. Please find enclosed a copy of our letter of today's date to Stateview Homes (BEA Towns) Inc. demanding payment of its indebtedness to our client. Under a guarantee dated April 14, 2022, you guaranteed to our client all of the obligations of Stateview Homes (BEA Towns) Inc. under the Loan Agreement (as defined in the enclosed letter).

On behalf of our client, we hereby demand immediate payment, in accordance with your guarantee, of all of the indebtedness of Stateview Homes (BEA Towns) Inc. to our client, as set out in the enclosed letter.

Please be advised that unless payment or satisfactory arrangements therefor are made forthwith, our client shall be entitled to take such further steps as it deems necessary or appropriate in order to recover your indebtedness in full, all without further demand or notice to you.

We enclose Notices of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act* (Canada) to each of you.

Please govern yourselves accordingly.

Yours very truly,

BLANEY McMURTRY LLP



Kym Stasiuk

KS/ik

Encl.

c. DORR CAPITAL CORPORATION

NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: Daniel Ciccone, an insolvent person

TAKE NOTICE THAT:

1. Dorr Capital Corporation, secured creditor, intends to enforce its security on the insolvent person's property described below:
 - (a) all shares held by the insolvent person in the capital of Stateview Homes (BEA Towns) Inc., including 10 Class A common shares (the "**Shares**"),
 - (b) all dividends, revenues, issues, income, proceeds, profits, and all other payments of any kind declared or payable in respect of or under the Shares,
 - (c) all other property that may at any time be received or receivable by or otherwise distributed to or acquired by the insolvent person in any manner in respect of, or in substitution for, or in addition to, or in exchange for, or on account of, any of the foregoing including, without limitation, any shares or other securities resulting from the subdivision, consolidation, change, conversion or reclassification of any of the Shares, or the reorganization or amalgamation of Stateview Homes (BEA Towns) Inc. with any other body corporate, or the reorganization or amalgamation of Stateview Homes (BEA Towns) Inc. with any other body corporate, or the occurrence of any event which results in the substitution or exchange of any of the Shares, and
 - (d) any and all cash, securities and other proceeds of the foregoing and all rights and interest of the insolvent person in respect thereof or evidenced thereby including, without limitation, all money received from time to time by the insolvent person in connection with the sale of any of the Shares.
2. The security that is to be enforced is the following:
 - (a) a guarantee and postponement of claim executed by the insolvent person and others in favour of Dorr Capital Corporation; and
 - (b) a pledge of shares executed by the insolvent person and another person in favour of Dorr Capital Corporation.
3. The total amount of indebtedness secured by the security is \$38,121,787.67 on April 10, 2023, plus interest and costs accruing and arising thereafter.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED April 10, 2023.

DORR CAPITAL CORPORATION
by their solicitors, Blaney McMurtry LLP

Per:



Kym Stasiuk

NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: Dino Taurasi, an insolvent person

TAKE NOTICE THAT:

1. Dorr Capital Corporation, secured creditor, intends to enforce its security on the insolvent person's property described below:
 - (a) all shares held by the insolvent person in the capital of Stateview Homes (BEA Towns) Inc., including 45 Class A common shares (the "**Shares**"),
 - (b) all dividends, revenues, issues, income, proceeds, profits, and all other payments of any kind declared or payable in respect of or under the Shares,
 - (c) all other property that may at any time be received or receivable by or otherwise distributed to or acquired by the insolvent person in any manner in respect of, or in substitution for, or in addition to, or in exchange for, or on account of, any of the foregoing including, without limitation, any shares or other securities resulting from the subdivision, consolidation, change, conversion or reclassification of any of the Shares, or the reorganization or amalgamation of Stateview Homes (BEA Towns) Inc. with any other body corporate, or the reorganization or amalgamation of Stateview Homes (BEA Towns) Inc. with any other body corporate, or the occurrence of any event which results in the substitution or exchange of any of the Shares, and
 - (d) any and all cash, securities and other proceeds of the foregoing and all rights and interest of the insolvent person in respect thereof or evidenced thereby including, without limitation, all money received from time to time by the insolvent person in connection with the sale of any of the Shares.
2. The security that is to be enforced is the following:
 - (a) a guarantee and postponement of claim executed by the insolvent person and others in favour of Dorr Capital Corporation; and
 - (b) a pledge of shares executed by the insolvent person and another person in favour of Dorr Capital Corporation.
3. The total amount of indebtedness secured by the security is \$38,121,787.67 on April 10, 2023, plus interest and costs accruing and arising thereafter.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED April 10, 2023.

DORR CAPITAL CORPORATION
by their solicitors, Blaney McMurtry LLP

Per:



Kym Stasiuk

NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: Carlo Taurasi, an insolvent person

TAKE NOTICE THAT:

1. Dorr Capital Corporation, secured creditor, intends to enforce its security on the insolvent person's property described below:
 - (a) all shares held by the insolvent person in the capital of Stateview Homes (BEA Towns) Inc., including 45 Class A common shares (the "**Shares**"),
 - (b) all dividends, revenues, issues, income, proceeds, profits, and all other payments of any kind declared or payable in respect of or under the Shares,
 - (c) all other property that may at any time be received or receivable by or otherwise distributed to or acquired by the insolvent person in any manner in respect of, or in substitution for, or in addition to, or in exchange for, or on account of, any of the foregoing including, without limitation, any shares or other securities resulting from the subdivision, consolidation, change, conversion or reclassification of any of the Shares, or the reorganization or amalgamation of Stateview Homes (BEA Towns) Inc. with any other body corporate, or the reorganization or amalgamation of Stateview Homes (BEA Towns) Inc. with any other body corporate, or the occurrence of any event which results in the substitution or exchange of any of the Shares, and
 - (d) any and all cash, securities and other proceeds of the foregoing and all rights and interest of the insolvent person in respect thereof or evidenced thereby including, without limitation, all money received from time to time by the insolvent person in connection with the sale of any of the Shares.
2. The security that is to be enforced is the following:
 - (a) a guarantee and postponement of claim executed by the insolvent person and others in favour of Dorr Capital Corporation; and
 - (b) a pledge of shares executed by the insolvent person and another person in favour of Dorr Capital Corporation.
3. The total amount of indebtedness secured by the security is \$38,121,787.67 on April 10, 2023, plus interest and costs accruing and arising thereafter.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED April 10, 2023.

DORR CAPITAL CORPORATION
by their solicitors, Blaney McMurtry LLP

Per:



Kym Stasiuk

This is Exhibit "10" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)

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

yyyy mm dd Page 1 of 11

Properties

PIN 58763 - 1764 LT Interest/Estate Fee Simple
 Description BLOCK 76, PLAN 51M1167; CITY OF BARRIE
 Address SUMMERSET DRIVE
 BARRIE

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 STATEVIEW HOMES (BEA TOWNS) INC.
 Address for Service 410 Chrislea Road, Unit 16
 Woodbridge, ON L4L 8B5

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	BERGO INVESTMENT LIMITED	Tenants In Common	49.64% Interest
Address for Service	44 Upjohn Road Toronto, ON M3B 2W1		
Name	MCO MANAGEMENT INC.	Tenants In Common	23.74% Interest
Address for Service	8920 Woodbine Ave., Suite 400 Markham, ON L3R 9W9		
Name	KARAMITSOS, TONY	Tenants In Common	26.62% Interest
Address for Service	44 Upjohn Road Toronto, ON M3B 2W1		

Provisions

Principal \$20,850,000.00 Currency CDN
 Calculation Period Monthly, Not in Advance
 Balance Due Date June 1, 2024
 Interest Rate 15% Interest Only
 Payments \$260,625.00
 Interest Adjustment Date 2023 01 01
 Payment Date 1st day of each and every month
 First Payment Date 2023 02 01
 Last Payment Date 2024 06 01
 Standard Charge Terms 200033
 Insurance Amount Full insurable value
 Guarantor Carlo Taurasi, Dino Taurasi, Daniel Ciccone

Additional Provisions

See Schedules

Signed By

Ronald Aaron Fritz 44 Upjohn Rd acting for Signed 2022 12 16
 Toronto
 M3B 2W1 Chargor(s)

Tel 416-587-3924

Fax 416-385-1718

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

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

Submitted By

RONALD AARON FRITZ

44 Upjohn Rd
Toronto
M3B 2W1

2022 12 16

Tel 416-587-3924

Fax 416-385-1718

Fees/Taxes/Payment

Statutory Registration Fee \$69.00

Total Paid \$69.00

File Number

Chargee Client File Number : 22-1323

ADDITIONAL PROVISIONS

For the purpose of this Charge/Mortgage, the terms “Charge”, “Chargor” and “Chargee” shall also mean “Mortgage”, “Mortgagor”, and “Mortgagee”.

For the purposes of this Charge, the words contained herein importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neutral genders.

COLLATERAL

This Charge is collateral to charges dated December 12, 2022, bearing the same terms and conditions and to be registered on the following properties:

The Properties located at 7810, 7822, 7834 and 7846 McCowan Road, Markham, Ontario (collectively the “**NAO Towns**”), and legally described as: (**PIN# 02962-0270**) (LT) Part Lot 6, Concession 6, as in R640261; Markham, municipally known as 7810 McCowan Road, Markham, Ontario; (**PIN# 02962-0271**) (LT) Part Lot 6, Concession 6, as in MA69140; Markham, municipally known as 7822 McCowan Road, Markham, Ontario; (**PIN# 02962-0272**) (LT) Part Lot 6, Concession 6, Part 1 and 2, 65R17687; Markham, municipally known as 7834 McCowan Road, Markham, Ontario; and (**PIN# 02962-0273**) (LT) Part Lot 6, Concession 6, as in R491185; t/w MA54373; Markham, municipally known as 7846 McCowan Road, Markham, Ontario. Payments under this Charge shall be deemed to payments under the latter Charge and full payment of this Charge shall cause the Chargee to issue a discharge under the latter Charges.

The properties located on Townline Road and Bethesda Side Road, Stouffville, (collectively the “**ELM&CO**”), and legally described as: (legally described as (**PIN #03707-0188**) (LT) Part Lot 5, Concession 10 Whitchurch, Part 1, Plan 65R37148; Town of Whitchurch-Stouffville, Ontario . Payments under this Charge shall be deemed to payments under the latter Charge and full payment of this Charge shall cause the Chargee to issue a discharge under the latter Charges.

FEES AND COSTS

The Chargor agrees to pay all legal and other expenses incurred by the Chargee in connection with the preparation and registration of this Charge and any security interests pursuant to the Personal Property Security Act (Ontario) and any renewals thereof forthwith upon demand and such fees and expenses, together with interest thereon at the interest rate charges hereunder, shall be added to the principal sum secured by the within charge if not paid.

PAYMENTS

ANY DISCHARGE of this charge shall be prepared by the Chargee at the Chargor’s expense within a reasonable time after repayment of the principal sum secured herein together with accrued interest thereon. All payments hereunder shall be made to the Chargee at:

Bergo Investment Limited
44 Upjohn Road
Toronto, ON M3B 2W1

MCO Management Inc.
8920 Woodbine Ave., Suite 403
Markham, ON L3R 9W9

Tony Karamitsos
44 Upjohn Road
Toronto, ON M3B 2W1

collectively the “Chargee”

or such other place as the Chargor is notified of from time to time. All payments received after 1:00 p.m. shall be deemed to have been received on the following business day.

The Chargor acknowledges and agrees that any payments made to discharge the said Charge to the Chargee’s solicitors or any other authorized agents of the Chargee shall not be deemed to constitute payment received by the Chargee until the same is received by the Chargee at its offices as set out above.

The Chargor will pay a fee of \$650.00 plus HST and the cost of registration to discharge the Charge.

FAMILY LAW ACT

This property is not a matrimonial home of any of **Carlo Taurasi, Dino Taurasi, Daniel Ciccone** and/or any other officers, directors or shareholders of the Chargor, nor will it be used as one.

PREPAYMENT PROVISIONS

OPEN. The Chargors, when not in default, shall have the privilege of prepaying the whole of the said principal sum hereby secured at any time or times, on any banking day upon payment to the Chargee of two (2) months’ interest as bonus or two month’s written notice.

PARTIAL DISCHARGE

The Chargors, when not in default, shall have the privilege of obtaining a partial discharge of the Charge as follows: (i) with respect to NAO Towns, upon payment of the sum of \$5,000,000.00 and providing one month's notice or interest as bonus; (ii) with respect to BEA Towns, upon payment of the sum of \$6,000,000.00 and providing one month's notice or interest as bonus; and (iii) with respect to ELM&CO, upon payment of the sum of \$9,850,000.00 and providing one month's notice or interest as bonus.

BREACH OF COVENANT

A breach of any covenant contained in this Charge shall constitute a default hereunder and at the option of the Chargee, it may avail itself of the remedies contained in this Charge or available at law.

INDEPENDENT LEGAL REPRESENTATION

The Chargor and Guarantors (collectively the "Parties") hereto acknowledge that they have full knowledge of the purpose and essence of this Charge transaction, and that they have been appropriately and independently legally represented in that regard. The Parties agree to provide to the Chargee a Certificate of Independent Legal Representation and when the same may be required, regarding their knowledge and understanding of this transaction.

NO IMPROVEMENT

The Chargor and/or Guarantors warrants that the purpose of this charge is not to finance an improvement on the herein described Property. An improvement means any alteration, addition or repair to any building on the herein described Property or any construction, erection or installation on the herein described Property.

POST-DATED CHEQUES

The Chargor shall provide a series of twelve (12) post-dated cheques to cover the monthly payments under the Charge and to deliver such cheques in care of the Chargee as directed prior to the advance of each advance of funds, and such cheques shall be drawn on a Canadian chartered bank in favour of the Chargee, in care of the Chargee's lawyer. The Chargee may direct the Chargor to make such cheques payable to different persons or entities in amounts to be designated by the Chargee. Any default under this covenant shall be considered a default under the Charge. If the Charge is extended the Chargor and Guarantors are to provide post-dated cheques prior to any extension of the Charge and a fee of **two (2) %** of the balance outstanding as a further placement fee if the Charge is not paid on the maturity date stated herein.

SERVICE FEE

Any service fee owing by the Chargor and/or Guarantors to the Chargee which is not paid shall be added to the mortgage indebtedness and shall bear interest at the rate herein set forth.

Should the Chargee take any proceedings as provided for in the within Charge by reason of the Chargor's and/or Guarantors' default, the Chargee shall be entitled to add to the Charge account the Chargee's then current service fee in addition to all other fees, costs, claims or demands to which the Chargee is also entitled.

ADMINISTRATION FEES

The Chargee shall charge an administration fee, as determined and posted by the Chargee from time to time, for each occurrence of any of the following events: late payment, cheque dishonoured for any reason, failure to provide postdated cheques, request for a Mortgage Statement, discharge of Charge. Such administration fees will be added to the principal amount if not paid. Fee for payments not made or NSF is \$200.00 (plus HST) per occurrence. A charge of \$450.00 (plus HST) for a demand letter and \$500 for failure to deliver posted-dated cheques.

STATEMENT OF MORTGAGE BALANCE

The Chargee shall be paid a fee of \$550.00 (plus GST) for each request for a Statement of Mortgage.

ASSIGNMENT OF CHARGE

The Charge may not be assigned, transferred or otherwise disposed of by the Chargor without the Chargee's prior written consent. However, the Charge or any interest therein may be assigned or participated by the Chargee (and its successors and assigns), in whole or in part, without the consent of the Chargor. Except as hereinafter provided, the Chargor consents to the disclosure by the Chargee to any such prospective assignee or participant of all information and documents regarding the Charge and the Chargor within the possession or control of the Chargee. Chargor to be notified and Assignment not allowed if a conflicting party.

SUBSEQUENT ENCUMBRANCES

In the event of the Chargor and/or Guarantors further encumbering the property without the prior written consent of the Chargee, such further encumbering shall constitute a default under this Charge and in such event all money owing under the herein Charge shall immediately become due and payable.

NON-TRANSFER

Paragraph 14 of Standard Charge Terms 200033 is hereby deleted.

In the event that the Chargor sells, conveys, transfers, assigns or exercises a power of appointment with respect to the property herein described to a purchaser, transferee or assignee or in the event of a change of shareholders of the Chargor which results in a change of control of the Chargor or in the event of a change in the beneficial ownership of the Property herein described the entire principal sum and interest hereby secured shall forthwith become due and payable.

ENVIRONMENTAL

The Chargee or agent of the Chargee may, at any time, before and after default, and for any purpose deemed necessary by the Chargee, enter upon the said Property to inspect the Property and buildings thereon. Without in any way limiting the generality of the foregoing, the Chargee (or its respective agents) may enter upon the said Property to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee, and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the mortgage rate, shall be payable by the Chargor and/or Guarantors forthwith and shall be a charge upon the said Property. The exercise of any of the powers enumerated in this clause shall not deem the Chargee, or its respective agents to be in possession, management or control of the said Property and buildings.

The Chargee shall have the right to incur expense to comply or to verify the undersigned's compliance with lawful environmental requirements of any governmental body having jurisdiction. Such expense shall be repaid by the undersigned to the Chargee and shall be added to the principal amount secured under the executed security documentation referable to the above-noted loan transaction and shall be secured by the said security documentation.

In consideration of the advance of funds by the Chargee, the Chargor and the Guarantors hereby agree that, in addition to any liability imposed on the Chargor and/or Guarantors under any instrument evidencing or securing the loan indebtedness, the Chargor and Guarantors shall be jointly and severally liable for any and all of the costs, expenses, damages, or liabilities of the Chargee, its directors and officers (including, without limitation, all reasonable legal fees) directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances and such liability shall survive foreclosure of the security for the loan and any other existing obligations of the Chargor and/or Guarantors to the Chargee in respect of the loan and any other exercise by the Chargee of any remedies available to it in the event of any default under the Charge.

The Chargor and/or Guarantors hereby represents and warrants that neither the Chargor and/or Guarantors/Consenting Spouse, nor, to its knowledge, any other person, has ever caused or permitted any Hazardous Material (as hereinafter defined) to be placed, held, located or disposed of on, under or at the Property and that its business and assets are operated in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the discharge, emission, spill or disposal of any Hazardous Materials) and that no enforcement actions in respect thereof are threatened or pending and covenants to cause any person permitted by the Chargor and/or Guarantors to use or occupy the Property or any part thereof to continue to so operate.

The Chargor and/or Guarantors hereby warrants, represents and agrees to advise the Chargee of any activity on the Property which involves the use of hazardous waste or material, of any change in the use or occupation of the Property and of any matter which may increase the environmental liability of the Chargee.

The Chargor and/or Guarantors hereby indemnifies the Chargee, its officers, directors, employees, agents and its shareholders and agrees to hold each of them harmless from and against any and all losses, liabilities, damages, costs, expenses and claims of any and every kind whatsoever which at any time or from time to time may be paid, incurred or asserted against any of them for, with respect to, or as direct result of, the presence on or under, or the discharge, emission, spill or disposal from, the Property, onto any property or into the atmosphere, or any watercourse, body of water or wetland, of any Hazardous Material where it has been proven that the source of the Hazardous Material are the Property (including, without limitation: (i) the costs of defending any/or counter-claiming over against third parties in respect of any action or matter; and (ii) any cost, liability or damage arising out of a settlement of any action entered into by the Chargee; and the provisions of and undertakings and indemnification set out in this Section shall survive the satisfaction and release of the Security Documents and

payment and satisfaction of the mortgage and liability of the Chargor and/or Guarantors to the Chargee. The indemnity contained herein in favour of the Chargee shall enure to the benefit of the Chargee's successors and any assignees of the Charge. For the purposes of this Section "Hazardous Material" means any contaminant or pollutant or any substance that when released in the natural environment is likely to cause at some immediate or future time, material harm or degradation to the natural environment or material risk to human health and without restricting the generality of the foregoing, hazardous waste or dangerous goods as defined by applicable federal, provincial or municipal laws for the protection of the natural environment or human health.

The Chargor and Guarantors warrant, represent and undertakes to ameliorate any contamination required on the Property forthwith.

The indemnity contained herein shall survive the repayment of the mortgage and shall continue in full force and effect so long as the possibility of any such liability, claim or loss exists.

PAYMENT OF OTHER CHARGES AND PERFORMANCE OF OBLIGATIONS BY THE CHARGE

The Chargor and/or Guarantors covenants and agrees with the Chargee to pay all property taxes, public utility rates and charges as and when they become due, to keep all encumbrances and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind; the failure of the Chargor and/or Guarantors to comply with this covenant shall constitute an event of default hereunder and entitle the Chargee at its sole option to avail itself of the remedies available hereunder and at law including the right to accelerate the principal sum secured hereunder together with all accrued interest thereon plus costs.

In addition, at the Chargee's sole option, the Chargor and/or hereby agrees that the Chargee may satisfy any charge, lien, any matter raised in the previous paragraph or other encumbrance now or hereafter existing or to arise or be claimed upon the charged Property and the amount so paid together with all costs associated therewith shall be added to the principal sum hereby secured and bear interest at the rate of interest set forth herein and shall be payable forthwith by the Chargor and/or Guarantors to the Chargee and in the event of default of payment, the entire principal sum, accrued interest and costs, shall become payable at the option of the Chargee and the remedies hereby given and available at law may be exercised forthwith without notice. In the event of the Chargee satisfying any such charge or claim, it shall be entitled to all equities and securities of the person or persons so satisfied and it may retain any discharge, cessation of charge or assignment of charge unregistered until paid.

INSURANCE RENEWAL

The Chargee shall be entitled to its standard servicing fee for dealing with each cancellation, premium payment or other non-compliance with insurance requirements. In the event that the evidence of continuation of insurance as herein required has not been delivered to the Chargee, the Chargee shall be entitled to its standard servicing fee for each written inquiry which the Chargee shall make to the insurer pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenant). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said Property, the Chargee in addition to the aforesaid servicing fee shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

ASSIGNMENT OF RENTS

To further secure the indebtedness secured hereunder, the Chargor hereby assigns and transfers unto the Chargee all rents, deposits, issues and profits now due and which may hereafter become due under or by virtue of any lease, unit purchase or development agreement, whether written or verbal or any letting of, or of any agreement for the use, occupancy or development of the Property and premises or any part thereof, which may have been heretofore or may be hereafter made or agreed to, or which may be granted, it being the intention of the parties to establish an absolute transfer and assignment of all such rents, deposits, issues and profits under such leases and/or agreements and all benefits to be derived thereunder unto the Chargee.

The Chargor further covenants and agrees to execute and deliver at the request of the Chargee all such further assurances and assignments with respect to any such tenancies, occupancy or development of the Property as the Chargee shall from time to time require, and shall do all other acts with respect to same as requested by the Chargee.

In the event that the Chargee collects any deposits or other payments due to the Chargor's default, the Chargee shall be entitled to receive from such moneys a management fee of ten percent (10 %) of all the gross receipts from such moneys, it being understood for greater certainty that the Chargor and Chargee have agreed that in the circumstances a management fee equal to ten percent (10 %) of gross receipts received by the Chargee in the collection of such rents is a just and equitable fee having regard to the circumstances.

Provided further that the Chargor will not perform any act or do anything or omit to do anything which will cause the default of any lease or agreement affecting the use or development of the buildings erected on the charged

Property, unless consented to by the Chargee.

And the Chargor agrees that all leases, offers to lease and agreements to lease, and all offers and agreements to purchase or develop units of the Property shall be bona fide and shall be at rates and on terms consistent with comparable space in the area of the Property and premises secured hereunder, and provided further that the Chargor shall obtain the consent of the Chargee prior to the execution of any such offers or agreements.

Any entry upon the Property under the terms of this Indenture shall not constitute the Chargee or Chargee in Possession in contemplation of law and that the Chargee shall not become liable to account to the Chargor or credit the Mortgagor with any moneys on account of the Charge except those which shall come into its hands or into the hands of any agents appointed by its pursuant hereto; the Chargee shall not be liable for failure to collect rents or revenues and shall be under no obligation to take any action or proceeding or exercise any remedy for the collection or recovery of the said rents and revenues, or any part thereof, and then, subject to all deductions and payments made out of the rents and revenues received from the Property as herein provided.

That this assignment is taken by way of additional security only and neither the taking of this assignment nor anything done in pursuance hereof shall make the Chargee liable in any way, as landlord or otherwise, for the performance or any covenants, obligations or liabilities under any leases, purchase or development agreements.

GUARANTORS PROVISIONS

Paragraph 24 of the Standard Charge Terms 200033 is expressly excluded from this Charge and the following provision is substituted therefor and forms part of this Charge.

In consideration of the Chargee advancing funds to the Chargor hereunder, **Daniel Ciccone, Carlo Taurasi and Dino Taurasi**, hereinafter referred to as the "Guarantors" do hereby absolutely and unconditionally covenant, agree and guarantee to and with the Chargee, joint and several, as principal debtor and not as surety, that all monies to be paid as herein set forth shall be paid as herein set forth and that all covenants, agreements and provisos of the Chargor shall be completely paid, fulfilled, observed and performed in accordance with the provisions of this Charge and that if the Chargor shall fail to pay or cause to be paid the amount as hereinbefore set out or fail to perform, observe or fulfill its covenants or agreements as herein set out, then the Guarantors shall pay or cause to be paid to the Chargee the payments as herein set forth, and that the Guarantors shall continue to remain liable on his guarantee, covenant and agreement notwithstanding:

- a) Any extension or extensions of time from time to time which may be given by the Chargee to the Chargor for payment, observance, performance or fulfillment of any liabilities, indebtedness, agreements or obligations hereby guaranteed and/or any renewal of this charge from time to time and the Guarantors hereby covenants and agrees with the Chargee that payment shall be made in accordance with such extension or extensions of time and that if payments are not made in accordance with such extension or extensions of time the Guarantors shall make or cause to be made the payments in accordance with such extension or extension of time.
- b) Any compounding or making of any compositions or arrangements respecting any liabilities, indebtedness, agreements or obligations, hereby guaranteed.
- c) Taking of any security or securities or releasing, discharging, abandoning, giving up, modifying, varying, exchanging, renewing, assigning, abstaining from perfecting or abstaining from taking advantage of any security now held or hereafter acquired or acquired by these presents in respect of any liabilities, indebtedness, agreements or obligations hereby guaranteed or of any part of same.
- d) Realization of any securities now or hereafter held by the Chargee.
- e) Granting any indulgence whatsoever to the Chargor to any other person, firm or corporation.
- f) Discharging the Chargor, or any other person, firm or corporation.
- g) Doing or omitting to do any other act, matter or thing whatsoever with relation to the liabilities, indebtedness, agreements and obligations hereby guaranteed or any security or securities now or hereafter held in respect thereof or of any part of same.

The Guarantors hereby waives and renounces any rights, benefits, immunities, privileges and advantages which he may have by reason of being Guarantors instead of principal debtor and acknowledges he is responsible for the debt as principal debtor and not as surety.

All indebtedness and liabilities present and future of the Chargor to the Guarantors are hereby assigned to the Chargee and postponed to the present and future indebtedness and liabilities of the Chargor to the Chargee including the repayment of all the monies secured by the within charge and all monies received from the Chargor or for his account by the Guarantors or his representatives or assigns in respect thereof shall be by him received in

trust for the Chargee, and forthwith upon receipt paid over to the Chargee until the Chargor's indebtedness and liability to the Chargee is fully paid and satisfied all without prejudice to and without in any way limiting or lessening the liability of the Guarantors to the Chargee under this guarantee and this assignment and postponement is independent of the said guarantee and shall remain in full effect until repayment in full to the Chargee of the monies secured by the charge notwithstanding that the liabilities of the Guarantors under the within guarantee may have been discharged or terminated, the undersigned acknowledges the assignment to the Chargee as set forth herein shall not impose upon the Chargee any obligation to do anything to realize on the assigned debts and claims or to ensure that those debts or claims do not become statute barred by the operation of law relating to limitation of actions or otherwise.

BANKRUPTCY AND INSOLVENCY

THE CHARGOR AND/OR GUARANTORS hereby waives and releases any right that they may have to receive from the Chargee notice of intention to enforce security pursuant to subsection 244(1) of the Bankruptcy and Insolvency Act (Canada). This waiver and release shall not be deemed or interpreted to be a prior consent to earlier enforcement of a security within the meaning of subsection 244(2.1) of the said Act.

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

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

POSSESSION UPON DEFAULT

Upon default in payment of principal or interest under this Charge or in performance of any of the terms and conditions hereof, the Chargee may enter into and take possession of the Property hereby charged, free of all manner of former conveyances, mortgages, charges or encumbrances.

DEFAULT

In this Charge, "Event of Default" means any of the following:

1. in the event of the Chargor and/or Guarantors failing to pay any amount when due hereunder or under the Charge;
2. in the event of the Chargor and/or Guarantors being in breach of any covenant, condition or term of the Charge;
3. if any representation made by the Chargor, Guarantors or their agents, or any information provided by them is found to be materially untrue or incorrect;
4. if any of the Chargor and/or Guarantors commits an act of bankruptcy or becomes insolvent or bankrupt or has a receiver or receiver and manager appointed for it or over any of its material assets or if any creditor takes possession of any of its material assets or if any execution, distress or other like process is levied or enforced upon the Property or any part thereof or if any compromise or arrangement with creditors is made by any of them;
5. in the event of any default by the Chargor under this Charge or other security documents related to the Charge, or under any other mortgages or encumbrances registered against title to or otherwise affecting the Property or

- any part thereof;
6. in the event of the registration of any construction lien against title to the Property or any part thereof which is not discharged or vacated within a period of ten (10) days after the date of registration thereof;
 7. in the event that the Property or any material part thereof is abandoned;
 8. if any Event of Default as set out herein or in any of the security occurs;
 9. if in the sole opinion of the Chargee, a material adverse change occurs relating to the Chargor and/or Guarantors/Consenting Spouse, or the risk associated with the Charge; and

Upon the occurrence of an Event of Default, the Chargee, at its option, may (a) cease or delay further funding of the Charge; (b) declare the principal and interest on the Charge and any other amount due under the Commitment or Charge forthwith due and payable, whereupon the same shall be and become immediately due and payable in full, and make demand to the Chargor and/or Guarantors for immediate payment of the same, and (c) exercise any and/or all remedies available to it at law or in equity hereunder, under the Security or otherwise.

MANAGEMENT FEE

If the Chargee or its agent will be entitled to a management fee based on 10% of the Charge Principal at the time of default plus HST, which amount is deemed not to be a penalty, in the event that the Chargee or its agents or a receiver or receiver and manager (whether appointed by the Chargee or by a court) takes possession of the Property as a result of the occurrence of an Event of Default.

APPOINTMENT OF RECEIVER

AT ANY TIME after the security hereby constituted becomes enforceable, or the monies hereby secured shall have become payable, the Chargee may from time to time appoint by writing a Receiver of the Property, with or without Bond, and may from time to time remove the Receiver and appoint another in his stead, and any such Receiver appointed hereunder shall have the following powers:

- a) To take possession of the charged Property and to enter into and upon any Property, buildings and premises wheresoever and whatsoever and to do any act and take any proceedings in the name of the Chargor or otherwise as it shall deem necessary;
- b) To carry on or concur in carrying on the business of the Chargor, and to employ and discharge agents, workmen, accountants and others upon such terms and with such salaries, wages or remuneration as it shall think proper, and to repair and keep in repair the charged Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the said charged Property of the Chargor;
- c) To sell or lease or concur in selling or leasing any or all of the charged Property, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as seen fit by the Receiver and any such sale may be made from time to time as to the whole or any part or parts of the charged Property; and he may make any stipulations as to title or conveyance or commencement of title or otherwise which he shall deem proper; and he may buy or rescind or vary any contracts for the sale of any part of the charged Property and may resell the same; and he may sell any of the same on such terms as to credit or part cash and part credit or otherwise as shall appear in his sole opinion to be most advantageous and at such prices as can reasonably be obtained therefor and in the event of a sale on credit neither he nor the Chargee shall be accountable for or charged with any monies until actually received;
- d) To make any arrangement or compromise which the Receiver may think expedient in the interest of the Chargee and to consent to any modification or change in or omission from the provisions of this charge and to exchange any part or parts of the charged Property for any other property suitable for the purposes of the Chargee and upon such terms as may seem expedient and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;
- e) To borrow money to carry on the business of the Chargor and to charge the whole or any part of the charged Property in such amounts as the Receiver may from time to time deem necessary and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the charged Property in priority to this charge;
- f) To execute and prosecute all suits, proceedings and actions which the Receiver in his opinion considers necessary for the proper protection of the charged Property, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defense of any suit, proceeding or

action then pending or thereafter instituted and to appeal any suit, proceeding or action;

g) To execute and deliver to the purchaser of any part or parts of the charged Property, good and sufficient deeds for the same, the Receiver hereby being constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deed, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Chargor, and all other persons claiming the said property or any part or parcels thereof by, from through or under the Chargor, and the proceeds of any such sale shall be distributed in the manner hereinafter provided;

AND IT IS AGREED that no purchaser at any sale purporting to be made in pursuance of the aforesaid power or powers shall be bound or concerned to see or inquire whether any default has been made or continued, or whether any notice required hereunder has been given, or as to the necessity or expediency of the stipulations subject to which such sale shall have been made, or otherwise as to the propriety of such sale or regularity of its proceedings, or be affected by notice that no such default has been made or continues, or notice given as aforesaid, or that the sale is otherwise unnecessary, improper or irregular; and notwithstanding any impropriety or irregularity or notice thereof to such purchaser, the sale as regards such purchaser shall be deemed to be within the aforesaid power and be valid accordingly and the remedy (if any) of the Chargor, or of any party claiming by or under it, in respect of any impropriety or irregularity whatsoever in any such sale shall be in damages only.

The net profits of the business of the Chargor and the net proceeds of any sale of the charged Property or part thereof shall be applied by the Receiver subject to the claims of any creditors ranking in priority to this Charge:

- a) Firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable by him;
- b) Secondly, in payment of all costs, charges and expenses payable hereunder;
- c) Thirdly, in payment to the Chargee of the principal sum owing hereunder;
- d) Fourthly, in payment to the Chargee of all interest and arrears of interest and any other monies remaining unpaid hereunder; and
- e) Fifthly, any surplus shall be paid to the Chargor; provided that in the event that any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver deems appropriate in the circumstances.

The Chargee shall not be liable to the Receiver for his remuneration costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising unless the same shall be caused by his own gross negligence or willful default; and he shall, when so appointed, by notice in writing pursuant hereto, be deemed to be the agent of the Chargor and the Chargor shall be solely responsible for his acts and defaults and for his remuneration.

PAYMENT OF COSTS

The Chargor and/or Guarantors shall pay to the Chargee on demand all legal fees payable on a solicitor and his own client basis, costs and out-of-pocket expenses incurred by any of the Chargee, its agents, officers and employees with respect to:

- (a) the preparation of this Charge, any renewals thereof, any postponements thereof, and related security documents (the "Security Documents") and any other documents, agreements and instruments required pursuant hereto or thereto and any costs associated with realization under this Charge or the Security Documents;
- (b) the Chargee obtaining advice as to its rights and responsibilities under this Charge or any of the instruments and documents comprising the Security Documents or relating thereto or in the event of exercise of any or all of its remedies hereunder or thereunder;
- (c) the exercising of any or all of the rights, remedies and powers of the Chargee under this Charge or any of the instruments and documents comprising the Security Documents or relating thereto, or in defending or taking any measures to defend any action, claim, cause of action or in proceedings directly or indirectly relating to the provisions of any such instrument or document;
- (d) any or all of the taking of, recovering of possession of any assets or property of the Chargor, or any proceedings taken for the purpose of enforcing any rights or remedies provided in this Charge or in any instrument or document comprising the Security Documents or relating thereto, or any proceedings otherwise taken in relation to any assets or property of the Chargor and/or Guarantors or subject to the security given by the

Chargor and/or Guarantors to the Chargee, or any proceedings taken by reason of any non-payment or non-performance of the obligations of the Chargor and/or Guarantors hereunder; and

(e) any appraisals, environmental reports, engineering reports, cost consultants reports, or any other reports obtained at any time by the Chargee relating to the charged property.

In the event the Chargor and/or Guarantors fails to pay any such legal fees, costs and expenses to the Chargee forthwith upon demand by the Chargee, then the amount of such unpaid legal fees, costs and expenses shall be added to the mortgage indebtedness secured hereunder and shall bear interest at the rate herein set forth.

LIMIT ON RATE OF INTEREST

(a) Adjustment

If any provision of the Commitment, this Charge or any other security document would oblige the Chargor and/or Guarantors to make any payment of interest or other amount payable to the Chargee in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Chargee of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in receipt by the Chargee of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows:

- (i) firstly, by reducing the amount or rate of interest required to be paid hereunder as applicable; and
- (ii) thereafter, by reducing and fees, commissions, premiums and other amounts which would constitute interest for purposes of Section 347 of the Criminal Code (Canada).

(b) Reimbursement

If, notwithstanding the provisions subsection (a) above, and after giving effect to all adjustments contemplated thereby, the Chargee shall have received an amount in excess of the maximum permitted by such subsection, then the Chargor shall be entitled, by notice in writing to the Chargee, to obtain reimbursement from the Chargee of an amount equal to such excess, and pending such reimbursement such amount shall be deemed to be an amount payable by the Chargee to the Chargor.

(c) Calculation

Any amount or rate of interest referred to in this Section shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term of any revolving loan on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the Criminal Code (Canada)) shall, if they relate to a specific period of time be prorated over that period of time and otherwise be prorated over the period from the date of this Charge to the maturity date thereof and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Chargee shall be conclusive for the purposes of such determination.

SEVERABILITY

If any covenant, obligation or provision contained in this Charge, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Charge or the application of such covenant, obligation or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each covenant, obligation or provision of this Charge shall be separately valid and enforceable to the fullest extent permitted by law.

CONFLICT/AMBIGUITY

Where conflict or ambiguity exists or arises between any one or more of the provisions contained in this Schedule and any one or more of the provisions contained in the standard charge terms, the provisions contained in this Schedule shall, to the extent of such conflict or ambiguity, be deemed to govern and prevail.

This is Exhibit "11" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made as of the 31st day of March, 2023

BETWEEN:

The Toronto-Dominion Bank
 (“**TD Bank**”)

- AND -

Carlo Taurasi
 Dino Taurasi
 Luxview Fine Homes Corporation
 StateView Construction Ltd.
 StateView Homes (Ashburn Heights) Inc.
 StateView Homes (Baldwin Heights) Inc.
 StateView Homes (Bea Towns) Inc.
 StateView Homes (Bonaventure) Inc.
 StateView Homes (Edge Towns) Inc.
 StateView Homes (Elia Collection) Inc.
 StateView Homes (Elm&Co) Inc.
 StateView Homes (Hampton Heights) Inc.
 StateView Homes (High Crown Estates) Inc.
 StateView Homes (Kings Landing Phase II) Inc.
 StateView Homes (Kings Landing) Inc.
 StateView Homes (Main & Co) Inc.
 StateView Homes (Minu Towns) Inc.
 StateView Homes (Nao Towns) Inc.
 StateView Homes (Nao Towns II) Inc.
 StateView Homes (On The Mark) Inc.
 StateView Homes (Ooh Lala Towns) Inc.
 StateView Homes (Queen's Court) Inc.
 StateView Homes (Rialto Towns) Inc.
 StateView Homes (Tesoro Collection) Inc.
 StateView Homes (Ivory Oak Estates) Inc.
 Taura Developments Inc.
 Live Inspired Organization
 Highview Building Corp Inc.
 Northgate Fine Homes Inc.
 TLSFD Taurasi Holdings Corp.

(collectively, “**Settling State View Parties**”)

Background:

1. The accounts at TD Bank of the corporate Settling State View Parties were used to perpetrate an extensive cheque kiting scheme against TD Bank, resulting in TD Bank suffering losses that exceed \$37 million.
2. TD Bank has commenced actions in the Superior Court of Justice (the “**Court**”) in Court File No.: CV-23-00696833-0000 and Court File No. CV-23-00697007-0000 (the “**Actions**”), seeking equitable and other relief to recover its losses, and relief under section 437 of the *Bank Act*, S.C. 1991, c. 46 and section 145 of the *Credit Unions and Caisses Populaires Act, 2020*, S.O. 2020, c. 36, Sched. 7.
3. TD Bank also intended to bring urgent motions before the Court for *Mareva* and *Norwich* orders in the Actions.
4. The Settling State View Parties and TD Bank (together, the “**Parties**”) desire to resolve the Actions on the basis of TD Bank being repaid all of its losses along with adequate security therefor, while at the same time preserving the Settling State View Parties’ operations and business, and have entered into this settlement agreement (“**Agreement**”) accordingly.

NOW THEREFORE in consideration of the mutual covenants contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The Settling State View Parties acknowledge and agree that:
 - a. they are jointly and severally liable to TD Bank in the amount:
 - i. \$37,134,091.23; plus
 - ii. all interest payable in accordance with section 5 of this Agreement; plus
 - iii. TD Bank’s costs of the Actions on a full indemnity scale as accrued until payment of all amounts required by this Agreement have been paid in full (collectively, the “**Obligation**”);
 - b. the Obligation is a debt and liability arising out of fraud, and as such is not dischargeable in bankruptcy pursuant to section 178(1)(d) of the *Bankruptcy and Insolvency Act* (Canada) or section 19 of the *Companies’ Creditors Arrangement Act* (Canada).
2. The Settling State View Parties agree that they shall repay the Obligation on the following payment schedule:
 - a. forthwith upon obtaining the order provided by section 4 of this Agreement, the sum of \$3,000,000.00;
 - b. on or before April 17, 2023, the sum of \$6,150,000.00;

- c. on or before May 1, 2023, the sum of \$6,150,000.00;
- d. on or before May 31, 2023, the sum of \$6,150,000.00;
- e. on or before June 15, 2023, the sum of \$6,150,000.00;
- f. on or before June 30, 2023, the sum of \$6,150,000.00; and
- g. on or before July 14, 2023, the balance of the Obligation.

Notwithstanding the foregoing payment schedule, the Settling State View Parties are at liberty, at any time, to pay additional amounts towards the Obligation and thereby reduce the Obligation and the interest accruing on the Obligation.

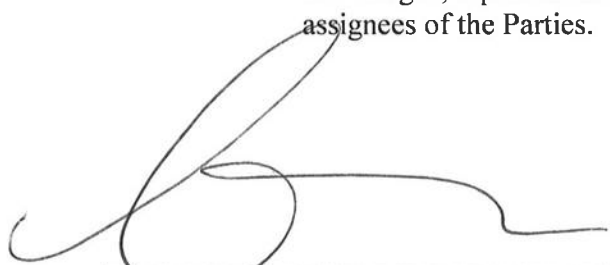
All payments will be applied by TD Bank to the outstanding indebtedness of the Settling State View Parties in the manner that TD Bank, in its sole and absolute discretion, determines. As and when the overdraft in each of the accounts of the Settling State View Parties is paid in full, TD Bank will close the account whose overdraft has been paid in full.

3. The Settling State View Parties shall pay to TD Bank an administration fee of \$150,000.00, in the aggregate, forthwith upon obtaining the order provided by section 4 of this Agreement.
4. The Settling State View Parties and TD Bank shall consent to an order in the action in Court File No.: CV-23-00696833-0000 in the form appended as **Schedule "A"**, and the Settling State View Parties will execute and deliver such consent upon execution of this Agreement.
5. From the date of execution of this Agreement onwards, interest on the Obligation will accrue at the rate of TD Bank's prime rate plus 5 per cent per annum and be payable in accordance with section 2e, subject to section 8. The rate of 21 per cent per annum will continue to accrue until the date of execution of the Settlement Agreement.
6. The Settling State View Parties will provide security for the full value of the Obligation as at the date of execution of this Agreement prior to the payment provided for in section 2(a) (the "**Security**") in the form of mortgages on the properties listed in **Schedule "B"** (with second ranking mortgages for those properties currently subject to one mortgage, and third ranking mortgages for those properties subject to two mortgages) in a form acceptable to TD Bank. The Security will be executed and delivered without delay and in any event within 5 days after the date of this Agreement.
7. The Settling State View Parties shall execute consents to judgment for the Accelerated Obligation (as that term is defined in section 8 below), in the form appended to this Agreement as **Schedule "C"**, to be held in escrow by McCarthy Tétrault LLP, lawyers for TD Bank, subject to section 8, and the Settling State View Parties will execute and deliver such consent upon execution of this Agreement.

8. If the Settling State View Parties default in any of the payments required by section 2, or fail to perform any other covenant or obligation under this Agreement (including, without limitation, valid and sufficient Security pursuant to section 6), or if any of the Settling State View Parties become the subject of any insolvency proceeding (each, a “**Default**”), the full amount of the Obligation still outstanding as at the date of Default (the “**Accelerated Obligation**”) will become immediately payable by the Settling State View Parties, jointly and severally, and without any grace period for payment. Immediately upon any Default:
 - a. TD Bank will be at liberty to take enforcement steps in respect of the Security;
 - b. TD Bank will be at liberty to obtain a consent judgment in the Action against the Settling State View Parties for the amount of the Accelerated Obligation; and
 - c. TD Bank will be at liberty to seek any other applicable relief or recourse that is permitted by law.
9. If the Settling State View Parties make all of the payments required by section 2 without Default:
 - a. TD Bank will discontinue the Actions on a without costs basis; and
 - b. TD Bank will cause its lawyers to return the consents to judgment to Settling State View Parties.
10. The Parties further agree that:
 - a. they have read this Agreement carefully, have understood it, and have signed it of their own free will and without any form of duress being exerted upon them by anyone;
 - b. they have executed this Agreement after obtaining independent legal advice in relation to the content and significance of this Agreement;
 - c. this Agreement may be executed in separate counterparts, and all such executed counterparts when taken together shall constitute a fully executed copy, whether such counterparts are delivered in hard-copy or by facsimile, email, or other electronic means;
 - d. this Agreement shall be governed by and interpreted exclusively according to the laws of Ontario;
 - e. they each attorn to the exclusive jurisdiction of the Court in respect of any dispute or matter relating in any way whatsoever to this Agreement;
 - f. if any provision or portion thereof of this Agreement should be held by any tribunal of competent jurisdiction to be invalid, void or unenforceable for any reason whatsoever, this Agreement shall be considered severable from such

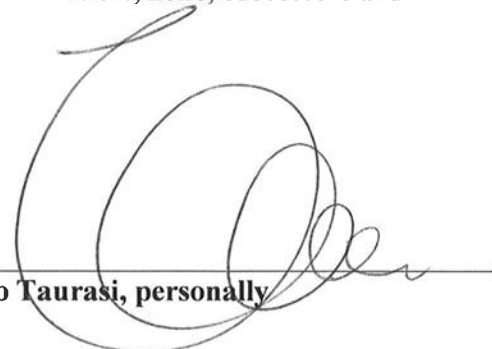
provision or portion thereof, and such provision or portion thereof shall be deemed deleted from this Agreement and the remainder thereof shall be valid and binding upon the parties as if such provision or portion thereof was never included herein;

- g. this Agreement shall enure to the benefit of and be binding upon the respective directors, officers, employees, agents, subsidiaries, parents, affiliates, successors and assigns, representatives, executors, administrators, heirs, successors and assignees of the Parties.

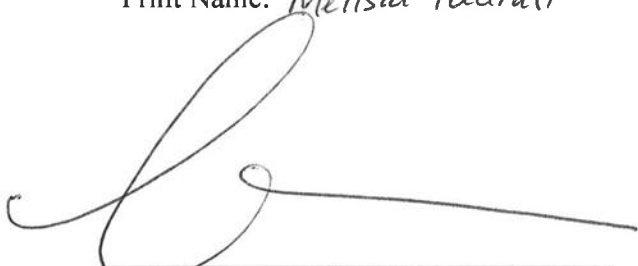


)

Witness: _____)
 Print Name: *Melissa Taurasi*

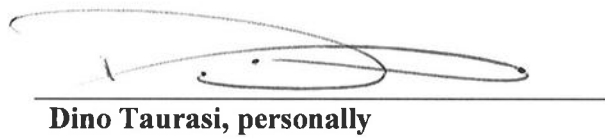


_____)
Carlo Taurasi, personally



)

Witness: _____)
 Print Name: *Melissa Taurasi*



_____)
Dino Taurasi, personally

Luxview Fine Homes Corporation



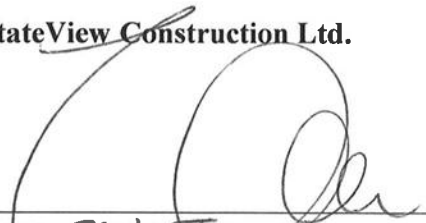
_____)

Name: *CARLO TAURASI*

Title: *CEO*

I have the authority to bind Luxview Fine Homes Corporation

StateView Construction Ltd.

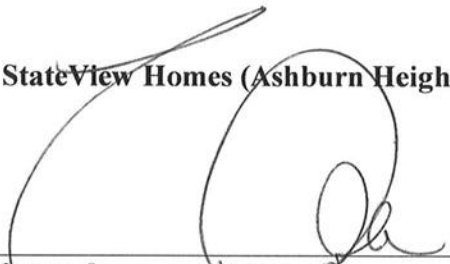


Name: CARLO TAURASI

Title: CEO

I have the authority to bind StateView Construction Ltd.

StateView Homes (Ashburn Heights) Inc.



Name: CARLO TAURASI

Title: CEO

I have the authority to bind StateView Homes (Ashburn Heights) Inc.

StateView Homes (Baldwin Heights) Inc.

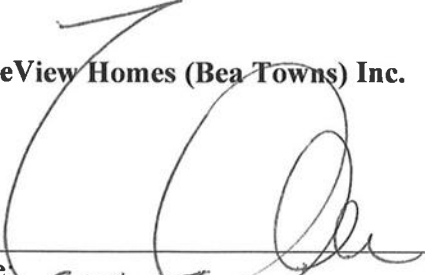


Name: CARLO TAURASI

Title: CEO

I have the authority to bind StateView Homes (Baldwin Heights) Inc.


StateView Homes (Bea Towns) Inc.

Name: 
CARLO TAURASI

Title: CEO

I have the authority to bind StateView Homes (Bea Towns) Inc.

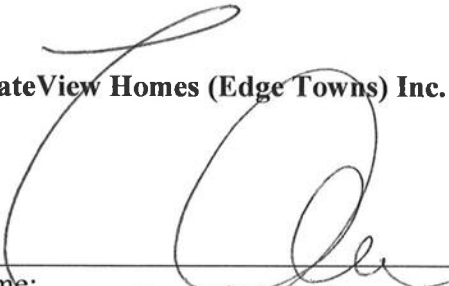
StateView Homes (Bonaventure) Inc.

Name: 
CARLO TAURASI

Title: CEO

I have the authority to bind StateView Homes (Bonaventure) Inc.

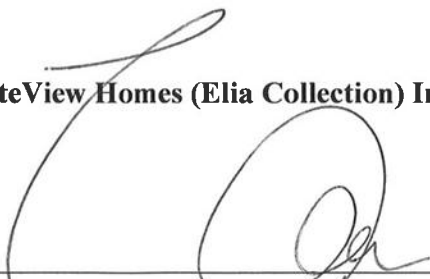
StateView Homes (Edge Towns) Inc.

Name: 
CARLO TAURASI

Title: CEO

I have the authority to bind StateView Homes (Edge Towns) Inc.

StateView Homes (Elia Collection) Inc.



Name: _____

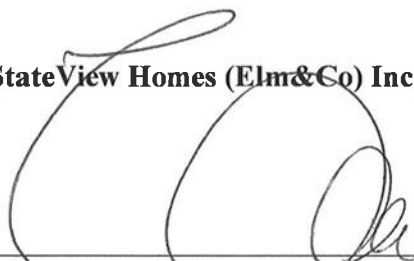
CARLO TAURASI

Title: _____

CEO

I have the authority to bind StateView Homes (Elia Collection) Inc.

StateView Homes (Elm&Co) Inc.



Name: _____

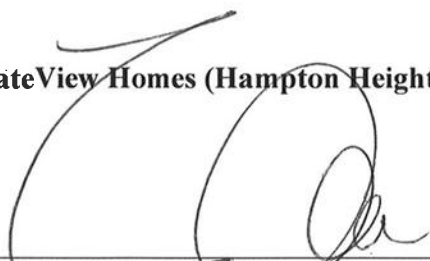
CARLO TAURASI

Title: _____

CEO

I have the authority to bind StateView Homes (Elm&Co) Inc.

StateView Homes (Hampton Heights) Inc.



Name: _____

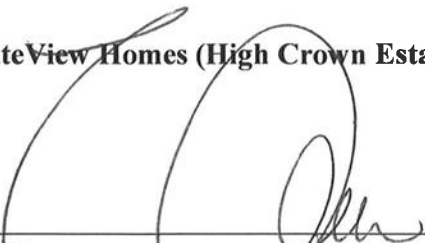
CARLO TAURASI

Title: _____

CEO

I have the authority to bind StateView Homes (Hampton Heights) Inc.

StateView Homes (High Crown Estates) Inc.



Name: CARLO TAORMINI
Title: CEO

I have the authority to bind StateView Homes (High Crown Estates) Inc.

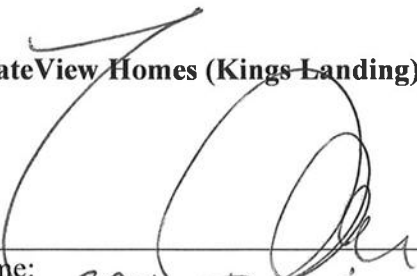
StateView Homes (Kings Landing Phase II) Inc.



Name: CARLO TAORMINI
Title: CEO

I have the authority to bind StateView Homes (Kings Landing Phase II) Inc.

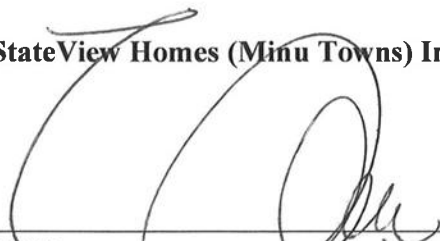
StateView Homes (Kings Landing) Inc.



Name: CARLO TAORMINI
Title: CEO

I have the authority to bind StateView Homes (Kings Landing) Inc.

StateView Homes (Minu Towns) Inc.

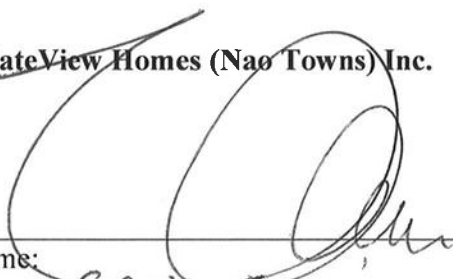


Name: CARLO TAURASI

Title: CEO

I have the authority to bind StateView Homes (Minu Towns) Inc.

StateView Homes (Nao Towns) Inc.

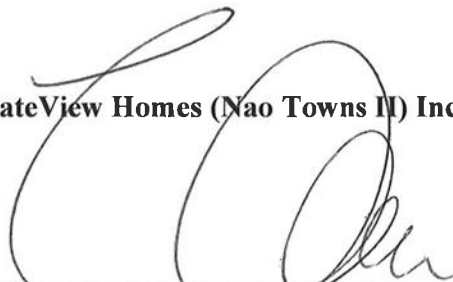


Name: CARLO TAURASI

Title: CEO

I have the authority to bind StateView Homes (Nao Towns) Inc.

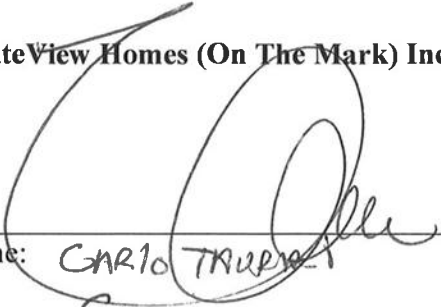
StateView Homes (Nao Towns II) Inc.



Name: CARLO TAURASI

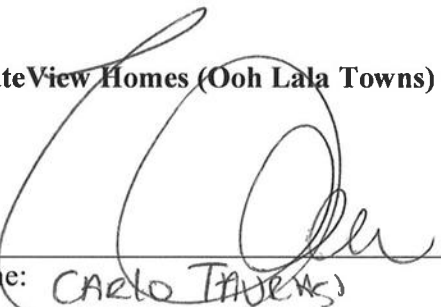
Title: CEO

I have the authority to bind StateView Homes (Nao Towns II) Inc.

StateView Homes (On The Mark) Inc.
Name: CARLO TAVERNESI


Title: CEO

I have the authority to bind StateView Homes
(On The Mark) Inc.

StateView Homes (Ooh Lala Towns) Inc.
Name: CARLO TAVERNESI

Title: CEO

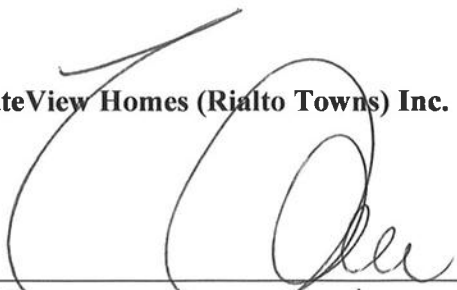
I have the authority to bind StateView Homes
(Ooh Lala Towns) Inc.

StateView Homes (Queen's Court) Inc.
Name: CARLO TAVERNESI

Title: CEO

I have the authority to bind StateView Homes
(Queen's Court) Inc.

StateView Homes (Rialto Towns) Inc.

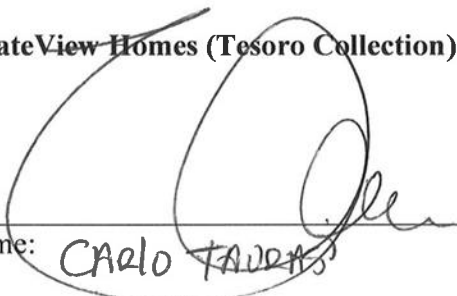


Name: CARLO TAURASI

Title: CEO

I have the authority to bind StateView Homes (Rialto Towns) Inc.

StateView Homes (Tesoro Collection) Inc.

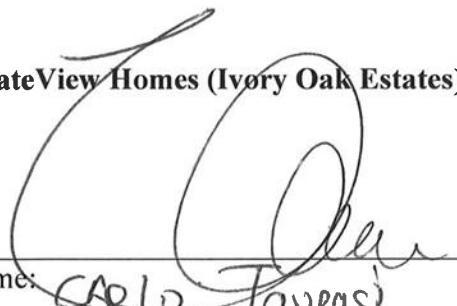


Name: CARLO TAURASI

Title: CEO

I have the authority to bind StateView Homes (Tesoro Collection) Inc.

StateView Homes (Ivory Oak Estates) Inc.



Name: CARLO TAURASI

Title: CEO

I have the authority to bind StateView Homes (Ivory Oak Estates) Inc.

Taura Developments Inc.

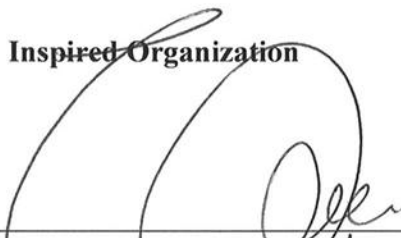


Name: CARLO TAURINI

Title: CEO

I have the authority to bind Taura Developments Inc.

Live Inspired Organization



Name: CARLO TAURINI

Title: CEO

I have the authority to bind Live Inspired Organization

Highview Building Corp Inc.



Name: CARLO TAURINI

Title: CEO

I have the authority to bind Highview Building Corp Inc.


Northgate Fine Homes Inc.



Name: CARLO TAURASI
Title: CEO

I have the authority to bind Northgate Fine Homes Inc.

TLSFD Taurasi Holdings Corp.



Name: CARLO TAURASI
Title: CEO

I have the authority to bind TLSFD Taurasi Holdings Corp.

The Toronto-Dominion Bank

Name:

Title:

I have the authority to bind The Toronto-Dominion Bank

Northgate Fine Homes Inc.

Name:

Title:

I have the authority to bind Northgate Fine
Homes Inc.

TLSFD Taurasi Holdings Corp.

Name:

Title:

I have the authority to bind TLSFD Taurasi
Holdings Corp.

The Toronto-Dominion Bank

Howard Cohen

Name: Howard Cohen

Title: Senior Vice President

I have the authority to bind The Toronto-
Dominion Bank

Schedule A – Draft Consent Order

Court File No.: CV-23-00696833-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
)
)
JUSTICE) DAY OF , 2023

BETWEEN :

THE TORONTO-DOMINION BANK

Plaintiff

- and -

LUXVIEW FINE HOMES CORPORATION, STATEVIEW CONSTRUCTION LTD., STATEVIEW HOMES (ASHBURN HEIGHTS) INC., STATEVIEW HOMES (BALDWIN HEIGHTS) INC., STATEVIEW HOMES (BEA TOWNS) INC., STATEVIEW HOMES (BONAVENTURE) INC., STATEVIEW HOMES (EDGE TOWNS) INC., STATEVIEW HOMES (ELIA COLLECTION) INC., STATEVIEW HOMES (ELM&CO) INC., STATEVIEW HOMES (HAMPTON HEIGHTS) INC., STATEVIEW HOMES (HIGH CROWN ESTATES) INC., STATEVIEW HOMES (KINGS LANDING PHASE II) INC., STATEVIEW HOMES (KINGS LANDING) INC., STATEVIEW HOMES (MAIN & CO) INC., STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC., STATEVIEW HOMES (OOH LALA TOWNS) INC., STATEVIEW HOMES (QUEEN'S COURT) INC., STATEVIEW HOMES (RIALTO TOWNS) INC., STATEVIEW HOMES (TESORO COLLECTION) INC, TAURA DEVELOPMENTS INC., LIVE INSPIRED ORGANIZATION, HIGHVIEW BUILDING CORP INC., NORTHGATE FINE HOMES INC., TLSFD TAURASI HOLDINGS CORP. CARLO TAURASI, DINO TAURASI, DANIEL CICCONE, ANTHONY TAURASI, EMILIO TAURASI, DENNIE TAURASI, MELISSA TAURASI, NELDA TAURASI, ABC INC., XYZ INC, AND ROYAL BANK OF CANADA

Defendants

ORDER
(implementing the Settlement Agreement dated March 31, 2023)

THIS MOTION, made by TD (defined in section 1 of this Order) for an order providing relief in order to implement the Settlement Agreement (defined in section 1 of this Order), was heard this day at 330 University Avenue, Toronto, Ontario.

ON CONSENT of TD and the State View Settling Defendants, and upon being advised that none of the other defendants oppose the relief granted in this order.

AND ON HEARING the submissions of the lawyers for TD and the lawyers for the State View Settling Defendants:

1. **THIS COURT ORDERS** that, for purposes of this Order:
 - (a) **“Added Defendants”** means StateView Homes (Nao Towns II) Inc. and StateView Homes (Ivory Oak Estates) Inc.;
 - (b) **“Information Officer”** has the meaning ascribed in para. 3 of this order;
 - (c) **“Settlement Agreement”** means the settlement agreement dated March 31, 2023 between the State View Settling Defendants and TD;
 - (d) **“State View Companies”** means all of the State View Settling Defendants except Carlo Taurasi and Dino Taurasi;
 - (e) **“State View Settling Defendants”** means all of the Defendants in this action (including the Added Defendants) with the exception of Daniel Ciccone, Anthony

Taurasi, Emilio Taurasi, Dennie Taurasi, Melissa Taurasi, Nelda Taurasi, ABC Inc., XYZ Inc., and Royal Bank of Canada; and

(f) “**TD**” means The Toronto-Dominion Bank.

2. **THIS COURT ORDERS** that the Added Defendants are added as defendants to this action.

3. **THIS COURT ORDERS** that the State View Settling Defendants are authorized and directed to make the payments to TD provided for in section 2 of the Settlement Agreement. Such payments shall be made from the lawyers for the State View Settling Defendants (RAR Litigation Lawyers in trust) to the lawyers for TD (McCarthy Tétrault LLP in trust).

4. **THIS COURT ORDERS** that BDO Canada Limited (“**BDO**”) is appointed as an officer of the Court to act as Information Officer in respect of the State View Companies, and that:

- (a) The State View Settling Defendants shall forthwith provide to the Information Officer with unrestricted access to all of the books, records and other financial information relating to the State View Companies.
- (b) The Information Officer shall gain an understanding of the State View Companies’ corporate structure, organization chart including directors and related parties and cash flow management/treasury functions.
- (c) The Information Officer shall gain an understanding of the State View Companies’ governance policies with regards to treasury functions (who can initiate wires, sign cheques) and other functional areas as required (confirmation of restricted access to certain individuals).

- (d) If and to the extent requested by TD or the State View Companies, the Information Officer shall monitor the business of the State View Companies and the transactions entered into by it, including, without limitation:
- (i) review, the historical, the source and application of funds received and disbursed by the State View Companies, and the deposit of funds into the bank accounts of the State View Companies;
 - (ii) monitor, on an ongoing basis, the source and application of funds received and disbursed by the State View Companies, and the deposit of funds into the bank accounts of the State View Companies;
 - (iii) monitor the activities of the State View Companies to ensure that appropriate cash management is being undertaken at all times; and
 - (iv) review the books and records and computer files, records, software and other systems as necessary.
- (e) The Information Officer shall report to TD and the State View Companies from time to time on the financial circumstances of the State View Companies including, without limitation, with respect to their assets, liabilities, cash flows, intercompany transfers, and payments to related parties or shareholders.
- (f) The Information Officer shall not take possession of any of the assets of the State View Companies, or manage any of the businesses or affairs of the State View Companies. The Information Officer shall not, by fulfilling its obligations under this

order, be deemed to have taken possession, occupation, management or control of any of the assets of the State View Companies.

- (g) The Information Office is at liberty to bring a motion to seek directions from the Court as required.

5. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to BDO herein, BDO shall incur no liability as a result of its appointment or the carrying out of the provisions of this order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this order shall derogate from the protections afforded to BDO as an officer of the Court.

6. **THIS COURT ORDERS** that the State View Settling Defendants shall pay the fees and expenses of the Information Officer.

7. **THIS COURT ORDERS** that, notwithstanding subsection 437(2) of the *Bank Act*, S.C. 1991, c. 46, Royal Bank of Canada may lift the restraint on deposit accounts belonging to the State View Settling Defendants, which were implemented pursuant to subsection 437(2) of the *Bank Act*, S.C. 1991, c. 46, by the commencement of this action. As the inclusion of this provision is a compromise sought by TD Bank and the State View Settling Defendants, Royal Bank of Canada shall not be responsible for monitoring the State View Settling Defendants' deposit accounts, nor any transactions by them made possible by the lifting of any restraint. This provision is without prejudice to the ability of TD Bank to bring a motion seeking to restrain deposit accounts belonging to the State View Settling Defendants, including under subsection 437(2) of the *Bank Act*, S.C. 1991, c. 46, if there is a Default (as that term is defined in the Settlement Agreement) by the State View Settling Defendants under the Settlement Agreement.

8. **THIS COURT ORDERS** that TD is at liberty to bring a motion to the Court for further relief, directions, assistance, clarifications and further orders, including orders in relation to any breach of this order.

The Toronto-Dominion Bank
Plaintiff

and
StateView Construction Ltd. et al
Defendants

Court File No.: CV-23-00696833-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

ORDER

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

Geoff R. Hall LS#: 347010
ghall@mccarthy.ca
Tel: 416-601-7856

Adam Ship LS#: 55973P
aship@mccarthy.ca
Tel: 416-601-7731

Adam Dobkin LS#: 79395V
aobkin@mccarthy.ca
Tel: 416-601-7563

Lawyers for the Plaintiff

Schedule B – List of properties that will form the Security

1. 3 Windrose Valley Collingwood – PIN: 58253-0276 (LT) – Carlo Taurasi and Melissa Taurasi
2. 3-410 Chrislea Road Woodbridge – PIN: 29275-0003 (LT) – Taura Developments Inc.
3. 7-410 Chrislea Road Woodbridge – PIN: 29275-0007 (LT) - Taura Developments Inc.
4. 8-410 Chrislea Road Woodbridge – PIN: 29275-0008 (LT) - Taura Developments Inc.
5. 14-410 Chrislea Road Woodbridge – PIN: 29275-0014 (LT) - Taura Developments Inc.
6. 15-410 Chrislea Road Woodbridge – PIN: 29275-0015 (LT) - Taura Developments Inc.
7. 16-410 Chrislea Road Woodbridge – PIN: 29275-0016 (LT) - Taura Developments Inc.
8. 17-410 Chrislea Road Woodbridge – PIN: 29275-0017 (LT) - Taura Developments Inc.
9. 18-410 Chrislea Road Woodbridge – PIN: 29275-0018 (LT) - Taura Developments Inc.
10. 19-410 Chrislea Road Woodbridge – PIN: 29275-0019 (LT) - Taura Developments Inc.
11. 20-410 Chrislea Road Woodbridge – PIN: 29275-0020 (LT) - Taura Developments Inc.
12. 5 Eden Vale Drive King City – PIN: 03379-0223 (LT) – Carlo Taurasi
13. 7810 McCowan Road Markham – PIN: 02962-0270 (LT) – StateView Homes (Nao Towns II) Inc.
14. 7822 McCowan Road Markham – PIN: 02962-0271 (LT) – StateView Homes (Nao Towns II) Inc.
15. 7834 McCowan Road Markham – PIN: 02962-0272 (LT) – StateView Homes (Nao Towns II) Inc.

16. 7846 McCowan Road Markham – PIN: 02962-0273 (LT) – StateView Homes (Nao Towns II) Inc.
17. 16 Windrose Valley Collingwood – PIN: 58253-0280 (LT) – Dino Taurasi and Nelda Taurasi
18. 48 Puccini Richmond Hill – PIN: 03206-3971 (LT) – Dino Taurasi and Nelda Taurasi
19. 48A Puccini Richmond Hill – PIN: 03206-3971 (LT) – Carlo Taurasi and Melissa Taurasi
20. 80 Fairfield Drive King City – PIN: 03379-0249 (LT) – Dino Taurasi
21. 189 Summerset Barrie –PIN: 58763-1764 (LT) – StateView Homes (Bea Towns) Inc.
22. 3624 Ferretti Court Innisfil – PIN: 58085-0700 (LT) – High Point Holdings Corporation
23. 3808 Ferretti Court Innisfil – PIN: 58085-0646 (LT) - High Point Holdings (No. 2) Corporation
24. 12942 York Durham Line Whitchurch-Stouffville – PIN: 03707-0188 (LT) – StateView Homes (Elm&Co) Inc.
25. 301 Bradwick Vaughan – PIN: 03273-0069 (LT) – TLSFD Taurasi Holdings Corp.
26. 8 Bradwick Vaughan – PIN: 03274-0043 (LT) – TLSFD Taurasi Holdings Corp.
27. 6 Bradwick Vaughan – PIN: 03274-0044 (LT) – TLSFD Taurasi Holdings Corp.
28. 448 North Rivermede Vaughan – PIN: 03274-0132 (LT) – TLSFD Taurasi Holdings Corp.
29. 596 Oster Lane, Vaughan – PIN: 03275-0052 (LT) – TLSFD Taurasi Holdings Corp
30. 5 Eden Vale Drive, King City - PIN: 03379-0223 (LT) – Carlo Taurasi
31. 80 Fairfield Drive, King City – PIN: 03379-0249 (LT) – Dino Taurasi

Schedule C – Draft Consent Judgment

Court File No. CV-23-00696833-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

THE TORONTO-DOMINION BANK

Plaintiff

- and -

LUXVIEW FINE HOMES CORPORATION, STATEVIEW CONSTRUCTION LTD.,
 STATEVIEW HOMES (ASHBURN HEIGHTS) INC., STATEVIEW HOMES
 (BALDWIN HEIGHTS) INC., STATEVIEW HOMES (BEA TOWNS) INC.,
 STATEVIEW HOMES (BONAVENTURE) INC., STATEVIEW HOMES (EDGE
 TOWNS) INC., STATEVIEW HOMES (ELIA COLLECTION) INC., STATEVIEW
 HOMES (ELM&CO) INC., STATEVIEW HOMES (HAMPTON HEIGHTS) INC.,
 STATEVIEW HOMES (HIGH CROWN ESTATES) INC., STATEVIEW HOMES
 (KINGS LANDING PHASE II) INC., STATEVIEW HOMES (KINGS LANDING)
 INC., STATEVIEW HOMES (MAIN & CO) INC., STATEVIEW HOMES (MINU
 TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES
 (ON THE MARK) INC., STATEVIEW HOMES (OOH LALA TOWNS) INC.,
 STATEVIEW HOMES (QUEEN'S COURT) INC., STATEVIEW HOMES (RIALTO
 TOWNS) INC., STATEVIEW HOMES (TESORO COLLECTION) INC, TAURA
 DEVELOPMENTS INC., LIVE INSPIRED ORGANIZATION, HIGHVIEW
 BUILDING CORP INC., NORTHGATE FINE HOMES INC., TLSFD TAURASI
 HOLDINGS CORP. CARLO TAURASI, DINO TAURASI, DANIEL CICCONE,
 ANTHONY TAURASI, EMILIO TAURASI, DENNIE TAURASI, MELISSA
 TAURASI, NELDA TAURASI, ABC INC., XYZ INC, AND ROYAL BANK OF
 CANADA

Defendants

CONSENT

THE PARTIES hereto, none being under a disability, by their respective lawyers,
 consent to the form and content of the draft Judgment attached as **Schedule "A"**.

Date:

McCarthy Tétrault LLP
 Lawyers for the plaintiff

Date:

RAR Litigation

Lawyers for the defendants Luxview Fine Homes Corporation, StateView Construction Ltd., StateView Homes (Ashburn Heights) Inc., StateView Homes (Baldwin Heights) Inc., StateView Homes (Bea Towns) Inc., StateView Homes (Bonaventure) Inc., StateView Homes (Edge Towns) Inc., StateView Homes (Elia Collection) Inc., StateView Homes (Elm&Co) Inc., StateView Homes (Hampton Heights) Inc., StateView Homes (High Crown Estates) Inc., StateView Homes (Kings Landing Phase I) Inc., StateView Homes (Kings Landing) Inc., StateView Homes (Main & Co) Inc., StateView Homes (Minu Towns) Inc., StateView Homes (Nao Towns) Inc., StateView Homes (On The Mark) Inc., StateView Homes (Ooh Lala Towns) Inc., StateView Homes (Queen's Court) Inc., StateView Homes (Rialto Towns) Inc., StateView Homes (Tesoro Collection) Inc, Taura Developments Inc., Live Inspired Organization, Highview Building Corp Inc., Northgate Fine Homes Inc., TLSFD Taurasi Holdings Corp., Carlo Taurasi, Dino Taurasi, and the added defendants StateView Homes (Nao Towns II) Inc. and StateView Homes (Ivory Oak Estates) Inc.

SCHEDULE "A"

Court File No. CV-21-00002699-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
)
JUSTICE) DAY, THE
) DAY OF ,
)

BETWEEN:

THE TORONTO-DOMINION BANK

Plaintiff

- and -

LUXVIEW FINE HOMES CORPORATION, STATEVIEW CONSTRUCTION LTD., STATEVIEW HOMES (ASHBURN HEIGHTS) INC., STATEVIEW HOMES (BALDWIN HEIGHTS) INC., STATEVIEW HOMES (BEA TOWNS) INC., STATEVIEW HOMES (BONAVENTURE) INC., STATEVIEW HOMES (EDGE TOWNS) INC., STATEVIEW HOMES (ELIA COLLECTION) INC., STATEVIEW HOMES (ELM&CO) INC., STATEVIEW HOMES (HAMPTON HEIGHTS) INC., STATEVIEW HOMES (HIGH CROWN ESTATES) INC., STATEVIEW HOMES (KINGS LANDING PHASE II) INC., STATEVIEW HOMES (KINGS LANDING) INC., STATEVIEW HOMES (MAIN & CO) INC., STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC., STATEVIEW HOMES (OOH LALA TOWNS) INC., STATEVIEW HOMES (QUEEN'S COURT) INC., STATEVIEW HOMES (RIALTO TOWNS) INC., STATEVIEW HOMES (TESORO COLLECTION) INC, TAURA DEVELOPMENTS INC., LIVE INSPIRED ORGANIZATION, HIGHVIEW BUILDING CORP INC., NORTHGATE FINE HOMES INC., TLSFD TAURASI HOLDINGS CORP., CARLO TAURASI, DINO TAURASI, DANIEL CICCONE, ANTHONY TAURASI, EMILIO TAURASI, DENNIE TAURASI, MELISSA TAURASI, NELDA TAURASI, ABC INC., XYZ INC, AND ROYAL BANK OF CANADA

Defendants

JUDGMENT

THIS MOTION, made by the Plaintiff The Toronto Dominion Bank ("TD") on consent, was read on this day at the Superior Court of Justice, 330 University Avenue, Toronto, Ontario.

ON READING the consent of (i) Luxview Fine Homes Corporation, StateView Construction Ltd., StateView Homes (Ashburn Heights) Inc., StateView Homes (Baldwin Heights) Inc., StateView Homes (Bea Towns) Inc., StateView Homes (Bonaventure) Inc.,

- 27

StateView Homes (Edge Towns) Inc., StateView Homes (Elia Collection) Inc., StateView Homes (Elm&Co) Inc., StateView Homes (Hampton Heights) Inc., StateView Homes (High Crown Estates) Inc., StateView Homes (Kings Landing Phase II) Inc., StateView Homes (Kings Landing) Inc., StateView Homes (Main & Co) Inc., StateView Homes (Minu Towns) Inc., StateView Homes (Nao Towns) Inc., StateView Homes (Nao Towns II) Inc., StateView Homes (On The Mark) Inc., StateView Homes (Ooh Lala Towns) Inc., StateView Homes (Queen's Court) Inc., StateView Homes (Rialto Towns) Inc., StateView Homes (Tesoro Collection) Inc., StateView Homes (Ivory Oak Estates) Inc., Taura Developments Inc., Live Inspired Organization, Highview Building Corp Inc., Northgate Fine Homes Inc., TLSFD Taurasi Holdings Corp., Carlo Taurasi, and Dino Taurasi; and (ii) TD, filed:

1. **THIS COURT ORDERS AND ADJUDGES** that Luxview Fine Homes Corporation, StateView Construction Ltd., StateView Homes (Ashburn Heights) Inc., StateView Homes (Baldwin Heights) Inc., StateView Homes (Bea Towns) Inc., StateView Homes (Bonaventure) Inc., StateView Homes (Edge Towns) Inc., StateView Homes (Elia Collection) Inc., StateView Homes (Elm&Co) Inc., StateView Homes (Hampton Heights) Inc., StateView Homes (High Crown Estates) Inc., StateView Homes (Kings Landing Phase II) Inc., StateView Homes (Kings Landing) Inc., StateView Homes (Main & Co) Inc., StateView Homes (Minu Towns) Inc., StateView Homes (Nao Towns) Inc., StateView Homes (Nao Towns II) Inc., StateView Homes (On The Mark) Inc., StateView Homes (Ooh Lala Towns) Inc., StateView Homes (Queen's Court) Inc., StateView Homes (Rialto Towns) Inc., StateView Homes (Tesoro Collection) Inc., StateView Homes (Ivory Oak Estates) Inc., Taura Developments Inc., Live Inspired Organization, Highview Building Corp Inc., Northgate Fine Homes Inc., TLSFD Taurasi Holdings Corp., Carlo Taurasi, and Dino Taurasi shall, jointly and severally, pay to TD the sum of **[McCarthy Tétrault LLP, as escrow agent, shall insert the amount of the Accelerated Obligation (as that term is defined in the Settlement Agreement dated ●, 2023) as at the date of Default (as that term is defined in the Settlement Agreement dated ●, 2023)]**.

THIS JUDGMENT BEARS INTEREST at the rate prescribed by the *Courts of Justice Act*, namely, at the rate of ___ per year commencing on _____.

SCHEDULE "A"

The Toronto-Dominion Bank
Plaintiff

State View Construction Ltd. et al
and
Defendants

Court File No.: CV-23-00696833-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

JUDGMENT

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

Geoff R. Hall LS#: 347010
ghall@mccarthy.ca
Tel: 416-601-7856

Adam Ship LS#: 55973P
aship@mccarthy.ca
Tel: 416-601-7731

Adam Dobkin LS#: 79395V
aobkin@mccarthy.ca
Tel: 416-601-7563

Lawyers for the Plaintiff

The Toronto-Dominion Bank
Plaintiff and

StateView Construction Ltd. et al
Defendants

Court File No.: CV-23-00696833-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

CONSENT

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

Geoff R. Hall LS#: 347010
ghall@mccarthy.ca
Tel: 416-601-7856

Adam Ship LS#: 55973P
aship@mccarthy.ca
Tel: 416-601-7731

Adam Dobkin LS#: 79395V
aobkin@mccarthy.ca
Tel: 416-601-7563

Lawyers for the Plaintiff

This is Exhibit "12" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)

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

Properties

PIN 58763 - 1764 LT Interest/Estate Fee Simple
Description BLOCK 76, PLAN 51M1167; CITY OF BARRIE
Address 189 SUMMERSET DRIVE
BARRIE

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 STATEVIEW HOMES (BEA TOWNS) INC.
Address for Service 410 Chrislea Road
Unit 16
Woodbridge, Ontario
L4L 8B5

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 THE TORONTO-DOMINION BANK
Address for Service Midtown Commercial Banking Centre
2 St Clair Avenue East
Toronto, Ontario
M4T 2V4

Statements

Schedule: See Schedules

Provisions

Principal \$37,134,091.23 Currency CDN
Calculation Period
Balance Due Date
Interest Rate Prime Rate + 5 % per annum
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount Full insurable value
Guarantor

Signed By

Nicolina Perrone Box 48 Suite 5300, TD Bank Tower acting for Signed 2023 04 05
Toronto Chargor(s)
M5K 1E6

Tel 416-362-1812

Fax 416-868-0673

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

Submitted By

MCCARTHY TETRAULT LLP Box 48 Suite 5300, TD Bank Tower 2023 04 06
Toronto
M5K 1E6

Tel 416-362-1812

Fax 416-868-0673

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

Fees/Taxes/Payment

Statutory Registration Fee	\$69.00
Total Paid	\$69.00

File Number

Chargee Client File Number : 089339-572451

This Charge is being granted to secure the obligations pursuant to a settlement agreement dated March 31, 2023 (the "**Settlement Agreement**") between, *inter alios*, the Chargor and the Chargee.

Receiver

It is hereby agreed that at any time and from time to time upon the occurrence of an event of default which is continuing, the Chargee may, with or without entry into possession of the charged premises or any part thereof, and whether before or after such entry into possession, appoint a receiver or manager, or receiver and manager (herein called the "**Receiver**") of the charged premises or any part thereof and of the rents and profits thereof or of only the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any Receiver with or without appointing another in his stead and, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. Upon the appointment of any Receiver or Receivers from time to time, the following provisions shall apply:

- (a) a statutory declaration of an officer of the Chargee as to the existence of an event of default shall be conclusive evidence thereof for the purposes of the appointment of a Receiver;
- (b) every Receiver shall be the agent or attorney of the Chargor (whose appointment as such shall be revocable only by the Chargee) for the collection of all rents and profits falling due and becoming payable in respect of the charged premises or any part thereof whether in respect of any tenancies created in priority to this Charge or subsequent thereto, or otherwise;
- (c) every Receiver may, in the discretion of the Chargee, be vested with all or any of the powers and discretions of the Chargee;
- (d) the rights and powers conferred herein in respect of the Receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have;
- (e) the Chargee may from time to time fix the remuneration for every Receiver, who shall be entitled to deduct the same out of revenue or sale proceeds of the charged premises;
- (f) every Receiver shall so far as concerns responsibility for its acts or omissions, be deemed the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (g) the appointment of every Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver or to the Chargor or to any other Person in any respect, and such appointment or anything which may be done by any Receiver or the removal of any Receiver or the termination of any receivership shall not have the effect of constituting the Chargee a mortgagee-in-possession in respect of the charged premises or any part thereof;
- (h) every such Receiver shall from time to time have the power to lease any portion of the charged premises which may become vacant, for such term and subject to such provisions as it may deem advisable or expedient, subject to the restrictions on leasing contained in any existing leases or agreements to lease affecting any of the charged premises, and in so doing, every Receiver shall act as the attorney or agent of the Chargor and shall have authority to execute under seal any lease of any such premises in the name of and on behalf of the Chargor, and the Chargor agrees to ratify and confirm whatever any Receiver may do in the charged premises;
- (i) every Receiver may make such arrangements, at such time or times as it may deem necessary without the concurrence of any other persons, for the repairing, finishing, adding to, or putting in order of the charged premises, including without restricting the generality of the foregoing, completing the construction of any building or buildings, structures, services or improvements on the charged premises left in an unfinished state, and constructing or providing for leasehold improvements notwithstanding that the resulting cost may exceed the Principal Amount, and the Receiver shall have the right to register plans of subdivision and condominium declarations and descriptions in respect of the charged premises as

well as the right to take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances on this charged premises) and property of every kind and description;

- (j) every Receiver shall have full power to manage, operate, amend, repair or alter the charged premises and the building and improvements thereon or any part thereof in the name of the Chargor for the purpose of obtaining rental and other income from the charged premises or any part thereof;
- (k) no Receiver shall be liable to the Chargor to account for monies other than monies actually received by it in respect of the charged premises and out of such monies so received from time to time every Receiver shall, in the following order, pay:
 - (i) its remuneration as aforesaid,
 - (ii) all obligations, costs and expenses made or incurred by it, including but not limited to, any expenditures in connection with the management, operation, amendment, repair, construction or alteration of the charged premises or any part thereof,
 - (iii) interest, principal and other monies which may, from time to time, be or become charged upon the charged premises in priority to this Charge, including all taxes,
 - (iv) to the Chargee, all Indebtedness, to be applied in such order as the Chargee in its discretion shall determine, and
 - (v) subject to subparagraph (iv) above, at the discretion of the Receiver, interest, principal and other monies which may from time to time constitute a charge or encumbrance on the charged premises subsequent in priority or subordinate to the interest of the Chargee under this Charge,

and every Receiver may in its discretion retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing and further any surplus remaining in the hands of every Receiver, after payments made and such reasonable reserves retained as aforesaid, shall be payable to the Chargor;

- (l) the Chargee may at any time and from time to time terminate any receivership by notice in writing to the Chargor and to any Receiver; and
- (m) save as to monies payable to the Chargor pursuant to subparagraph (k) of this Section, the Chargor hereby releases and discharges the Chargee and every Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any Person claiming through or under it by reason of or as a result of anything done by the Chargee or any Receiver under the provisions of this Section, unless such claim be the direct and proximate result of bad faith or gross neglect.

This is Exhibit "13" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)



The power of together

Northbridge General Insurance Corporation
105 Adelaide Street West
Toronto, Ontario M5H 1P9
Tel: (416) 350-4000
Fax: (416) 369-7164

REGISTERED LETTER OF TERMINATION

April 18, 2023

Broker: Masters Insurance Limited

Insured: Stateview Construction Ltd.
410 Chrislea Road, Unit #16
Woodbridge, ON, L4L8B5

Policy Number: CBC 0651149

As you have not paid the premium owing on this policy, we are providing you with notice of termination. Pursuant to conditions set forth in the above numbered policy, we hereby give you **15 days** notification of termination of this policy. The period mentioned begins the day after delivery of this letter at the post office to which it is addressed. This policy will be terminated, without further notice, at midnight on **May 3, 2023**.

Please note that, upon the termination of your policy, the earned premium due to the NORTHBRIDGE GENERAL INSURANCE CORPORATION from the commencement date to the effective date of termination will be **\$71,242**.

Please remit payment to: NORTHBRIDGE GENREAL INSURANCE CORPORATION, 105 Adelaide Street West Toronto, Ontario M5H 1P9, or your broker: Masters Insurance Limited, 7501 Keele Street, Suite 400, Vaughan, Ontario, Canada, L4K 1Y2.

Please contact your insurance representative if you have any questions.

Sincerely,

Grace Hu

Associate Underwriter

Ontario Region – Construction & Contracting

Northbridge Insurance

105 Adelaide Street West | Suite 700 | Toronto, ON | M5H 1P9

Email: grace.hu@nbfc.com

Phone: 416-350-4162

cc:

Broker: Masters Insurance



The power of together

Northbridge General Insurance Corporation
 105 Adelaide Street West
 Toronto, Ontario M5H 1P9
 Tel: (416) 350-4000
 Fax: (416) 369-7164

REGISTERED LETTER OF TERMINATION

April 18, 2023

Broker: Masters Insurance Limited

Insured: Stateview Construction Ltd.
 410 Chrislea Road, Unit #16
 Woodbridge, ON, L4L8B5

Policy Number: CBC 0651140

As you have not paid the premium owing on this policy, we are providing you with notice of termination. Pursuant to conditions set forth in the above numbered policy, we hereby give you **15 days** notification of termination of this policy. The period mentioned begins the day after delivery of this letter at the post office to which it is addressed. This policy will be terminated, without further notice, at midnight on **May 3, 2023**.

Please note that, upon the termination of your policy, the earned premium due to the NORTHBRIDGE GENERAL INSURANCE CORPORATION from the commencement date to the effective date of termination will be **\$350,456**.

Please remit payment to: NORTHBRIDGE GENREAL INSURANCE CORPORATION, 105 Adelaide Street West Toronto, Ontario M5H 1P9, or your broker: Masters Insurance Limited, 7501 Keele Street, Suite 400, Vaughan, Ontario, Canada, L4K 1Y2.

Please contact your insurance representative if you have any questions.

Sincerely,

Grace Hu

Associate Underwriter

Ontario Region – Construction & Contracting

Northbridge Insurance

105 Adelaide Street West | Suite 700 | Toronto, ON | M5H 1P9

Email: grace.hu@nbfc.com

Phone: 416-350-4162

cc:

Broker: Masters

This is Exhibit "14" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)



P.O. Box 400 70 Collier Street
 Barrie, Ontario L4M 4T5
 TEL: (705) 739-4230
 FAX: (705) 739-4237

Certificate N.: 62638
 220

Requested By: BLANEY, MCMURTRY 2 QUEEN ST E SUITE 1500 TORONTO, ON M5C 3G5	Assessed Owners STATEVIEW HOMES (BEA TOWNS) II 16-410 CHRISLEA RD WOODBIDGE, ON L4L 8B5 Municipal Address 00189 SUMMERSET DR	Property Roll Number 4342 040-017-01183-0000 Property Description PLAN 51M1167 BLK 76
Your File: K.STASIUK		

Statement of Current Taxes for 2023

Taxes Levied to Date	Local Improvements	Penalty	\$Pd/(Chg Add)	Current Owing
\$20,616.73	\$0.00	\$257.72	\$0.00	\$20,874.45

Statement of Tax Arrears

Year	Taxes	Interest	Total Outstanding
2022	\$10,860.17	\$950.25	\$11,810.42
2021			\$0.00
2020			\$0.00
2019			\$0.00
Total Taxes Owing and Billed at Date of Certification:			\$32,684.87

Penalty and/or interest levied on outstanding principal is 1.25% levied on the first day of default of payment and each month thereafter until paid. Interest and penalty charges have been calculated to date of certification.


Current Year Installment Breakdown			Supplemental Levy
Interim	Final		
2/28/2023	\$10,308.73	\$0.00	
4/28/2023	\$10,308.00	\$0.00	

Local Improvement Charge Breakdown				Prior Year Taxes Billed	
Code	Description	Amount	Expiry	2022	
				2022	\$41,233.45

Comments:	Other Outstanding Charges \$0.00
------------------	--

- This Certificate does not include the following:
 - Arrears of Water or Hydro services to the property.
 - Direct services to the property not added to the tax roll at this date, without limiting the generality of the foregoing which may include work orders involving weed cutting charges, demolitions, clean ups, public health charges, etc.
 - Outstanding Loans under the O.H.R.P. Programs or any other development or redevelopment charges under By-Laws of the Corporation.
- Tax Levied to date does not include subsequent Supplementary Taxes that may be levied and added under Section 33 and 34 of the Assessment Act, R.S.O. 1990, C.A. 31 as amended, nor does it include any adjustments that may be made under Sections 357 and 358 of the Municipal Act, 2001 and Section 39.1 and 40 of the Assessment Act.
- Any Credit Balance appearing on this Certificate is not verified. No adjustments should be made unless the credit balance is a known and acknowledged overpayment.
- Persons, Corporations or Businesses shown as "assessed to" on the face of this certificate are included for information only and may not be the current owners.
- This certificate reflects charges added to the tax roll and payments to the date of certifying only.
- This certificate is valid only if cheques accepted for payment are honoured at the bank.
- For additional information contact the Finance Department at (705)739-4230.

Certified as at: 4/24/2023


 Treasurer

This is Exhibit "15" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)

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

yyyy mm dd Page 1 of 1

Properties

PIN 58763 - 1764 LT
 Description BLOCK 76, PLAN 51M1167; CITY OF BARRIE
 Address SUMMERSET DRIVE
 BARRIE

Consideration

Consideration \$38,859.17

Claimant(s)

Name ONESPACE UNLIMITED INC.
 Address for Service c/o Rosamund Taylor
 SimpsonWigle LAW LLP
 1 Hunter Street East, Suite 200
 Hamilton, Ontario L8N 3W1

I, Rodney Rowbotham, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

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.

Statements

Name and Address of Owner STATEVIEW HOMES (BEA TOWNS) INC., 410 Chrislea Road, Unit 16, Woodbridge, Ontario, L4L 8B5.
 Name and address of person to whom lien claimant supplied services or materials STATEVIEW HOMES (BEA TOWNS) INC., 410 Chrislea Road, Unit 16, Woodbridge, Ontario, L4L 8B5. Time within which services or materials were supplied from 2022/01/25 to 2023/04/17 Short description of services or materials that have been supplied Architectural services included schematic design, design development and planning approvals, including submission of site plan approval application. Contract price or subcontract price \$267,454.05 (including H.S.T.) Amount claimed as owing in respect of services or materials that have been supplied \$38,859.17 (including H.S.T.)

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Signed By

Nicole Margaret Dean	1 Hunter St. E., Suite 200 Hamilton L8N 3W1	acting for Applicant(s)	Signed	2023 04 17
----------------------	---	----------------------------	--------	------------

Tel 905-528-8411

Fax 905-528-9008

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

Submitted By

SIMPSON WIGLE LAW LLP	1 Hunter St. E., Suite 200 Hamilton L8N 3W1	2023 04 18
-----------------------	---	------------

Tel 905-528-8411

Fax 905-528-9008

Fees/Taxes/Payment

Statutory Registration Fee	\$69.00
Total Paid	\$69.00

File Number

Claimant Client File Number : MAT85680 - RT/ND 22013

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

Properties

PIN 58763 - 1764 LT
Description BLOCK 76, PLAN 51M1167; CITY OF BARRIE
Address SUMMERSET DRIVE
BARRIE

Consideration

Consideration \$138,371.21

Claimant(s)

Name ONESPACE UNLIMITED INC.
Address for Service c/o Rosamund Taylor
SimpsonWigle LAW LLP
1 Hunter Street East, Suite 200
Hamilton, Ontario L8N 3W1

I, Rodney Rowbotham, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

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.

Statements

Name and Address of Owner STATEVIEW HOMES (BEA TOWNS) INC., 410 Chrislea Road, Unit 16, Woodbridge, Ontario, L4L 8B5.
Name and address of person to whom lien claimant supplied services or materials STATEVIEW HOMES (BEA TOWNS) INC., 410 Chrislea Road, Unit 16, Woodbridge, Ontario, L4L 8B5. Time within which services or materials were supplied from 2022/02/15 to 2023/04/17 Short description of services or materials that have been supplied Architectural services included schematic design, design development and planning approvals, including submission of site plan approval application. Contract price or subcontract price \$227,243.00 (including H.S.T.) Amount claimed as owing in respect of services or materials that have been supplied \$138,371.21 (including H.S.T.)

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Signed By

Nicole Margaret Dean 1 Hunter St. E., Suite 200 acting for Signed 2023 04 17
Hamilton Applicant(s)
L8N 3W1

Tel 905-528-8411

Fax 905-528-9008

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

Submitted By

SIMPSON WIGLE LAW LLP 1 Hunter St. E., Suite 200 2023 04 18
Hamilton
L8N 3W1

Tel 905-528-8411

Fax 905-528-9008

Fees/Taxes/Payment

Statutory Registration Fee \$69.00

Total Paid \$69.00

File Number

Claimant Client File Number : MAT85680 RT/ND - 22017

This is Exhibit "16" referred to in the Affidavit of Brian Dorr sworn before me on April 28, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

CHAD KOPACH (LSO #48084G)

Court File No.

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

B E T W E E N:

DORR CAPITAL CORPORATION

Applicant

- and -

STATEVIEW HOMES (BEA TOWNS) INC.

Respondent

APPLICATION UNDER Section 243 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

CONSENT

KSV Restructuring Inc. hereby consents to being appointed as receiver over the property, assets and undertakings of Stateview Homes (BEA Towns) Inc.

Dated this 27th day of April, 2023

KSV RESTRUCTURING INC.

By:



Name: Bobby Kofman

I have authority to bind the corporation

DORR CAPITAL CORPORATION

and

STATEVIEW HOMES (BEA TOWNS) INC.

Applicant

Respondent

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

Proceeding commenced at Toronto

CONSENT

BLANEY McMURTRY LLP

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Lawyers for the Applicant

DORR CAPITAL COPORATION

and

Court File No. CV-23-00698637-00CL
STATEVIEW HOMES (BEA TOWNS) INC.

Applicant

Respondent

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

Proceeding commenced at Toronto

AFFIDAVIT OF BRIAN DORR**BLANEY McMURTRY LLP**
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Lawyers for the Applicant

TAB C

THIS ~~MOTION~~APPLICATION made by the ~~Plaintiff~~²Applicant 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 ~~[RECEIVER'S NAME]~~KSV Restructuring Inc. as receiver ~~[and manager]~~ (in such capacities, the ~~"Receiver"~~"Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~the Respondent, Stateview Homes (BEA Towns) Inc. (the ~~"Debtor"~~"Debtor"), including the real property owned by the Debtor legally described as Block 76, Plan 51m1167, City of Barrie, being all of PIN 58763-1764 (LT) in LRO #51 ("Real Property"), acquired for, or used in relation to a business carried on by the Debtor, was heard this day at ~~330 University Avenue,~~Toronto, Ontario, by Zoom videoconference.

ON READING the ~~affidavit~~Notice of ~~[NAME]~~Application issued April 27, 2023 (the ~~"Notice of Application"~~"Notice of Application"), the Affidavit of Brian Dorr sworn ~~[DATE]~~April 28, 2023 and the Exhibits thereto, and on hearing the submissions of counsel for ~~[NAMES]~~the Applicant and counsel for the Respondent, no one else on the service list appearing ~~for [NAME]~~, although duly served, as appears from the ~~affidavit~~Affidavit of ~~service~~Service of ~~[NAME]~~Kelly Vickers sworn ~~[DATE]~~May ____, 2023, and on reading the consent of ~~[RECEIVER'S NAME]~~KSV Restructuring Inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion~~Application and the ~~Motion~~Application Record dated May 1, 2023, is hereby abridged and validated³ so that this ~~motion~~Application is properly returnable today and hereby dispenses with further service thereof.

²~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

³~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~RECEIVER'S NAME~~ KSV Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to a business carried on by the ~~Debtor~~ Respondent, including all proceeds thereof (the "Property"). For greater certainty, in this Order, Property includes, without limitation, the Real Property listed in Schedule "A" hereto, and all proceeds thereof.

RECEIVER'S POWERS

3. **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 Debtor, including the powers to enter into any contracts or agreements in connection therewith (including any amendments and modifications thereto), repudiate or disclaim any contracts or 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, modify, and/or terminate any contracts ~~or~~ agreements to which the Debtor is a party;

- (d) to engage contractors, tradespersons, quantity surveyors, consultants, appraisers, agents, experts, auditors, accountants, managers, including a property manager, mortgage brokers or administrators, 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 Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (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 Debtor, 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 Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ 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;

~~⁴This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

- (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 \$~~_____~~250,000.00, provided that the aggregate consideration for all such transactions does not exceed \$~~_____~~500,000.00; 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*, ~~f~~or section 31 of the Ontario *Mortgages Act*, as the case may be,⁵ shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply.~~

- (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;

~~⁵ If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

- (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 Debtor and to meet with and discuss with such governmental authority and execute any agreements required in connection with or as a result of such permits, licenses, approvals or permissions (but solely in its capacity as Receiver and not in its personal or corporate capacity);
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor 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 Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel ~~and~~, shareholders and unit holders, 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 aspect(s) or portion(s) of the 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.

5. **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 Debtor, 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.

6. **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.

7. **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

8. **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 DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property or any assets located on premises belonging to the Debtor 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 Debtor or the Property or any assets located on premises belonging to the Debtor are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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. ~~11. 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 Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor 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 Debtor, 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 Debtor's 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 Debtor 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.

13. **THIS COURT ORDERS** that in the event that an account for the supply of goods and/or services is transferred from the Debtor to the Receiver, or is otherwise established in the Receiver's name, no Person, including but not limited to a utility service provider, shall assess or otherwise require the Receiver to post a security deposit as a condition to the transfer/establishment of the account.

RECEIVER TO HOLD FUNDS

14. ~~13.~~ **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

15. ~~14.~~ **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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

16. ~~15.~~ **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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. ~~16.~~ **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

18. ~~17.~~ **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

19. ~~18.~~ **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.⁶

20. ~~19.~~ **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.

21. ~~20.~~ **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

22. ~~21.~~ **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 \$~~_____~~250,000.00 (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.


⁶~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

23. ~~22.~~ **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.

24. ~~23.~~ **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "AB" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. ~~24.~~ **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.

SERVICE AND NOTICE

26. ~~25.~~ **THIS COURT ORDERS** that the E-Service ~~Protocol~~Guide of the Commercial List (the "~~Protocol~~Guide") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the ~~Protocol~~Guide (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/http://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 ~~21~~13 of the ~~Protocol~~Guide, service of documents in accordance with the ~~Protocol~~Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the ~~Protocol~~Guide with the following URL '<~~@~~*>'.


27. ~~26.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the ~~Protocol~~Guide 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 Debtor's creditors or other interested parties at their

respective addresses as last shown on the records of the Debtor 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.

28. **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 Debtor's 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. 8100-2-175 (SOR/DORS).

GENERAL

29. ~~27.~~ **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.

30. ~~28.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

31. ~~29.~~ **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.

32. ~~30.~~ **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.

33. ~~31.~~ **THIS COURT ORDERS** that the ~~Plaintiff~~Applicant shall have its costs of this ~~motion~~application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff~~Applicant's security or, if not so provided by the ~~Plaintiff~~Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

34. ~~32.~~ **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.

35. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal Order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal Order for original signing, entry and filing, as the case may be, when the Court returns to regular operation.

| ~~DOCSTOR: 1771742~~8

SCHEDULE "A"

| **REAL PROPERTY**

| PIN 58763 – 1764 LT in LRO #51

| BLOCK 76, PLAN 51M1167; CITY OF BARRIE

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that ~~[RECEIVER'S NAME]~~KSV Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~of Stateview Homes (BEA Towns) Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, 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 _____, ~~20__~~2023 (the "**Order**") made in an ~~action~~application having Court file number ~~__CL-~~_____, 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 _____, 20__.

~~[RECEIVER'S NAME]~~ KSV
RESTRUCTURING INC., solely in its
capacity as Receiver of the Property Debtor,
and not in its personal capacity

Per: _____
Name:
Title:

DORR CAPITAL CORPORATIONandSTATEVIEW HOMES (BEA TOWNS) INC.ApplicantRespondent

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

Proceeding commenced at Toronto

ORDER APPOINTING RECEIVER

BLANEY McMURTRY LLP

Barristers & Solicitors

2 Queen Street East, Suite 1500

Toronto ON M5C 3G5

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Document 1 ID	file:///I:/Users/EGOLDEN/FILE/WORD/Dorr Capital/Stateview/BEA/pleadings/MODEL ORDER receivership-order-EN (1).doc
Description	MODEL ORDER receivership-order-EN (1)
Document 2 ID	file:///I:/Users/EGOLDEN/FILE/WORD/Dorr Capital/Stateview/BEA/pleadings/Dorr v Stateview BEA - Draft Receivership Order.doc
Description	Dorr v Stateview BEA - Draft Receivership Order
Rendering set	Standard

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Moved to	0
Style changes	0
Format changes	0
Total changes	243

DORR CAPITAL CORPORATION
Applicant

and

Court File No. CV-23-00698637-00CL
STATEVIEW HOMES (BEA TOWNS) INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

APPLICATION RECORD

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