

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

BETWEEN:

**KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION**

Applicants

- and -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS)  
INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS  
CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

Respondents

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

**APPLICATION RECORD  
(Volume 1 of 3)**

April 26, 2023

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Lawyers for the Applicants

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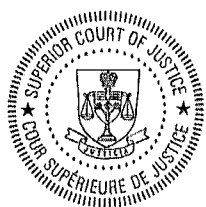
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# TAB 1



Court File No.: \_\_\_\_\_

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

BETWEEN:

**KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION**

Applicants

- and -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS)  
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Respondents

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

**NOTICE OF APPLICATION**

**TO THE RESPONDENTS:**

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

**THIS APPLICATION** will come on for a hearing

- In person
- By telephone conference
- By video conference

At a hearing to be scheduled by the Ontario Superior Court of Justice (Commercial List) (the "Court") on April 28, 2023 at 9:45am (or as soon after such time as the application may be heard), before a judge presiding over the Commercial List. A Zoom link to access the videoconference will be provided by the Court, which link will be circulated to the Service 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*, R.R.O. 1990, Reg. 194, serve it on the Applicants' lawyer or, where the



Applicants do not have a lawyer, serve it on the Applicants, 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 Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, 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 26, 2023

Issued by:

\_\_\_\_\_  
Local Registrar

Address of court office: 330 University Avenue  
Toronto, ON M5G 1R7

TO: **THE SERVICE LIST**

## APPLICATION

### 1. THE APPLICANTS MAKE THIS APPLICATION FOR<sup>1</sup>:

- (a) an order (the "**Receivership Order**"), substantially in the form included at Tab 2 of the Applicants' Application Record, *inter alia*:
  - (i) if necessary, abridging the time for service and filing of this Notice of Application and Application Record or, in the alternative, dispensing with same;
  - (ii) appointing KSV Restructuring Inc. ("**KSV**") as receiver and manager (in such capacity, the "**Receiver**"), without security, of the real property legally described in Schedule "A" to the proposed Receivership Order (the "**Real Property**") and all present and future undertakings and property, both real and personal, of Stateview Homes (Minu Towns) Inc. ("**Minu**"), Stateview Homes (Nao Towns) Inc. ("**Nao**"), Stateview Homes (On the Mark) Inc. ("**On the Mark**"), TLSFD Taurasi Holdings Corp. ("**Taurasi Holdings**") and Stateview Homes (High Crown Estates) Inc. ("**High Crown**", and together with Minu, Nao, On the Mark, and Taurasi Holdings, the "**Debtors**"), which is located at or related to or used in connection with or arising from or out of the Real Property (collectively, the "**Property**") pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C.

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<sup>1</sup> Terms not otherwise defined herein have the meaning ascribed to them in Schedule "A" to the proposed Receivership Order.

1985, c. B-33, as amended (the "**BIA**"), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43 (the "**CJA**");

(iii) granting a charge over the Property in favour of the Receiver and the Receiver's counsel (the "**Receiver's Charge**") to secure their fees and disbursements in respect of these proceedings (the "**Receivership Proceedings**"); and

(iv) granting a charge over the Property for the purpose of funding the exercise of the powers and duties conferred upon the Receiver pursuant to the proposed Receivership Order;

(b) such further and other relief as this Honourable Court may deem just.

## 2. **THE GROUNDS FOR THIS APPLICATION ARE:**

(a) KingSett Mortgage Corporation ("**KingSett**") is incorporated pursuant to the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended and is headquartered in Toronto, Ontario. KingSett is a subsidiary of KingSett Capital Inc., a private equity real estate investment firm with approximately \$19.5 billion in assets under management;

(b) Dorr Capital Corporation ("**Dorr**") is incorporated pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B.16 (the "**OBCA**") and is headquartered in North York, Ontario. Dorr is a leading private provider of commercial mortgage investments and commercial real estate and equity financing;

- (c) the Debtors are privately held companies and each is incorporated under the OBCA. Each of Minu, Nao, On the Mark and High Crown have a registered head office at 410 Chrislea Road, Unit 16, Woodbridge, Ontario, Canada. Taurasi Holdings has a registered head office at 161 Duncan Road, Richmond Hill, Ontario, Canada;
- (d) each of the Debtors is a registered owner of certain of the Real Property which consists of four (4) residential townhome developments, all of which are at different stages of completion, and one (1) commercial industrial property which is fully leased;
- (e) in connection with the Debtors' acquisition and development of the Real Property, KingSett and Dorr extended certain loans to the Debtors (collectively, the "**Loan Facilities**"). As of April 11, 2023, KingSett and Dorr are owed approximately \$167,826,634.78 and \$4,000,592.77, respectively<sup>2</sup>;
- (f) in response to certain defaults in connection with the Loan Facilities, the Applicants issued demands for the repayment of the Debtors' indebtedness to the Applicants and delivered notices of intention to enforce security in accordance with section 244 of the BIA (each a "**NITES**"). The ten-day period afforded to the Debtors to repay their indebtedness to the Applicants prior to the Applicants taking enforcement action has elapsed;
- (g) the Debtors have effectively no liquidity and liens are being registered against certain of the Real Property, which may delay closings of the On the Mark

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<sup>2</sup> Unless otherwise stated herein, all monetary amounts referenced are in Canadian dollars.

Townhomes and generally put the Real Property at risk. A receivership is required to provide stability, liquidity and credibility, all of which is required to maximize value;

*The Interest Defaults and the Unauthorized Overdraft*

**1. The Interest Defaults**

- (h) on or about April 3, 2023, all of the Debtors' monthly interest payments to the Applicants did not clear due to insufficient funds in the Debtors' accounts (the "**Interest Payment Defaults**"). When the Applicants alerted the Debtors to the Interest Payment Defaults, they were advised by the Debtors that the interest payments would be paid by wire on or before April 7, 2023. Those wires were never received by the Applicants;

**2. The Unauthorized Overdraft**

- (i) the Applicants have recently learned about certain significant unauthorized overdrafts spanning about 12 months and dozens of accounts implicating multiple financial institutions (the "**Unauthorized Overdraft**"), which the Applicants are advised was caused by the now former Chief Financial Officer of the Debtors. The Unauthorized Overdraft resulted in an accumulated unpermitted overdraft in connection with accounts with Toronto-Dominion Bank ("**TD Bank**") in excess of \$37,000,000;
- (j) as a result of the Unauthorized Overdraft, TD commenced two (2) court actions (the "**TD Court Actions**") to recover its loss and secure emergency statutory relief

from other financial institutions that were implicated in the Unauthorized Overdraft. The Unauthorized Overdraft and the TD Court Actions resulted in the banks freezing the majority of the Debtors' bank accounts;

- (k) presumably in an effort to resolve the issues created as a result of the Unauthorized Overdraft and the TD Court Actions, the Debtors and the principals of the Debtors, among others, entered into a Settlement Agreement with TD Bank (the "**TD Settlement Agreement**"). The TD Settlement Agreement, among other things, contemplates significant immediate payments to TD Bank, who ought to be an unsecured creditor, in priority to the Applicants and the Debtors' other creditors. The Applicants were not privy to, nor were they included in any discussions in connection with, the TD Settlement Agreement;

***The Improper Diversion of Funds, the Minu APS, the Debtors' Proposal and Other Recent Developments***

**1. The Improper Diversion of Funds**

- (l) KingSett has recently learned that the development charges and permits for the fire break lots on the On the Mark Real Property remain unpaid. Additionally, KingSett has been made aware that certain funds advanced by KingSett for the explicit purpose of paying development charges to the City of Markham and the Township of King have been diverted and used for other purposes;
- (m) KingSett also advanced funds to the Debtors intended to be used as cash in lieu of Letters of Credit that were to be posted with the relevant city or township, however, KingSett now understands that the Debtors did not in fact provide these amounts

and used the monies for other unknown purposes. Since the Debtors knowingly diverted these funds, the value of the security has been eroded;

- (n) KingSett has engaged the Altus Group to review the Debtors' books and records in order to determine where those funds were diverted to and also whether any other funds the Applicants advanced were used for improper purposes. The Altus Group has thus far been unable to determine the extent of the issue given the incomplete and/or non-existence of the Debtors' books and records;

## **2. The Minu APS**

- (o) on April 17, 2023, Bennett Jones was advised by email that Minu had signed an agreement of purchase and sale for the Minu Real Property (the "**Minu APS**") without the consent of KingSett, notwithstanding that the Minu Real Property cannot be sold absent KingSett's consent pursuant to the Minu Loan Documents (as defined below). Following receipt of Bennett Jones' response, which advised the Debtors that, among other things, KingSett was not supportive of the Minu APS, counsel to the Debtors advised that the Minu APS had been terminated;

## **3. The Debtors' Proposal**

- (p) on April 14, 2023, KingSett received a without prejudice proposal from the Debtors (the "**Debtors' Proposal**"). KingSett provided a without prejudice response to the Debtors' Proposal and advised that it had significant concerns with the Debtors' Proposal as drafted;

- (q) on April 21, 2023, KingSett met with Mr. Carlo Taurasi and Mr. Dino Taurasi to discuss the Debtors' Proposal, among other things;
- (r) ultimately, the Applicants were not comfortable proceeding – including providing urgently required funding – outside of a receivership process;

#### 4. Other Recent Developments

- (s) on April 20, 2023, the Applicants were provided with copies of Notices of Cancellation dated April 18, 2023 (the "**Notices of Cancellation**") that advised that insurance of, among others, certain of the Debtors was to be cancelled effective May 3, 2023;
- (t) certain liens (collectively, the "**Liens**") have been registered against certain of the Real Property in connection with amounts owing to contractors and subcontractors. In light of the Liens, KingSett is no longer in a position to fund trades other than through the receivership proceedings;
- (u) under the Loan Documents (as defined below), the Debtors are obligated to promptly satisfy any and all accounts owing to any trade subcontractors and lien claimants and to keep the land free and clear from all liens and other claims. The registration of any lien against the Real Property is also a default under the terms of the Loan Documents;
- (v) as a result of the Liens, certain of the On the Mark Townhomes that were scheduled to close recently failed to close and have been delayed. I also understand from Altus



that On the Mark has not remitted HST payable in connection with the sale of at least certain of the On the Mark Townhomes that have closed to date;

*Indebtedness Owing to the Applicants and Related Security*

1. **Stateview Homes (Minu Towns) Inc. - First Mortgage**

- (w) KingSett entered into a commitment letter dated September 30, 2021 with Minu (the "**Original Minu Commitment Letter**"), pursuant to which KingSett agreed to provide, among other things: (i) a first mortgage in the principal amount of \$73,590,000; and (ii) Letters of Credit (cash in lieu) in the principal amount of \$6,105,000 (collectively, the "**Minu Loan Facility**");
- (x) the parties have amended the Original Minu Commitment Letter (as amended, the "**Minu Commitment Letter**") pursuant to three (3) amendments, which, among other things, increased the Letters of Credit component of the Minu Loan Facility from \$6,105,000 to \$7,105,000;
- (y) as at April 11, 2023, the total indebtedness under the Minu Commitment Letter was \$50,486,803.30 (the "**Minu Indebtedness**");
- (z) as general and continuing security for the payment and performance of Minu's obligations under the Minu Commitment Letter, KingSett was granted various security by Minu and certain of its principals, including:
  - (i) a \$100,000,000 first ranking charge/mortgage in respect of the Minu Real Property (the "**Minu First Mortgage**"), governed by, among other things,

the additional provisions registered therewith (the "**Minu Mortgage Terms**");

(ii) a General Assignment of Rents and Leases dated October 8, 2021 (the "**Minu Assignment of Rents**"); and

(iii) a General Security Agreement dated October 8, 2021 (the "**Minu GSA**", and collectively with the Minu Commitment Letter, the Minu First Mortgage, the Minu Mortgage Terms and the Minu Assignment of Rents, the "**Minu Loan Documents**");

(aa) KingSett registered the Minu First Mortgage and the Minu Assignment of Rents on title to the Minu Real Property, and registered its security interest granted by Minu pursuant to the Minu GSA under Ontario's *Personal Property Security Act*, R.S.O. 1990, c. P.10 (the "**PPSA**");

## 2. **Stateview Homes (Nao Towns) Inc. - First Mortgage**

(bb) KingSett entered into a commitment letter dated November 29, 2021 with Nao (the "**Original Nao Commitment Letter**"), pursuant to which KingSett agreed to provide, among other things: (i) a first mortgage in the principal amount of \$47,500,000; and (ii) Letters of Credit (cash in lieu) in the principal amount of \$4,750,000 (collectively, the "**Nao Loan Facility**");

(cc) the parties have amended the Original Nao Commitment Letter (as amended, the "**Nao Commitment Letter**") pursuant to one (1) amendment, which increased the

Letters of Credit component of the Nao Loan Facility from \$4,750,000 to \$7,105,000;

- (dd) as at April 11, 2023, the total indebtedness under the Nao Commitment Letter was \$23,692,659.30 (the "**Nao Indebtedness**");
- (ee) as general and continuing security for the payment and performance of Nao's obligations under the Nao Commitment Letter, KingSett was granted various security by Nao and certain of its principals, including:
  - (i) a \$65,300,000 first ranking charge/mortgage in respect of the Nao Real Property (the "**Nao First Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**Nao Mortgage Terms**");
  - (ii) a General Assignment of Rents and Leases dated December 22, 2021 (the "**Nao Assignment of Rents**");
  - (iii) a General Security Agreement dated December 22, 2021 (the "**Nao GSA**", and collectively with the Nao Commitment Letter, the Nao First Mortgage, the Nao Mortgage Terms, and the Nao Assignment of Rents, the "**Nao Loan Documents**");
- (ff) KingSett registered the Nao First Mortgage and the Nao Assignment of Rents on title to the Nao Real Property, and registered its security interest granted by Nao pursuant to the Nao GSA under the PPSA;

3. **Stateview Homes (Minu Towns) Inc. and Stateview Homes (Nao Towns) Inc. – Second Blanket Mortgage**
- (gg) KingSett entered into a commitment letter dated September 30, 2021 with Minu and Nao (the "**Original Minu/Nao Commitment Letter**"), pursuant to which KingSett agreed to provide, among other things, a second blanket mortgage in the principal amount of \$30,650,000 (the "**Minu/Nao Loan Facility**");
- (hh) the parties have amended the Original Minu/Nao Commitment Letter (as amended, the "**Minu/Nao Commitment Letter**") pursuant to four (4) amendments, which, among other things, added the Minu/Nao Collateral Security (as defined below);
- (ii) as at April 11, 2023, the total indebtedness under the Minu/Nao Commitment Letter was \$31,230,182.80 (the "**Minu/Nao Indebtedness**");
- (jj) as general and continuing security for the payment and performance of Minu and Nao's obligations under the Minu/Nao Commitment Letter, KingSett was granted various security by Minu, Nao and certain of their principals (collectively, the "**Minu/Nao Security**"). Additional collateral security was also granted by On the Mark (the "**Minu/Nao Collateral Security**");
- (kk) the Minu/Nao Security and the Minu/Nao Collateral Security granted by Minu, Nao, and On the Mark, includes:
- (i) a \$38,312,500 second ranking charge/mortgage in respect of the Nao Real Property and the Minu Real Property (the "**Minu/Nao Second Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**Minu/Nao Second Mortgage Terms**");

- (ii) a \$38,312,500 third ranking change in respect of the On the Mark Real Property (the "**Minu/Nao Collateral Third Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**Minu/Nao Collateral Mortgage Terms**");
  - (iii) a General Assignment of Rents and Leases dated October 8, 2021 (the "**Minu Second Mortgage Assignment of Rents**");
  - (iv) a General Security Agreement dated October 8, 2021 (the "**Minu Second Mortgage GSA**");
  - (v) a General Assignment of Rents and Leases dated December 22, 2021 (the "**Nao Second Mortgage Assignment of Rents**"); and
  - (vi) a General Security Agreement dated December 22, 2021 (the "**Nao Second Mortgage GSA**", and collectively with the Minu/Nao Commitment Letter, the Minu/Nao Second Mortgage, the Minu/Nao Mortgage Terms, the Minu/Nao Collateral Third Mortgage, Minu/Nao Collateral Mortgage Terms, the Minu Second Mortgage Assignment of Rents, the Nao Second Mortgage Assignment of Rents, and the Minu Second Mortgage GSA, the "**Minu/Nao Loan Documents**");
- (II) KingSett registered the Minu/Nao Second Mortgage, the Minu Second Mortgage Assignment of Rents, and the Nao Second Mortgage Assignment of Rents on title to the Minu Real Property and the Nao Real Property, respectively, and registered the Minu/Nao Collateral Third Mortgage on title to On the Mark Real Property;

(mm) KingSett registered its security interest granted by Minu and Nao pursuant to the Minu Second Mortgage GSA and Nao Second Mortgage GSA, respectively, under the PPSA;

**4. Stateview Homes (On the Mark) Inc. - First Mortgage**

(nn) KingSett entered into a commitment letter dated May 13, 2020 with On the Mark (the "**Original On the Mark First Mortgage Commitment Letter**"), pursuant to which KingSett agreed to provide, among other things: (i) a first mortgage in the principal amount of \$41,000,000; and (ii) Letters of Credit in the principal amount of \$3,500,000 (collectively, the "**On the Mark First Mortgage Loan Facility**");

(oo) the parties have amended the Original On the Mark First Mortgage Commitment Letter (as amended, the "**On the Mark First Mortgage Commitment Letter**") pursuant to four (4) amendments, which, among other things, increased the first mortgage portion of the On the Mark First Mortgage Loan Facility from \$41,000,000 to \$42,010,000;

(pp) as at April 11, 2023, the total indebtedness under the On the Mark First Mortgage Commitment Letter was \$20,056,316.14 (the "**On the Mark First Mortgage Indebtedness**");

(qq) as general and continuing security for the payment and performance of On the Mark's obligations under the On the Mark First Mortgage Commitment Letter, KingSett was granted various security by On the Mark and certain of its principals, including:

- (i) a \$51,250,000 first ranking charge/mortgage in respect of the On the Mark Real Property (the "**On the Mark First Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**On the Mark First Mortgage Terms**");
  - (ii) an Assignment of Rents and Leases dated June 9, 2020 (the "**On the Mark First Mortgage Assignment of Rents**"); and
  - (iii) a General Security Agreement dated June 9, 2020 (the "**On the Mark First Mortgage GSA**"), and collectively with the On the Mark First Mortgage Commitment Letter, the On the Mark First Mortgage, the On the Mark First Mortgage Terms, and the On the Mark Assignments of Rents, the "**On the Mark First Mortgage Loan Documents**";
- (rr) KingSett registered the On the Mark First Mortgage and the On the Mark Assignment of Rents on title to the On the Mark Real Property, and registered its security interest granted by On the Mark pursuant to the On the Mark GSA under the PPSA;

**5. Stateview Homes (On the Mark) Inc. - Second Mortgage**

- (ss) KingSett entered into a commitment letter dated May 13, 2020 with On the Mark (the "**Original On the Mark Second Mortgage Commitment Letter**"), pursuant to which KingSett agreed to provide, among other things, a second mortgage in the principal amount of \$12,000,000 (the "**On the Mark Second Mortgage Loan Facility**");

- (tt) the parties have amended the Original On the Mark Second Mortgage Commitment Letter (as amended, the "**On the Mark Second Mortgage Commitment Letter**") pursuant to four (4) amendments, which, among other things, increased the first mortgage portion of the On the Mark Second Mortgage Loan Facility from \$12,000,000 to \$12,090,000;
- (uu) as at April 11, 2023, the total indebtedness under the On the Mark Second Mortgage Commitment Letter was \$12,221,278.43 (the "**On the Mark Second Mortgage Indebtedness**");
- (vv) as general and continuing security for the payment and performance of On the Mark's obligations under the On the Mark Second Mortgage Commitment Letter, KingSett was granted various security by On the Mark and certain of its principals, including:
  - (i) a \$15,000,000 second ranking charge/mortgage in respect of the On the Mark Real Property (the "**On the Mark Second Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**On the Mark Second Mortgage Terms**");
  - (ii) an Assignment of Rents and Leases dated June 9, 2020 (the "**On the Mark Second Mortgage Assignment of Rents**"); and
  - (iii) a General Security Agreement dated June 9, 2020 (the "**On the Mark Second Mortgage GSA**", collectively with the On the Mark Second Mortgage Commitment Letter, the On the Mark Second Mortgage, the On



the Mark Second Mortgage Terms, and the On the Mark Second Mortgage Assignments of Rents, the "**On the Mark Second Mortgage Loan Documents**");

(ww) KingSett registered the On the Mark Second Mortgage and the On the Mark Second Mortgage Assignment of Rents on title to the On the Mark Real Property, and registered its security interest granted by On the Mark pursuant to the On the Mark Second Mortgage GSA under the PPSA;

**6. TLSFD Taurasi Holdings Corp.**

(xx) KingSett entered into a commitment letter dated August 4, 2020 with Taurasi Holdings (the "**Original Taurasi Holdings Commitment Letter**"), pursuant to which KingSett agreed to provide, among other things, a first mortgage in the principal amount of \$8,400,000 (the "**Taurasi Holdings Loan Facility**");

(yy) the parties have amended the Original Taurasi Holdings Commitment Letter (as amended, the "**Taurasi Holdings Commitment Letter**") pursuant to two (2) amendments, which, among other things, increased the Taurasi Holdings Loan Facility from \$8,400,000 to \$29,755,000;

(zz) as at April 11, 2023, the total indebtedness under the Taurasi Holdings Commitment Letter was \$30,139,394.81 (the "**Taurasi Holdings Indebtedness**");

(aaa) as general and continuing security for the payment and performance of Taurasi Holdings' obligations under the Taurasi Holdings Commitment Letter, KingSett

was granted various security by Taurasi Holdings and certain of its principals (collectively, the "**Taurasi Holdings Security**"), including:

- (i) a \$37,200,000 first ranking charge/mortgage in respect of the Taurasi Holdings Real Property (the "**Taurasi Holdings Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**Taurasi Holdings Mortgage Terms**");
  - (ii) an Assignment of Rents and Leases dated August 20, 2020 (the "**First Taurasi Holdings Assignment of Rents**");
  - (iii) an Assignment of Rents and Leases dated March 29, 2021 (the "**Second Taurasi Holdings Assignment of Rents**" and together with the First Taurasi Holdings Assignment of Rents, the "**Taurasi Holdings Assignment of Rents**"); and
  - (iv) a General Security Agreement dated August 20, 2020 and a General Security Agreement dated March 29, 2021 (together, the "**Taurasi Holdings GSA**", and collectively with the Taurasi Holdings Commitment Letter, the Taurasi Holdings Mortgage, the Taurasi Holdings Mortgage Terms, and the Taurasi Holdings Assignments of Rents, the "**Taurasi Holdings Loan Documents**");
- (bbb) KingSett registered the Taurasi Holdings Mortgage and the Taurasi Holdings Assignment of Rents on title to the Taurasi Holdings Real Property, and registered

its security interest granted by Taurasi Holdings pursuant to the Taurasi Holdings GSA under the PPSA;

**7. Stateview Homes (High Crown Estates) Inc.**

- (ccc) Dorr entered into a commitment letter dated June 17, 2021 with High Crown (the "**Original High Crown Commitment Letter**"), pursuant to which Dorr agreed to provide, among other things, a second mortgage in the principal amount of \$5,000,000 (the "**High Crown Loan Facility**");<sup>3</sup>
- (ddd) the parties have amended the Original High Crown Commitment Letter (as amended, the "**High Crown Commitment Letter**" and together with the Minu Commitment Letter, the Nao Commitment Letter, the Minu/Nao Commitment Letter, the On the Mark First Mortgage Commitment Letter, the On the Mark Second Mortgage Commitment Letter, and the Taurasi Holdings Commitment Letter, the "**Commitment Letters**" and each a "**Commitment Letter**") pursuant to four (4) amendments, which, among other things, amended and replaced the Collateral Security (as defined in the High Crown Commitment Letter);
- (eee) as at April 11, 2023, the total indebtedness under the High Crown Commitment Letter was \$4,000,592.77 (the "**High Crown Indebtedness**" and together with the Minu Indebtedness, the Nao Indebtedness, the Minu/Nao Indebtedness, the On the Mark First Mortgage Indebtedness, the On the Mark Second Mortgage Indebtedness and the Taurasi Holdings Indebtedness, the "**Indebtedness**");

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<sup>3</sup> Dorr is the servicer under the High Crown Commitment Letter, however, KingSett holds 100% of the beneficial economic interest.

- (fff) as general and continuing security for the payment and performance of High Crown's obligations under the High Crown Commitment Letter, Dorr was granted various security by High Crown and certain of its principals (collectively, the "**High Crown Security**"). Additionally, collateral security was also granted by Minu and Nao (the "**High Crown Collateral Security**");
- (ggg) the High Crown Security and the High Crown Collateral Security granted by High Crown, Minu, and Nao, includes:
- (i) a \$6,250,000 second ranking charge/mortgage in respect of the High Crown Real Property (the "**High Crown Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**High Crown Mortgage Terms**");
  - (ii) a \$6,250,000 third ranking charge/mortgage in respect of the Nao Real Property and the Minu Real Property (the "**High Crown Collateral Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**High Crown Collateral Mortgage Terms**");
  - (iii) an Assignment of Rents and Leases dated July 20, 2021 (the "**High Crown Assignment of Rents**"); and
  - (iv) a General Security Agreement dated July 20, 2021 (the "**High Crown GSA**"), and together with the Minu GSA, the Nao GSA, Minu Second Mortgage GSA, the Nao Second Mortgage GSA, the On the Mark First

Mortgage GSA, the On the Mark Second Mortgage GSA, the Taurasi Holdings GSA, the "GSAs");

- (hhh) the High Crown Commitment Letter, the High Crown Mortgage, the High Crown Mortgage Terms, the High Crown Collateral Mortgage, the High Crown Collateral Mortgage Terms, the High Crown Assignments of Rents and the High Crown GSA are referred to collectively as the "**High Crown Loan Documents**," and together with Minu Loan Documents, the Nao Loan Documents, the Minu/Nao Loan Documents, the On the Mark First Mortgage Loan Documents, the On the Mark Second Mortgage Loan Documents and the Taurasi Holdings Loan Documents, the "**Loan Documents**";
- (iii) Dorr registered the High Crown Mortgage and the High Crown Assignment of Rents on title to the High Crown Real Property, and registered the High Crown Collateral Mortgage on title to the Minu Real Property and the Nao Real Property. Dorr also registered its security interest granted by High Crown pursuant to the High Crown GSA under the PPSA;
- (jjj) KingSett, Dorr and High Crown are parties to a Subordination and Standstill Agreement dated August 3, 2021 wherein Dorr agreed to subordinate and postpone the High Crown Indebtedness and the High Crown Security to and in favour of the first lien indebtedness and security. Dorr has received written consent from Dorr (in its capacity as first lien mortgagee) to seek the proposed Receivership Order in connection with the High Crown Real Property;

*The Defaults, Demand Letters and Notices of Intention to Enforce Security*

- (kkk) on or around April 3, 2023, the Debtors committed the Interest Payment Defaults;
- (lll) additionally, on April 1, 2023 and March 1, 2023, as the case may be, the Maturity Date (as defined in the Commitment Letters), in respect of the On the Mark First Mortgage Loan Facility, the On the Mark Second Mortgage Loan Facility, the High Crown Loan Facility and the Taurasi Holdings Loan Facility, passed without any extensions being granted;
- (mmm) certain other events of default have occurred and are continuing including, among others, the registration of the TD Charge against the Taurasi Real Property, the improper and underhanded diversion of funds advanced in connection with the Loan Facilities, the registration of the Liens and the failure to remit HST payable in connection with the sale of at least certain of the On the Mark Townhomes that have closed to date;
- (nnn) on April 12, 2023, the Applicants issued demand letters (collectively, the "**Demand Letters**" and each a "**Demand Letter**") to each of the Debtors, advising each Debtor that it was in default pursuant to the terms of its Commitment Letter. Each Demand Letter was delivered to the relevant Debtor contemporaneously with NITES in accordance with section 244 of the BIA (each a "NITES");

*Appointment of the Receiver*

- (ooo) the ten-day period afforded to the Debtors under the Demand Letters and NITES to repay the Indebtedness prior to the Applicants taking any enforcement action expired on April 22, 2023;
- (ppp) the Debtors' have no liquidity, no ability to immediately raise capital, and the Liens have been registered against the Real Property. The Liens may impact the ability to close a number of transactions which will impact all stakeholders of On the Mark, including the third party purchasers;
- (qqq) pursuant to the Loan Documents, the Applicants have a contractual right to the appointment of a receiver upon a default and/or event of default, as applicable. Further, pursuant to the Commitment Letters, the Debtors have consented to the Applicants' appointment of a receiver or receiver manager, either privately or pursuant to Court-appointment;
- (rrr) the Receivership Proceedings will provide the stability and supervision required to preserve and maximize the value of the Property for the benefit of all stakeholders, including the Applicants. Moreover, the Applicants believe that the proposed Court-supervised Receivership Proceedings are the only viable means to protect and maximize value for the benefit of the Debtors' creditors and other stakeholders;
- (sss) KSV is a "licensed trustee" as such term is defined in the BIA, is qualified to act as the Receiver and has consented to act as the Receiver if so appointed;

- (ttt) the secured creditors who may be affected by the granting of the Receiver's Charge will be served with the Application Record;
- (uuu) section 101 of the CJA;
- (vvv) sections 243 and 244 of the BIA;
- (www) Rules 1.04, 1.05, 2.01, 2.03, 3.02, 14.05, 17.02, 38, and 39 of the *Rules for Civil Procedure*, R.R.O. 1990, Reg. 194; and
- (xxx) 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 Daniel Pollack sworn April 26, 2023, and the exhibits attached thereto;
- (b) the consent of KSV to act as Receiver dated April 25, 2023;
- (c) the Factum of the Applicants, to be filed; and
- (d) such further and other evidence as counsel may advise and this Honourable Court may permit.



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April 26, 2023

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Lawyers for the Applicants

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

**KINGSETT MORTGAGE CORPORATION  
AND DORR CAPITAL CORPORATION**

and

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO  
TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD  
TAURASI HOLDINGS CORP. AND STATEVIEW HOMES (HIGH CROWN  
ESTATES) INC.**

Applicants

Respondents

Court File No.: \_\_\_\_\_

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

Proceedings commenced in Toronto

**NOTICE OF APPLICATION**

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Lawyers for the Applicants

**TAB 2**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE ) [●], THE [●]<sup>TH</sup>  
 )  
JUSTICE [●] ) DAY OF [●], 2023  
 )

BETWEEN:

**KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION**

Applicants

- and -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS)  
INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS  
CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

Respondents

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

**ORDER  
(Appointing Receiver)**

THIS APPLICATION made by KingSett Mortgage Corporation and Dorr Capital Corporation (together, the "**Applicants**") for an Order pursuant to subsection 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. ("**KSV**") as receiver and manager (in such capacities, the "**Receiver**") without security, of the real property legally described in Schedule "A" to this Receivership Order (the "**Real Property**") and all present and future undertakings and property, both real and personal of Stateview Homes (Minu Towns) Inc., Stateview Homes (Nao Towns) Inc., Stateview Homes (On the Mark) Inc., TLSFD Taurasi Holdings Corp. and Stateview Homes (High Crown Estates) Inc. (collectively, the "**Debtors**" and each a "**Debtor**"), which is located at or related to or used in

connection with or arising from or out the Real Property (collectively, the "**Property**") was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Daniel Pollack sworn April 26, 2023 and the Exhibits thereto (the "**Pollack Affidavit**"), and on hearing the submissions of counsel for the Applicants, the proposed Receiver and such other parties listed on the Participant Information Form, no one appearing for any other party although duly served as appears from the affidavit of service sworn and filed, and on reading the consent of KSV to act as the Receiver,

### **SERVICE AND DEFINITIONS**

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS AND DECLARES that all terms not otherwise defined herein shall have the meaning ascribed to them in the Pollack Affidavit.

### **APPOINTMENT**

3. THIS COURT ORDERS that pursuant to subsection 243(1) of the BIA and section 101 of the CJA, KSV is hereby appointed Receiver, without security, of the Property.

### **RECEIVER'S POWERS**

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
  - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the

relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtors, or any of them, including the powers to enter into any agreements or incur any obligations in the ordinary course of business or in connection with the Property, cease to carry on all or any part of the business of the Debtors, or any of them, or cease to perform or disclaim any contracts of any of the Debtors;
- (d) to engage construction managers, project managers, contractors, subcontractors, consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors, or any of them, or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to any of the Debtors in connection with the Property (including, without limitation, any rent payments in respect of the Real Property) and to exercise all remedies of any of the Debtors in collecting such monies and accounts, including, without limitation, to enforce any security held by any of the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to any of the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, including, without limitation, in respect of

construction permits and any requirements related thereto, whether in the Receiver's name or in the name and on behalf of any of the Debtors, for any purpose pursuant to this Order;

- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to any of the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to investigate, and report to this Court on, intercompany payments, transactions and other arrangements between any of the Debtors and other Persons (as defined below), including, without limitation, other companies and entities that are part of the Stateview Group (as defined below), that appear to the Receiver to be out of the ordinary course of business. All Persons shall be required to provide any and all information and documents requested by the Receiver in connection with such investigations;
- (k) 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, and with the Applicants' consent, may deem appropriate;
- (l) 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, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act* as the case may be, shall not be required;

- (m) 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;
- (n) to report to, meet with and discuss with such affected Persons 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;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) 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 any of Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of any of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the Debtors;
- (r) to undertake any investigations deemed appropriate by the Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, Property;



- (s) to exercise any shareholder, partnership, joint venture or other rights which any of the Debtors may have; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, including opening any mail or other correspondence addressed to any of the Debtors,

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, including any of the Debtors and BDO Canada Limited in its capacity as information officer (in such capacity, the "**Information Officer**"), and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

5. THIS COURT ORDERS that (i) each of the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, (iii) the Information Officer, and (iv) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. 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, information and cloud-based data of any kind related to the business or affairs of any of the Debtors, and any computer programs, computer tapes, computer disks, cloud 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, cloud and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 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.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer, in a cloud 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, cloud or other system and providing the Receiver with any and all access codes, account names, account numbers and account creating credentials that may be required to gain access to the information.

8. THIS COURT ORDERS that all Persons, including, without limitation, any affiliates of any of the Debtors (collectively, the "**Stateview Group**"), and each of them, shall be required to cooperate, and share information, with the Receiver in connection with all books and records, contracts, agreements, permits, licenses and insurance policies and other documents in respect of the Debtors, or any of them, and/or the Property. In addition to the foregoing general cooperation and information sharing requirements, the Stateview Group, or any of them, shall be required to do the following: (a) in respect of any and all such contracts, agreements, permits, licenses and insurance policies and other documents: (1) maintain them in good standing and provide immediate notice and copies to the Receiver of any communications received from regulators or providers in respect thereof; (2) provide immediate notice to the Receiver of any material change and/or pending material change to the status quo in respect thereof; and (3) provide thirty (30) days' notice of any renewal date, termination date, election date or similar date in respect thereof; and (b) assist, and cooperate with, the Receiver in obtaining any further permits and licenses that may be required.

### **NO PROCEEDINGS AGAINST THE RECEIVER**

9. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

### **NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

10. THIS COURT ORDERS that no Proceeding against or in respect of any of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of any of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

11. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or any of the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or any of the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH THE RECEIVER**

12. 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 any of the Debtors, without written consent of the Receiver or leave of this Court.

### **CONTINUATION OF SERVICES**

13. THIS COURT ORDERS that all Persons having oral or written agreements with any of the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, accounting services, centralized banking services, payroll services, insurance, transportation services, utility or other services to any of the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of any of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of each of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

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 Debtors shall remain the employees of the applicable Debtor until such time as the Receiver, on the applicable 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 subsection 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 subsections 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 each of the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

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, 1999*, 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 subsections 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 (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to all security granted by Stateview Homes (High Crown Estates) Inc. ("**High Crown**") to Dorr Capital Corporation ("**Dorr**") in connection with the Commitment Letter dated June 17, 2021 by and between High Crown and Dorr (the "**Dorr High Crown Security**") and to subsections 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 their 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 from KingSett Mortgage Corporation 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 \$[●] (or such greater amount that is acceptable to the Applicants and 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 (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subordinate in priority to the Receiver's Charge, the Dorr High Crown Security and the charges as set out in subsections 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 Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) 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 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: [ksvadvisory.com/experience/case/\[●\]](http://ksvadvisory.com/experience/case/[●]).

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to any of the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

## **CRITICAL PAYMENTS**

28. THIS COURT ORDERS that the Receiver may, with the written consent of the Applicants, make payments owing by any of the Debtors to suppliers, contractors, subcontractors and other creditors in respect of amounts owing prior to the date of this Order.

## **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 any of the Debtors.

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 Applicants shall have their costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicants' security or, if not so provided by the Applicants' security, then on a substantial indemnity basis to be paid by the Receiver from the net realizations from the Property 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 this Order and all of its provisions are effective as of 12:01 a.m. Toronto Time on the date of this Order and are enforceable without the need for entry and filing.

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**Schedule "A"**

**REAL PROPERTY**

**Stateview Homes (Minu Towns) Inc.**

**PIN 03061-5685 (LT)**

BLOCK 1, PLAN 65M4729; SUBJECT TO AN EASEMENT AS IN YR200734; CITY OF MARKHAM

**PIN 03061-5686 (LT)**

BLOCK 2, PLAN 65M4729; CITY OF MARKHAM

(together, the "**Minu Real Property**")

**Stateview Homes (Nao Towns) Inc.**

**PIN 02962-0856 (LT)**

1STLY: PART OF LOT 6, CONCESSION 6 MARKHAM, PART 1, 65R38179, (STOPPED UP AND CLOSED BY YR3416947); 2NDLY: PART OF LOT 6, CONCESSION 6 MARKHAM, PART 2, 65R38179, (STOPPED UP AND CLOSED BY YR3416947); 3RDLY: PT LT 6, CON 6, AS IN MA51910; 4THLY: PT LT 6, CON 6, AS IN MA107810; 5THLY: PT LT 6, CON 6, PART 3, 64R5892, EXCEPT PT 1, 65R7816; 6THLY: PT LT 6, CON 6, PART 1, 64R5892; 7THLY: PT LT 6, CON 6, AS IN R434475; 8THLY: PT LT 6, CON 6, AS IN R264882; 9THLY: PT LT 6, CON 6, AS IN R329719; 10THLY: PT LT 6, CON 6, AS IN MA39709 EXCEPT MA51910, MA107810 AND 64R5892; CITY OF MARKHAM

(the "**Nao Real Property**")

**Stateview Homes (On the Mark) Inc.**

**PIN 30029-0001 (LT)**

YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1497 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1810 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 70, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 70 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1809 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 69, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 69 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1808 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 68, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 68 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1807 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 67, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 67 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1806 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 66, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 66 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1805 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 65, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 65 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1804 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 64, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 64 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1803 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 63, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 63 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1802 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 62, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 62 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1801 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 61, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 61 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1800 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 60, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 60 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1799 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 59, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 59 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1798 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 58, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 58 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1797 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 57, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 57 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1796 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 56, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 56 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1795 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 55, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 55 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1794 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 54, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 54 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1793 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 53, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 53 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1792 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 52, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 52 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1791 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 51, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 51 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1776 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 36, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 36 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1775 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 35, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 35 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1774 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 34, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT

TO AN EASEMENT OVER PART 34 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1773 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 33, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 33 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1772 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 32, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 32 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1771 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 32, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 32 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1756 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 16, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 16 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1755 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 15, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 15 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1754 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 14, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.



1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 14 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1753 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 13, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 13 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1752 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 12, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 12 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1751 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 11, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 11 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

(collectively, the "**On the Mark Real Property**")

**TLSPD Taurasi Holdings Corp.**

**PIN 03273-0069 (LT)**

PCL 24-1 SEC M1832; LT 24 PL M1832; CITY OF VAUGHAN

**PIN 03275-0052 (LT)**

PT LT 11 PL 7925 VAUGHAN AS IN VA68142; CITY OF VAUGHAN

**PIN 03274-0132 (LT)**

PCL 10-1 SEC 65M2330; LT 10 PL 65M2330; S/T RIGHT AS IN LT332786 ; ; VAUGHAN;  
CITY OF VAUGHAN

**PIN 03274-0044 (LT)**

PCL 1-2 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 4, 65R4957 ; VAUGHAN; CITY OF  
VAUGHAN

**PIN 03274-0043 (LT)**

PCL 1-3 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 3, 65R4957 ; VAUGHAN

(collectively, the "**Taurasi Holdings Real Property**")

**Stateview Homes (High Crown Estates) Inc.**

**PIN 03372-1040 (LT)**

BLOCK 2, PLAN 65M4757; SUBJECT TO AN EASEMENT AS IN YR3467268; SUBJECT TO  
AN EASEMENT IN GROSS AS IN YR3502108; TOWNSHIP OF KING

(the "**High Crown Real Property**")

**SCHEDULE "B"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the "**Receiver**") without security, of the real property legally described in Schedule "A" (the "**Real Property**") to the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the [●] day of [●], 2023 (the "**Order**") and all present and future undertakings and property, both real and personal of Stateview Homes (Minu Towns) Inc., Stateview Homes (Nao Towns) Inc., Stateview Homes (On the Mark) Inc., TLSFD Taurasi Holdings Corp. and Stateview Homes (High Crown Estates) Inc. (collectively, the "**Debtors**"), which is located at or related to or used in connection with or arising from or out of the Real Property (collectively, the "**Property**"), appointed by 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*, R.S.C. 1985, c. B-3, 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 \_\_\_\_\_, 2023.

KSV Restructuring Inc., solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Per:

\_\_\_\_\_

Name:

Title:

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

**KINGSETT MORTGAGE CORPORATION  
AND DORR CAPITAL CORPORATION**

and

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

Applicants

Respondents

Court File No.: [●]

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

Proceedings commenced in Toronto

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**RECEIVERSHIP ORDER**

---

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Lawyers for the Applicants

**TAB 3**

Court File No. \_\_\_\_\_: [●]

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE )  
JUSTICE — [●] )  
WEEKDAY [●], THE # [●]<sup>TH</sup>  
DAY OF MONTH, 20YR [●], 2023

BETWEEN:

**PLAINTIFF<sup>†</sup>**

Plaintiff

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION

Applicants

- and -

**DEFENDANT**

Defendant

STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS)  
INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS  
CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

Respondents

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

**ORDER**  
(**#**Appointing Receiver)

<sup>†</sup> ~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

THIS ~~MOTION~~APPLICATION made by ~~the Plaintiff~~<sup>2</sup>KingSett Mortgage Corporation and Dorr Capital Corporation (together, the "Applicants") for an Order pursuant to subsection 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. ("KSV") as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of ~~all of the assets, undertakings and properties of [DEBTOR'S NAME] (the~~real property legally described in Schedule "A" to this Receivership Order (the "Real Property") and all present and future undertakings and property, both real and personal of Stateview Homes (Minu Towns) Inc., Stateview Homes (Nao Towns) Inc., Stateview Homes (On the Mark) Inc., TLSFD Taurasi Holdings Corp. and Stateview Homes (High Crown Estates) Inc. (collectively, the "Debtors" and each a "Debtor")~~acquired for,~~which is located at or related to or used in ~~relation to a business carried on by the Debtor,~~connection with or arising from or out the Real Property (collectively, the "Property") was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~Daniel Pollack sworn ~~[DATE]~~April 26, 2023 and the Exhibits thereto (the "Pollack Affidavit"), and on hearing the submissions of counsel for ~~[NAMES]~~the Applicants, the proposed Receiver and such other parties listed on the Participant Information Form, no one appearing for ~~[NAME]~~any other party although duly served as appears from the affidavit of service ~~of [NAME]~~ sworn ~~[DATE]~~and filed, and on reading the consent of ~~[RECEIVER'S NAME]~~KSV to act as the Receiver,

## SERVICE AND DEFINITIONS

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion~~Application and the ~~Motion~~Application Record is hereby abridged and validated<sup>3</sup> so that this

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

<sup>3</sup>~~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.~~



~~motion~~application is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS AND DECLARES that all terms not otherwise defined herein shall have the meaning ascribed to them in the Pollack Affidavit.

#### APPOINTMENT

3. ~~2.~~ THIS COURT ORDERS that pursuant to subsection 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~KSV 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, including all proceeds thereof (the "Property").~~

#### RECEIVER'S POWERS

4. ~~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~~Debtors, or any of them, including the powers to enter into any agreements; or incur any obligations in the ordinary course of business or in connection with the Property, cease to carry on all or any part of the business of the

Debtors, or any of them, or cease to perform or disclaim any contracts of any of the Debtors;

- (d) to engage construction managers, project managers, contractors, subcontractors, consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the ~~Debtor~~ Debtors, or any of them, or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to ~~the Debtor~~ any of the Debtors in connection with the Property (including, without limitation, any rent payments in respect of the Real Property) and to exercise all remedies of any of the Debtors in collecting such monies and accounts, including, without limitation, to enforce any security held by any of the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to any of the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, including, without limitation, in respect of construction permits and any requirements related thereto, whether in the Receiver's name or in the name and on behalf of any of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to any of the Debtors, the Property or the Receiver,

and to settle or compromise any such proceedings.<sup>4</sup> 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 investigate, and report to this Court on, intercompany payments, transactions and other arrangements between any of the Debtors and other Persons (as defined below), including, without limitation, other companies and entities that are part of the Stateview Group (as defined below), that appear to the Receiver to be out of the ordinary course of business. All Persons shall be required to provide any and all information and documents requested by the Receiver in connection with such investigations;

(k) ~~(k)~~ 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, and with the Applicants' consent, may deem appropriate;

(l) ~~(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, provided that the aggregate consideration for all such transactions does not exceed \$~~\_\_\_\_\_~~500,000; and

~~<sup>4</sup>This 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.~~

(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,<sup>5</sup> shall not be required,~~and in each case the Ontario Bulk Sales Act shall not apply.~~

(m) ~~(†)~~ 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;

(n) ~~(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;

(o) ~~(n)~~ to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(p) ~~(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~~any of Debtors;

(q) ~~(p)~~ to enter into agreements with any trustee in bankruptcy appointed in respect of any of the Debtors~~s~~, including, without limiting the generality of

<sup>5</sup> ~~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.~~

the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the Debtors;

(r) to undertake any investigations deemed appropriate by the Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, Property;

(s) ~~(q)~~ to exercise any shareholder, partnership, joint venture or other rights which any of the Debtors may have; and

(t) ~~(+)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, including opening any mail or other correspondence addressed to any of the Debtors,

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~~ any of the Debtors and BDO Canada Limited in its capacity as information officer (in such capacity, the "Information Officer"), and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

5. ~~4.~~ THIS COURT ORDERS that (i) each of the Debtors, (ii) all of ~~its~~ their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on ~~its~~ their instructions or behalf, (iii) the Information Officer, and ~~(iiiiv)~~ all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. ~~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 and cloud-based data of any kind

related to the business or affairs of any of the Debtors, and any computer programs, computer tapes, computer disks, cloud 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, cloud and physical facilities relating thereto, provided however that nothing in this paragraph 56 or in paragraph 67 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.

7. ~~6.~~ THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer, in a cloud 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, cloud or other system and providing the Receiver with any and all access codes, account names ~~and~~, account numbers and account creating credentials 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~~

8. THIS COURT ORDERS that all Persons, including, without limitation, any affiliates of any of the Debtors (collectively, the "Stateview Group"), and each of them, shall be required to cooperate, and share information, with the Receiver in connection with all books and records, contracts, agreements, permits, licenses and insurance policies and other documents in respect of the Debtors, or any of them, and/or the Property. In addition to the foregoing general cooperation and information sharing requirements, the Stateview Group, or any of them, shall be required to do the following: (a) in respect of any and all such contracts, agreements, permits, licenses and insurance policies and other documents: (1) maintain them in good standing and provide immediate notice and copies to the Receiver of any communications received from regulators or providers in respect thereof; (2) provide immediate notice to the Receiver of any material change and/or pending material change to the status quo in respect thereof; and (3) provide thirty (30) days' notice of any renewal date, termination date, election date or similar date in respect thereof; and (b) assist, and cooperate with, the Receiver in obtaining any further permits and licenses that may be required.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

9. ~~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 DEBTORS OR THE PROPERTY**

10. ~~9.~~ THIS COURT ORDERS that no Proceeding against or in respect of any of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect

of any of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

11. ~~10.~~ THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or any of the Debtors to carry on any business which the Debtors ~~is~~ are not lawfully entitled to carry on, (ii) exempt the Receiver or any of the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

12. ~~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 any of the Debtors, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

13. ~~12.~~ THIS COURT ORDERS that all Persons having oral or written agreements with any of the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, accounting services, centralized banking services, payroll services, insurance, transportation services, utility or other services to any of the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of any of the Debtors'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 each of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

## RECEIVER TO HOLD FUNDS

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 Debtors shall remain the employees of the applicable Debtor until such time as the Receiver, on the applicable 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 subsection 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 subsections 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 each of the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

### LIMITATION ON ENVIRONMENTAL LIABILITIES

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, 1999*, 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 subsections 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 (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to ~~sections~~ all security granted by Stateview Homes (High Crown Estates) Inc. ("High Crown") to Dorr Capital Corporation ("Dorr") in connection with the Commitment Letter dated June 17, 2021 by and between High Crown and Dorr (the "Dorr High Crown Security") and to subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.<sup>6</sup>

20. ~~19.~~ THIS COURT ORDERS that the Receiver and its legal counsel shall pass ~~its~~their 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.

<sup>6</sup>~~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".~~

## FUNDING OF THE RECEIVERSHIP

22. ~~21.~~ THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from KingSett Mortgage Corporation 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 \$           [●] (or such greater amount that is acceptable to the Applicants and 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 (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge, the Dorr High Crown Security and the charges as set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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 of the Commercial List (the ~~“Protocol”~~) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) 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 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~@~~: [ksvadvisory.com/experience/case/\[●\]](http://ksvadvisory.com/experience/case/[●]).

27. ~~26.~~ THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to any of the Debtors's creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

**CRITICAL PAYMENTS**

28. THIS COURT ORDERS that the Receiver may, with the written consent of the Applicants, make payments owing by any of the Debtors to suppliers, contractors, subcontractors and other creditors in respect of amounts owing prior to the date of this Order.

**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 any of the Debtors.

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~~Applicants shall have ~~its~~their costs of this ~~motion~~Application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's~~Applicants' security or, if not so provided by the ~~Plaintiff~~Applicants' security, then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor's estate~~net realizations from the Property 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.

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**35. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Toronto Time on the date of this Order and are enforceable without the need for entry and filing.**

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**SCHEDULE "A"Schedule "A"**

**REAL PROPERTY**

**Stateview Homes (Minu Towns) Inc.**

**PIN 03061-5685 (LT)**

**BLOCK 1, PLAN 65M4729; SUBJECT TO AN EASEMENT AS IN YR200734; CITY OF MARKHAM**

**PIN 03061-5686 (LT)**

**BLOCK 2, PLAN 65M4729; CITY OF MARKHAM**

**(together, the "Minu Real Property")**

**Stateview Homes (Nao Towns) Inc.**

**PIN 02962-0856 (LT)**

**1STLY: PART OF LOT 6, CONCESSION 6 MARKHAM, PART 1, 65R38179, (STOPPED UP AND CLOSED BY YR3416947); 2NDLY: PART OF LOT 6, CONCESSION 6 MARKHAM, PART 2, 65R38179, (STOPPED UP AND CLOSED BY YR3416947); 3RDLY: PT LT 6, CON 6, AS IN MA51910; 4THLY: PT LT 6, CON 6, AS IN MA107810; 5THLY: PT LT 6, CON 6, PART 3, 64R5892, EXCEPT PT 1, 65R7816; 6THLY: PT LT 6, CON 6, PART 1, 64R5892; 7THLY: PT LT 6, CON 6, AS IN R434475; 8THLY: PT LT 6, CON 6, AS IN R264882; 9THLY: PT LT 6, CON 6, AS IN R329719; 10THLY: PT LT 6, CON 6, AS IN MA39709 EXCEPT MA51910, MA107810 AND 64R5892; CITY OF MARKHAM**

**(the "Nao Real Property")**

**Stateview Homes (On the Mark) Inc.**

**PIN 30029-0001 (LT)**

**YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1497 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN YR3504856; CITY OF MARKHAM**



PIN 03047-1810 (LT)

PART BLOCK 3, PLAN 65M3925 PART 70, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 70 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1809 (LT)

PART BLOCK 3, PLAN 65M3925 PART 69, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 69 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1808 (LT)

PART BLOCK 3, PLAN 65M3925 PART 68, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YCRP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 68 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1807 (LT)

PART BLOCK 3, PLAN 65M3925 PART 67, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 67 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1806 (LT)

PART BLOCK 3, PLAN 65M3925 PART 66, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 66 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1805 (LT)

PART BLOCK 3, PLAN 65M3925 PART 65, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 65 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1804 (LT)

PART BLOCK 3, PLAN 65M3925 PART 64, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 64 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1803 (LT)

PART BLOCK 3, PLAN 65M3925 PART 63, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 63 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1802 (LT)

PART BLOCK 3, PLAN 65M3925 PART 62, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN

YR3504856; SUBJECT TO AN EASEMENT OVER PART 62 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1801 (LT)

PART BLOCK 3, PLAN 65M3925 PART 61, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 61 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1800 (LT)

PART BLOCK 3, PLAN 65M3925 PART 60, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 60 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1799 (LT)

PART BLOCK 3, PLAN 65M3925 PART 59, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 59 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1798 (LT)

PART BLOCK 3, PLAN 65M3925 PART 58, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 58 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1797 (LT)

PART BLOCK 3, PLAN 65M3925 PART 57, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 57 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1796 (LT)

PART BLOCK 3, PLAN 65M3925 PART 56, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 56 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1795 (LT)

PART BLOCK 3, PLAN 65M3925 PART 55, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 55 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1794 (LT)

PART BLOCK 3, PLAN 65M3925 PART 54, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 54 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1793 (LT)

PART BLOCK 3, PLAN 65M3925 PART 53, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN

YR3504856; SUBJECT TO AN EASEMENT OVER PART 53 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1792 (LT)

PART BLOCK 3, PLAN 65M3925 PART 52, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 52 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1791 (LT)

PART BLOCK 3, PLAN 65M3925 PART 51, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 51 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1776 (LT)

PART BLOCK 3, PLAN 65M3925 PART 36, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 36 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1775 (LT)

PART BLOCK 3, PLAN 65M3925 PART 35, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 35 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1774 (LT)

PART BLOCK 3, PLAN 65M3925 PART 34, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 34 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1773 (LT)

PART BLOCK 3, PLAN 65M3925 PART 33, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 33 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1772 (LT)

PART BLOCK 3, PLAN 65M3925 PART 32, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 32 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1771 (LT)

PART BLOCK 3, PLAN 65M3925 PART 32, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 32 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1756 (LT)

PART BLOCK 3, PLAN 65M3925 PART 16, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN

YR3504856; SUBJECT TO AN EASEMENT OVER PART 16 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1755 (LT)

PART BLOCK 3, PLAN 65M3925 PART 15, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 15 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1754 (LT)

PART BLOCK 3, PLAN 65M3925 PART 14, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 14 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1753 (LT)

PART BLOCK 3, PLAN 65M3925 PART 13, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 13 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1752 (LT)

PART BLOCK 3, PLAN 65M3925 PART 12, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.

1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 12 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1751 (LT)

PART BLOCK 3, PLAN 65M3925 PART 11, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 11 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

(collectively, the "On the Mark Real Property")

*TLSPD Taurasi Holdings Corp.*

PIN 03273-0069 (LT)

PCL 24-1 SEC M1832; LT 24 PL M1832; CITY OF VAUGHAN

PIN 03275-0052 (LT)

PT LT 11 PL 7925 VAUGHAN AS IN VA68142; CITY OF VAUGHAN

PIN 03274-0132 (LT)

PCL 10-1 SEC 65M2330; LT 10 PL 65M2330; S/T RIGHT AS IN LT332786 ; ; VAUGHAN; CITY OF VAUGHAN

PIN 03274-0044 (LT)

PCL 1-2 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 4, 65R4957 ; VAUGHAN; CITY OF VAUGHAN

PIN 03274-0043 (LT)

PCL 1-3 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 3, 65R4957 ; VAUGHAN

(collectively, the "Taurasi Holdings Real Property")

*Stateview Homes (High Crown Estates) Inc.*

PIN 03372-1040 (LT)

BLOCK 2, PLAN 65M4757; SUBJECT TO AN EASEMENT AS IN YR3467268; SUBJECT TO AN EASEMENT IN GROSS AS IN YR3502108; TOWNSHIP OF KING



| (the "High Crown Real Property")

SCHEDULE "B"  
RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ KSV Restructuring Inc., the receiver and manager (the "Receiver") without security, of the ~~assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, real property legally described in~~ Schedule "A" (the "'Real Property'") appointed by to the Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_[●] day of \_\_\_\_\_[●], 20\_\_2023 (the "Order") and all present and future undertakings and property, both real and personal of Stateview Homes (Minu Towns) Inc., Stateview Homes (Nao Towns) Inc., Stateview Homes (On the Mark) Inc., TLSFD Taurasi Holdings Corp. and Stateview Homes (High Crown Estates) Inc. (collectively, the "Debtors"), which is located at or related to or used in connection with or arising from or out of the Real Property (collectively, the "Property"), appointed by the Order made in an 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*, R.S.C. 1985, c. B-3, 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~~2023.

~~[RECEIVER'S NAME]~~ KSV Restructuring Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

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

Name:

Title:

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

KINGSETT MORTGAGE CORPORATION  
AND DORR CAPITAL CORPORATION

and

STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

Applicants

Respondents

Court File No.: [●]

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced in Toronto

RECEIVERSHIP ORDER

BENNETT JONES LLP  
One First Canadian Place, Suite 3400  
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**TAB 4**

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

BETWEEN:

**KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION**

Applicants

- and -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS)  
INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS  
CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

Respondents

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

**AFFIDAVIT OF DANIEL POLLACK<sup>1</sup>  
(Sworn April 26, 2023)**

I, **DANIEL POLLACK**, of the City of Toronto, in the Province of Ontario, **MAKE  
OATH AND SAY:**

1. I am a Senior Director, Special Loans and Portfolio Management, of KingSett Mortgage Corporation ("**KingSett**"). I have responsibility for matters pertaining to the borrowings of Stateview Homes (Minu Towns) Inc. ("**Minu**"), Stateview Homes (Nao Towns) Inc. ("**Nao**"), Stateview Homes (On the Mark) Inc. ("**On the Mark**") and TLSFD Taurasi Holdings Corp. ("**Taurasi Holdings**" and together with Minu, Nao, and On the Mark, the "**KingSett Debtors**" and each a "**KingSett Debtor**") from KingSett. Additionally, I have responsibility for matters

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<sup>1</sup> Terms used but not otherwise defined in this affidavit have the meanings ascribed to them in Schedule "A" to the proposed Receivership Order.

pertaining to the second lien borrowings of Stateview Homes (High Crown Estates) Inc. ("**High Crown**") and together with the KingSett Debtors, the "**Debtors**" and each a "**Debtor**"), a loan for which KingSett has all the beneficial economic interest and is serviced by Dorr Capital Corporation ("**Dorr**" and together with KingSett, the "**Applicants**" and each an "**Applicant**"). As such, I have personal knowledge of the matters to which I depose in this affidavit, unless otherwise indicated. Where I have relied on other sources for information, I have so stated and I believe them to be true.

2. I swear this affidavit in support of an application by the Applicants for an order (the "**Receivership Order**"), among other things:

- (a) appointing KSV Restructuring Inc. ("**KSV**") as receiver and manager (in such capacities, the "**Receiver**"), without security, of the real property legally described in Schedule "A" to the proposed Receivership Order (the "**Real Property**") and all present and future undertakings and property, both real and personal of the Debtors, which is located at or related to or used in connection with or arising from or out of the Real Property (collectively, the "**Property**") pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-33, as amended (the "**BIA**"), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43;
- (b) granting a charge over the Property in favour of the Receiver and the Receiver's counsel to secure their fees and disbursements in respect of these proceedings (the "**Receivership Proceedings**"); and

- (c) granting a charge over the Property for the purpose of funding the exercise of the powers and duties conferred upon the Receiver pursuant to the proposed Receivership Order.

3. The Debtors are privately held companies and each is the registered owner of certain of the Real Property which, at a high level, consists of the following:

- (a) *Minu* – this project, located at Donald Cousens Parkway, Markham, Ontario, is a residential development site for the construction of 147 townhomes (the "**Minu Townhomes**") for which servicing is complete, but construction has not yet begun. According to its website, the Minu Townhomes are "sold out".
- (b) *Nao* – this project, located at 14<sup>th</sup> Avenue and McCowan Road, Markham, Ontario, is an entitled land residential development site for the construction of 96 townhomes (the "**Nao Townhomes**") for which site servicing preparations are underway. According to its website, the Nao Townhomes are "fully reserved".
- (c) *On the Mark* – this project, located at 16<sup>th</sup> Avenue and Woodbine Avenue, Markham, Ontario, is comprised of 70 townhomes (the "**On the Mark Townhomes**") for which unit closings have commenced (all of the On the Mark Townhomes were pre-sold and a number of the units have now closed) and final closings are expected in May/June of 2023. This project is approximately 85-90% complete (based on percentage of construction costs incurred).
- (d) *High Crown* – located at 13151-13165 Keele Street, King City, Ontario, this project is comprised of 48 townhomes (the "**High Crown Townhomes**" and together with



the Minu Townhomes, the Nao Townhomes and the On the Mark Townhomes, the "**Townhomes**") for which construction has commenced and unit closings are expected in late 2023. This project is approximately 30-35% complete (based on percentage of construction costs incurred). According to its website, all but two (2) of the High Crown Townhomes have been sold.

- (e) *Taurasi Holdings* – these properties, located at 6 & 8 Bradwick Drive, Vaughan, Ontario, 301 Bradwick Drive, Vaughan, Ontario, 488 North Rivermede, Vaughan, Ontario, and 596 Oster Lane, Vaughan, Ontario, are comprised of four (4) industrial properties totaling 116,065 square feet of leasable area and is currently 100% occupied.<sup>2</sup>

4. In connection with the Debtors' acquisition and development of the Real Property, KingSett and Dorr extended certain loans to the Debtors (collectively, the "**Loan Facilities**"). As of April 11, 2023, KingSett and Dorr are owed approximately \$167,826,634.78 and \$4,000,592.77, respectively.<sup>3</sup>

5. As described in further detail below, the Applicants have recently learned about the Unauthorized Overdraft (as defined below) which they are advised was caused by the now former Chief Financial Officer of the Debtors. The Unauthorized Overdraft resulted in an accumulated unpermitted overdraft in connection with accounts with TD (as defined below) in excess of \$37,000,000. Additionally, the Applicants have learned that: (i) at least certain of the funds advanced by the Applicants in connection with the Loan Facilities were not used for their

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<sup>2</sup> 596 Oster Lane has three (3) tenants, one (1) of which is non-arm's length to the Debtors who occupies approximately 75% of the space.

<sup>3</sup> Unless otherwise stated herein, all monetary amounts referenced are in Canadian dollars.

designated purpose; and (ii) the state of the Debtors' book and records is poor and, in certain circumstances, non-existent.

6. In response to the foregoing, the Applicants issued demands for the repayment of the Debtors' indebtedness to the Applicants and delivered notices of intention to enforce security in accordance with section 244 of the BIA (each a "NITES"). The ten-day period afforded to the Debtors to repay their indebtedness to the Applicants prior to the Applicants taking enforcement action has elapsed.

7. The Loan Documents confer upon the Applicants a contractual right to appoint a receiver or receiver manager over the Property. In furtherance of its contractual rights, the Applicants have commenced the Receivership Proceedings to preserve the Property, with the current intention of completing construction of at least the On the Mark Townhomes with the contractors and trades already in place and ultimately facilitating the closings of the remaining On the Mark Townhomes and the sale of the other Real Property to maximize recoveries for the Debtors' stakeholders, including the Applicants.

8. As a result of the Unauthorized Overdraft and ensuing events, the Debtors have effectively no liquidity. As further described below, liens are being registered against the Real Property, which may delay closing of the On the Mark Townhomes, and generally putting the Real Property at risk in light of the Applicants' inability to fund the trades. A receivership is required to provide stability, liquidity and credibility, all of which is necessary to maximize value.

## **I. PARTIES**

9. KingSett is incorporated pursuant to the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, and is headquartered in Toronto, Ontario. KingSett is a subsidiary of KingSett

Capital Inc., a private equity real estate investment firm with approximately \$19.5 billion in assets under management.

10. Dorr is incorporated pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B.16 (the "OBCA") and is headquartered in North York, Ontario. Dorr is a leading private provider of commercial mortgage investments and commercial real estate and equity financing.

11. Each of the Debtors is a privately held company incorporated under the OBCA. Each of Minu, Nao, On the Mark and High Crown has a registered head office at 410 Chrislea Road, Unit 16, Woodbridge, Ontario, Canada. Taurasi Holdings has a registered head office at 161 Duncan Road, Richmond Hill, Ontario, Canada.

12. According to the Corporate Profile Reports generated on April 24, 2023, the Debtors' directors and officers are as follows:

- (a) *Minu* - Daniel Ciccone and Carlo Taurasi;
- (b) *Nao* - Daniel Ciccone and Carlo Taurasi;
- (c) *On the Mark* - Daniel Ciccone and Carlo Taurasi;
- (d) *High Crown* - Daniel Ciccone and Carlo Taurasi; and
- (e) *Taurasi Holdings* - Carlo Taurasi, Anthony Taurasi, Dennie Taurasi, Dino Taurasi and Emilio Taurasi.

13. Copies of the Debtors' Ontario corporate profile reports obtained from the Ministry of Government and Consumer Services on April 24, 2023 are attached hereto as **Exhibit "A"**.

## II. THE INTEREST DEFAULTS, THE UNAUTHORIZED OVERDRAFT, THE DEBTORS' PROPOSAL AND OTHER RECENT DEVELOPMENTS

### (a) *The Interest Defaults*

14. On or about April 3, 2023, all of the Debtors' monthly interest payments to the Applicants did not clear due to insufficient funds in the Debtors' accounts (the "**Interest Payment Defaults**"). When the Applicants alerted the Debtors to the Interest Payment Defaults, they were advised by the Debtors that the interest payments would be paid by wire on or before April 7, 2023. Those wires were never received by the Applicants.

15. Given the ongoing Interest Payment Defaults, KingSett insisted on an in-person meeting with the Debtors on April 10, 2023 (the "**April 10 Meeting**").

### (b) *The Unauthorized Overdraft*

16. At the April 10 Meeting, the Debtors for the first time advised KingSett that it had entered into a Settlement Agreement dated March 31, 2023 (the "**TD Settlement Agreement**") by and between, among others, the Debtors, the principals of the Debtors (the "**TD Agreement Counterparties**") and Toronto-Dominion Bank ("**TD Bank**" and together with the TD Agreement Counterparties, the "**TD Settlement Agreement Signatories**").

17. The Applicants now understand that the TD Settlement Agreement resulted from actions urgently brought by TD in response to a significant unauthorized overdraft - in excess of \$37,000,000 - spanning about 12 months and dozens of accounts implicating multiple financial institutions (the "**Unauthorized Overdraft**"). The Applicants have been advised that the

Unauthorized Overdraft was caused by the now former Chief Financial Officer Mr. Daniel Ciccone<sup>4</sup>.

18. As a result of the Unauthorized Overdraft, TD urgently issued an action on March 24, 2023, in an effort to recover its loss. As more information came to light and TD discovered that accounts at other financial institutions were implicated, TD issued a second action to secure emergency statutory relief from those other financial institutions as well. The Unauthorized Overdraft, and TD's subsequent actions (together, the "**TD Court Actions**"), resulted in the banks freezing the majority of the Debtors' bank accounts.

19. Presumably in an effort to resolve the issues created as a result of the Unauthorized Overdraft and the TD Court Actions, the TD Settlement Agreement Signatories entered into the TD Settlement Agreement. It is of note that the Applicants were not privy to, nor were they included in any discussions in connection with, the TD Settlement Agreement. The Applicants understand that on April 4, 2023, a Court order (the "**TD Court Order**") was sought and obtained that, among other things, approved the TD Settlement Agreement and appointed BDO Canada Limited as information officer (in such capacity, the "**Information Officer**") of the Court. A copy of the TD Court Order and the Motion Record of TD filed in support of same are attached hereto as **Exhibit "B"** and **Exhibit "C"**, respectively.

20. Of great concern to the Applicants is that the TD Settlement Agreement contemplates significant immediate payments to TD Bank, who ought to be an unsecured creditor, in priority to the Applicants and the Debtors' other creditors. Additionally, KingSett has learned that, in connection with the TD Settlement Agreement, the Debtors agreed to the registration of a charge

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<sup>4</sup> It is of note that, as of April 24, 2023, Mr. Ciccone, the former Chief Financial Officer, is still listed as a director and officer for 4 of the 5 Debtors.

in the amount of \$37,134,091 (the "**TD Charge**") over the Taurasi Holdings Real Property in favour of TD. Per the terms of the Taurasi Holdings Loan Documents (as defined below), the registration of the TD Charge required KingSett's consent, and the Debtors' failure to obtain that consent is a default under the terms thereof (the "**TD Default**"). TD has not entered into a subordination and standstill agreement with KingSett, as KingSett would certainly have required. Since KingSett was not served with any materials seeking the TD Court Order, KingSett is not aware as to whether the Court was advised of these issues.

21. In addition to the Applicants' concerns with the Unauthorized Overdraft and certain of the terms of the TD Settlement Agreement, the Applicants also have a major concern that the Debtors did not advise KingSett about the Unauthorized Overdraft or any related issues between the time they clearly knew about it – on or about March 24, 2023 at the latest – until KingSett forced a meeting on April 10, 2023 following the Interest Payment Defaults.

*(c) Improper Diversion of Funds, Minu APS, the Debtors' Proposal, and Other Recent Developments*

*(i) Improper Diversion of Funds*

22. In addition to the foregoing, KingSett has been made aware that certain funds advanced by KingSett for the explicit purpose of paying development charges, cash in lieu of parkland dedication and cash in lieu of Letters of Credit to the City of Markham and the Township of King have been diverted and used for other purposes. For example, on June 2, 2022 and October 19, 2022, KingSett, at the request of the Debtors, advanced approximately \$2,154,886 and \$5,835,896 in connection with development charges due and payable on the Minu Real Property and the Nao

Real Property, respectively. These amounts were in addition to amounts that the Debtors were to pay to the City of Markham from equity and deposits collected.

23. Additionally, I am advised by Altus (as defined below) that in July 2021 and November 2022, \$4,407,216 and \$1,000,000, respectively, were funded from KingSett, the High Crown Real Property first mortgagee, equity and Townhome deposits for the explicit purpose of paying development charges and cash in lieu of parkland dedication in connection with the High Crown Real Property.

24. KingSett now understands that, notwithstanding the foregoing, not all of those funds were in fact provided to the City of Markham and the Township of King. Specifically, on April 25, 2023, the Township of King advised that only \$2,673,156 had been received in respect of the development charges and nothing had been received in respect of the cash in lieu of parkland dedication. That means approximately \$2,734,060 was inappropriately diverted for other purposes. Payment of development charges and cash in lieu of parkland dedication increases the value of the project since any developer would be required to pay these amounts. Since some or all of the Debtors knowingly diverted these funds, the value of KingSett's security has been eroded.

25. KingSett has engaged the Altus Group ("**Altus**") to review the Debtors' books and records in order to determine where all these funds were diverted to and also whether any other funds the Applicants advanced were used for improper purposes. Although the Debtors appear to be cooperating with the review process, the Altus Group has thus far been unable to determine the extent of the issue given the incomplete and/or non-existence of the Debtors' books and records.

(ii) *Minu APS*

26. On April 17, 2023, Bennett Jones received an email (the "**April 17 Email**") from counsel to the Debtors advising that Minu had signed an agreement of purchase and sale for the Minu Real Property (the "**Minu APS**"). The Minu APS was signed without the consent of, or even consultation with, KingSett, notwithstanding that the Minu Real Property cannot be sold absent KingSett's consent pursuant to the Minu Loan Documents (as defined below). It is of note that the Debtors signed the Minu APS despite already having oversight of the Information Officer and experienced restructuring counsel.

27. Following receipt of the April 17 Email, Bennett Jones advised the Debtors' counsel that: (i) KingSett was not supportive of the Minu APS; and (ii) the Debtors had signed the Minu APS without the consent of KingSett and in direct violation of the Minu Loan Documents (the "**Response Email**"). On April 18, 2023, Bennett Jones received an email from counsel to the Debtors advising that the Minu APS had been terminated (the "**April 18 Email**", and together with the April 17 Email and the Response Email, the "**Minu Offer Emails**"). A copy of the Minu Offer Emails (without the Minu APS) is attached hereto as **Exhibit "D"**.

(iii) *The Debtors' Proposal*

28. On the evening of April 14, 2023, KingSett received a without prejudice proposal from the Debtors (the "**Debtors' Proposal**"). On April 19, 2023, KingSett provided a without prejudice response to the Debtors' Proposal and advised that it had significant concerns with the Debtors' Proposal as drafted.



29. On April 20, 2023, counsel to the Applicants had a without prejudice discussion with the Information Officer and counsel to the Debtors regarding certain of those concerns. In addition, on April 21, 2023, I and certain of my colleagues met with Mr. Carlo Taurasi and Mr. Dino Taurasi to discuss the Debtors' Proposal, among other things.

30. Ultimately, the Applicants were not comfortable proceeding – including providing urgently required funding – outside of a formal receivership process.

*(iv) Other Recent Developments*

31. On April 20, 2023, the Applicants were provided with copies of Notices of Cancellation dated April 18, 2023 (the "**Notices of Cancellation**") that advised that insurance of, among others, certain of the Debtors was to be cancelled effective May 3, 2023. Some of the entities listed in the Notices of Cancellation are related to the Debtors' larger corporate structure and the potential implications of the cancellation of their insurance to the Debtors' development and construction operations are not known to the Applicants at this time. Copies of the Notices of Cancellation are attached hereto as **Exhibit "E"**.

32. As is evidenced in the On the Mark Parcel Registers (as defined below), certain liens (collectively, the "**Liens**") have been registered against the On the Mark Real Property in connection with amounts owing to certain contractors and subcontractors. It is of note that prior to learning about the Liens, KingSett was prepared to advance approximately \$900,000 to pay certain outstanding amounts owing to trade creditors of On the Mark in an effort to keep the project moving forward. In light of the Liens, KingSett is no longer in a position to fund, other than through a receivership proceeding.

33. The Liens registered against the On the Mark Real Property have been made by Trudel & Sons Roofing Ltd. and 2496008 Ontario Inc (together, the "**Lien Claimants**"). I understand that the Lien Claimants will be served with the Applicants' Application Record.

34. Based on the Applicants' extensive experience with real estate development, the Applicants have significant safety and project completion concerns as a result of the Liens and the Debtors' inability to pay trades. The appointment of a receiver would provide much needed stability as it would allow super-priority funding to be advanced to ensure that trades are paid and projects are completed in a timely fashion.

35. Under the Loan Documents, the Debtors are obligated to promptly satisfy any and all accounts owing to any trade subcontractors and lien claimants and to keep the land free and clear from all liens and other claims. The registration of any lien against the Real Property is also a default under the terms of the Loan Documents.

36. As a result of the Liens, I understand that certain On the Mark Townhomes that were scheduled to close recently failed to close and have been delayed. I also understand from Altus that On the Mark has not remitted HST payable in connection with the sale of at least certain of the On the Mark Townhomes that have closed to date.

37. As of the date of this affidavit, I understand that the Liens remain on title to the Real Property and the Debtors have no ability to satisfy them.

38. As a result of the foregoing, the Applicants' already significant concerns in connection with the Debtors and the Real Property have been exacerbated. Further, it is not clear to the Applicants at this time what impacts all of the foregoing will have on value and it may be that the Applicants

are undersecured on some or all of the Real Property. The Applicants have lost faith in management and the Debtors' actions and inactions have resulted in an irreparable erosion of trust.

### III. INDEBTEDNESS OWING TO THE APPLICANTS AND RELATED SECURITY

#### (a) *Stateview Homes (Minu Towns) Inc. - First Mortgage*<sup>5</sup>

39. KingSett entered into a commitment letter dated September 30, 2021 with Minu (the "**Original Minu Commitment Letter**"), pursuant to which KingSett agreed to provide, among other things: (i) a first mortgage in the principal amount of \$73,590,000; and (ii) Letters of Credit (cash in lieu) in the principal amount of \$6,105,000 (collectively, the "**Minu Loan Facility**"). Under the terms of the Original Minu Commitment Letter, the Minu Loan Facility: (i) bears interest at Prime Rate plus 2.80% (floor rate of 5.25%) calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement; and (ii) without prejudice to KingSett's right to demand repayment at any time for any reason whatsoever, matures 18 months from the date of the initial advance under the Minu Loan Facility. A copy of the Original Minu Commitment Letter is attached hereto as **Exhibit "F"**.

40. The parties have amended the Original Minu Commitment Letter (as amended, the "**Minu Commitment Letter**") pursuant to three (3) amendments dated October 6, 2021 (the "**First Minu Amendment**"), May 13, 2022 (the "**Second Minu Amendment**"), and June 13, 2022 (the "**Third Minu Amendment**") and together with the First Minu Amendment and the Second Minu Amendment, the "**Minu Amendments**"). Copies of the Minu Amendments are attached hereto as **Exhibit "G"**.

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<sup>5</sup> Terms used but not otherwise defined in this section shall have the meanings ascribed to them in the Minu Commitment Letter.

41. Principally, the Minu Amendments provided as follows:
- (a) *First Minu Amendment* – modified the Interest Reserve by providing that, subject to an Event of Default occurring and continuing, monthly interest was to be capitalized to the outstanding principal balance of the Minu Loan Facility outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security in full or the capitalization of a total of \$3,900,000.
  - (b) *Second Minu Amendment* – modified the Subsequent Lender's Fee earned by KingSett and opened the Minu Loan Facility for prepayment until August 1, 2022.
  - (c) *Third Minu Amendment* – increased the Letters of Credit component of the Minu Loan Facility from \$6,105,000 to \$7,105,000.
42. As of April 11, 2023, the total indebtedness under the Minu Commitment Letter was \$50,486,803.30 (the "**Minu Indebtedness**").
43. As general and continuing security for the payment and performance of Minu's obligations under the Minu Commitment Letter, KingSett was granted various security by Minu and certain of its principals (collectively, the "**Minu Security**").
44. Among other things, the Minu Security granted by Minu, includes:
- (a) a \$100,000,000 first ranking charge/mortgage in respect of the Minu Real Property (the "**Minu First Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**Minu Mortgage Terms**");

- (b) a General Assignment of Rents and Leases dated October 8, 2021 (the "**Minu Assignment of Rents**");
- (c) an Assignment of Material Agreements dated October 8, 2021, attached hereto as **Exhibit "H"**;
- (d) an Assignment of Monies Which May Become Payable Under Insurance Policies dated October 8, 2021, attached hereto as **Exhibit "I"**; and
- (e) a General Security Agreement dated October 8, 2021 (the "**Minu GSA**"), attached hereto as **Exhibit "J"**.

45. Copies of the Minu First Mortgage, the Minu Mortgage Terms and the Minu Assignment of Rents are attached hereto as **Exhibit "K"**. The Minu Commitment Letter, the Minu First Mortgage, the Minu Mortgage Terms, the Minu Assignments of Rents and the Minu GSA are referred to collectively herein as the "**Minu Loan Documents**".

46. KingSett registered the Minu First Mortgage in the Land Registry Office (No. 65). Copies of the sub-searches of title conducted on April 24, 2023 (collectively, the "**Minu Parcel Registers**") in respect of the Minu Real Property evidencing the registration of the Minu First Mortgage and the Minu Assignment of Rents on title are attached hereto as **Exhibit "L"**.

47. KingSett also registered its security interest granted by Minu pursuant to the Minu GSA under the *Personal Property Security Act*, R.S.O. 1990, c. P.10, as amended (the "**PPSA**"). KingSett's registration in this regard is reflected in the search results (the "**Minu PPSA Search Results**") conducted against Minu under the PPSA effective April 13, 2023, which are attached hereto as **Exhibit "M"**.

(i) *Minu's Other Creditors*

48. As disclosed within the Minu Parcel Registers and the Minu PPSA Search Results, in addition to KingSett, Minu has granted security interests to Dorr in both its personal property and the Minu Real Property.

49. KingSett is not aware of whether Minu has unsecured creditors.

(b) *Stateview Homes (Nao Towns) Inc. - First Mortgage*<sup>6</sup>

50. KingSett entered into a commitment letter dated November 29, 2021 with Nao (the "**Original Nao Commitment Letter**"), pursuant to which KingSett agreed to provide, among other things: (i) a first mortgage in the principal amount of \$47,500,000; and (ii) Letters of Credit (cash in lieu) in the principal amount of \$4,750,000 (collectively, the "**Nao Loan Facility**"). Under the terms of the Original Nao Commitment Letter, the Nao Loan Facility: (i) bears interest at Prime Rate plus 2.80% (floor rate of 5.25%) calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement; and (ii) without prejudice to KingSett's right to demand repayment at any time for any reason whatsoever, matures 18 months from the date of the initial advance under the Nao Loan Facility. A copy of the Original Nao Commitment Letter is attached hereto as **Exhibit "N"**.

51. The parties have amended the Original Nao Commitment Letter (as amended, the "**Nao Commitment Letter**") pursuant to one (1) amendment dated November 16, 2022 (the "**Nao Amendment**"). Principally, the Nao Amendment increased the Letters of Credit component of the

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<sup>6</sup> Terms used but not otherwise defined in this section shall have the meanings ascribed to them in the Nao Commitment Letter.

Nao Loan Facility from \$4,750,000 to \$7,105,000. A copy of the Nao Amendment is attached hereto as **Exhibit "O"**.

52. As of April 11, 2023, the total indebtedness under the Nao Commitment Letter was \$23,692,659.30 (the "**Nao Indebtedness**").

53. As general and continuing security for the payment and performance of Nao's obligations under the Nao Commitment Letter, KingSett was granted various security by Nao and certain of its principals (collectively, the "**Nao Security**").

54. Among other things, the Nao Security granted by Nao, includes:

- (a) a \$65,300,000 first ranking charge/mortgage in respect of the Nao Real Property (the "**Nao First Mortgage**") governed by, among other things, the additional provisions registered therewith (the "**Nao Mortgage Terms**");
- (b) a General Assignment of Rents and Leases dated December 22, 2021 (the "**Nao Assignment of Rents**");
- (c) an Assignment of Material Agreements dated December 22, 2021, attached hereto as **Exhibit "P"**;
- (d) an Assignment of Monies which may Become Payable Under Insurance Policies dated December 22, 2021, attached hereto as **Exhibit "Q"**; and
- (e) a General Security Agreement dated December 22, 2021 (the "**Nao GSA**"), attached hereto as **Exhibit "R"**.

55. Copies of the Nao First Mortgage, the Nao Mortgage Terms and the Nao Assignment of Rents are attached hereto as **Exhibit "S"**. The Nao Commitment Letter, the Nao First Mortgage, the Nao Mortgage Terms, the Nao Assignments of Rents and the Nao GSA are referred to collectively herein as the "**Nao Loan Documents**".

56. KingSett registered the Nao First Mortgage in the Land Registry Office (No. 65). Copies of the sub-searches of title conducted on April 24, 2023 (collectively, the "**Nao Parcel Registers**") in respect of the Nao Real Property evidencing the registration of the Nao First Mortgage and the Nao Assignment of Rents on title are attached hereto as **Exhibit "T"**.

57. KingSett also registered its security interest granted by Nao pursuant to the Nao GSA under the PPSA. KingSett's registration in this regard is reflected in the search results (the "**Nao PPSA Search Results**") conducted against Nao under the PPSA effective April 13, 2023, which are attached hereto as **Exhibit "U"**.

(i) *Nao's Other Creditors*

58. As disclosed within the Nao Parcel Registers and the Nao PPSA Search Results, in addition to KingSett, Nao has granted security interests to Dorr in both its personal property and the Nao Real Property.

59. KingSett is not aware of whether Nao has unsecured creditors.



(c) *Stateview Homes (Minu Towns) Inc. and Stateview Homes (Nao Towns) Inc. –  
Second Blanket Mortgage*<sup>7</sup>

60. KingSett entered into a commitment letter dated September 30, 2021 with Minu and Nao (the "**Original Minu/Nao Commitment Letter**"), pursuant to which KingSett agreed to provide, among other things, a second blanket mortgage in the principal amount of \$30,650,000 (the "**Minu/Nao Loan Facility**"). Under the terms of the Original Minu/Nao Commitment Letter, the Minu/Nao Loan Facility: (i) bears interest at Prime Rate plus 10.05% (floor rate of 12.50%) calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement; and (ii) without prejudice to KingSett's right to demand repayment at any time for any reason whatsoever, matures 19 months from the date of the initial advance under the Minu/Nao Loan Facility. A copy of the Original Minu/Nao Commitment Letter is attached hereto as **Exhibit "V"**.

61. The parties have amended the Original Minu/Nao Commitment Letter (as amended, the "**Minu/Nao Commitment Letter**") pursuant to four (4) amendments dated November 29, 2021 (the "**First Minu/Nao Amendment**"), June 13, 2022 (the "**Second Minu/Nao Amendment**"), September 12, 2022 (the "**Third Minu/Nao Amendment**") and November 16, 2022 (the "**Fourth Minu/Nao Amendment**" and together with the First Minu/Nao Amendment, the Second Minu/Nao Amendment and the Third Minu/Nao Amendment, the "**Minu/Nao Amendments**"). Copies of the Minu/Nao Amendments are attached hereto as **Exhibit "W"**.

62. Principally, the Minu/Nao Amendments provided as follows:

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<sup>7 7</sup> Terms used but not otherwise defined in this section shall have the meanings ascribed to them in the Nao Commitment Letter.

- (a) *First Minu/Nao Amendment* – added the Minu/Nao Collateral Security (as defined below) and amended the Permitted Encumbrances and the Allocation of Net Closing Proceeds sections of the Original Minu/Nao Commitment Letter.
- (b) *Second Minu/Nao Amendment* – amended the Permitted Encumbrances section of the Original Minu/Nao Commitment Letter.
- (c) *Third Minu/Nao Amendment* – amended the Collateral Discharge section of the Original Minu/Nao Commitment Letter.
- (d) *Fourth Minu/Nao Amendment* – amended the Permitted Encumbrances section of the Original Minu/Nao Commitment Letter.

63. As of April 11, 2023, the total indebtedness under the Minu/Nao Commitment Letter was \$31,230,182.80 (the "**Minu/Nao Indebtedness**").

64. As general and continuing security for the payment and performance of Minu and Nao's obligations under the Minu/Nao Commitment Letter, KingSett was granted various security by Minu, Nao and certain of their principals (collectively, the "**Minu/Nao Security**"). Additional collateral security was also granted by On the Mark (the "**Minu/Nao Collateral Security**").

65. Among other things, the Minu/Nao Security and the Minu/Nao Collateral Security granted by Minu, Nao and On the Mark, includes:

- (a) a \$38,312,500 second ranking charge/mortgage in respect of the Nao Real Property and the Minu Real Property (the "**Minu/Nao Second Mortgage**"), governed by,

among other things, the additional provisions registered therewith (the "**Minu/Nao Second Mortgage Terms**");

- (b) a \$38,312,500 third ranking change in respect of the On the Mark Real Property (the "**Minu/Nao Collateral Third Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**Minu/Nao Collateral Mortgage Terms**");
- (c) a General Assignment of Rents and Leases dated October 8, 2021 (the "**Minu Second Mortgage Assignment of Rents**");
- (d) an Assignment of Material Agreements dated October 8, 2021, attached hereto as **Exhibit "X"**;
- (e) an Assignment of Monies which may Become Payable Under Insurance Policies dated October 8, 2021, attached hereto as **Exhibit "Y"**;
- (f) a General Security Agreement dated October 8, 2021 (the "**Minu Second Mortgage GSA**"), attached hereto as **Exhibit "Z"**;
- (g) a General Assignment of Rents and Leases dated December 22, 2021 (the "**Nao Second Mortgage Assignment of Rents**");
- (h) an Assignment of Material Agreements dated December 22, 2021, attached hereto as **Exhibit "AA"**;
- (i) an Assignment of Monies which may Become Payable Under Insurance Policies dated December 22, 2021, attached hereto as **Exhibit "BB"**; and

- (j) a General Security Agreement dated December 22, 2021 (the "**Nao Second Mortgage GSA**"), attached hereto as **Exhibit "CC"**.

66. Copies of the Minu/Nao Second Mortgage, the Minu/Nao Second Mortgage Terms, the Minu/Nao Collateral Third Mortgage, the Minu/Nao Collateral Mortgage Terms, the Minu Second Mortgage Assignment of Rents and the Nao Second Mortgage Assignment of Rents are attached hereto as **Exhibit "DD"**. The Minu/Nao Commitment Letter, the Minu/Nao Second Mortgage, the Minu/Nao Mortgage Terms, the Minu/Nao Collateral Third Mortgage, Minu/Nao Collateral Mortgage Terms, the Minu Second Mortgage Assignment of Rents, the Nao Second Mortgage Assignment of Rents, the Minu Second Mortgage GSA and the Nao Second Mortgage GSA are referred to collectively herein as the "**Minu/Nao Loan Documents**".

67. KingSett registered the Minu/Nao Second Mortgage and the Minu/Nao Collateral Third Mortgage in the Land Registry Office (No. 65). Copies of the Minu Parcel Registers, the Nao Parcel Registers and the On the Mark Parcel Registers (as defined below) in respect of the Minu Real Property, Nao Real Property and the On the Mark Real Property evidencing the registration of the Minu/Nao Second Mortgage, the Minu/Nao Collateral Third Mortgage, the Minu Second Mortgage Assignment of Rents and the Nao Second Mortgage Assignment of Rents on title are attached hereto as **Exhibit "L"**, **Exhibit "T"** and **Exhibit "JJ"**.

68. KingSett also registered its security interest granted by Minu and Nao pursuant to the Minu Second Mortgage GSA and Nao Second Mortgage GSA, respectively, under the PPSA. KingSett's registration in this regard is reflected by the Minu PPSA Search Results and the Nao PPSA Search Results conducted against Minu and Nao under the PPSA effective April 13, 2023, which are attached hereto as **Exhibit "M"** and **Exhibit "U"**.

(i) *Minu's and Nao's Other Creditors*

69. Details on Minu's and Nao's other creditors are detailed in paragraphs 48, 49, 58 and 59 of this affidavit.

(d) *Stateview Homes (On the Mark) Inc. - First Mortgage*<sup>8</sup>

70. KingSett entered into a commitment letter dated May 13, 2020 with On the Mark (the "**Original On the Mark First Mortgage Commitment Letter**"), pursuant to which KingSett agreed to provide, among other things: (i) a first mortgage in the principal amount of \$41,000,000; and (ii) Letters of Credit in the principal amount of \$3,500,000 (collectively, the "**On the Mark First Mortgage Loan Facility**"). Under the terms of the Original On the Mark First Mortgage Commitment Letter, the On the Mark First Mortgage Loan Facility: (i) bears interest at RBC Prime Rate plus 3.20% (floor rate of 5.65%) calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement; and (ii) without prejudice to KingSett's right to demand repayment at any time for any reason whatsoever, matures 18 months from the date of the initial advance under the On the Mark First Mortgage Loan Facility. A copy of the Original On the Mark First Mortgage Commitment Letter is attached hereto as **Exhibit "EE"**.

71. The parties have amended the Original On the Mark First Mortgage Commitment Letter (as amended, the "**On the Mark First Mortgage Commitment Letter**") pursuant to four (4) amendments dated July 27, 2021 (the "**First On the Mark First Mortgage Amendment**"), November 29, 2021 (the "**Second On the Mark First Mortgage Amendment**"), January 7, 2022

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<sup>8</sup> Terms used but not otherwise defined in this section shall have the meanings ascribed to them in the On the Mark First Mortgage Commitment Letter.

(the "**Third On the Mark First Mortgage Amendment**") and January 18, 2023 (the "**Fourth On the Mark First Mortgage Amendment**") and together with the First On the Mark First Mortgage Amendment, the Second On the Mark First Mortgage Amendment and the Third On the Mark First Mortgage Amendment, the "**On the Mark First Mortgage Amendments**"). Copies of the On the Mark First Mortgage Amendments are attached hereto as **Exhibit "FF"**.

72. Principally, the On the Mark First Mortgage Amendments provided as follows:

- (a) *First On the Mark First Mortgage Amendment* – amended the Collateral, Interest Reserve, Allocation of Net Closing Proceeds sections of the Original On the Mark First Mortgage Commitment Letter and increased first mortgage portion of the On the Mark First Mortgage Loan Facility from \$41,000,000 to \$42,010,000.
- (b) *Second On the Mark First Mortgage Amendment* – amended the Permitted Encumbrances section of the Original On the Mark First Mortgage Commitment Letter.
- (c) *Third On the Mark First Mortgage Amendment* – amended the Extension Option and Extension Fee sections of the Original On the Mark First Mortgage Commitment Letter.
- (d) *Fourth On the Mark First Mortgage Amendment* – further amended the Extension Option and Extension Fee sections of the Original On the Mark First Mortgage Commitment Letter.

73. As of April 11, 2023, the total indebtedness under the On the Mark First Mortgage Commitment Letter is \$20,056,316.14 (the "**On the Mark First Mortgage Indebtedness**").

74. As general and continuing security for the payment and performance of On the Mark's obligations under the On the Mark First Mortgage Commitment Letter, KingSett was granted various security by On the Mark and certain of its principals (collectively, the "**On the Mark First Mortgage Security**").

75. Among other things, the On the Mark First Mortgage Security granted by On the Mark, includes:

- (a) a \$51,250,000 first ranking charge/mortgage in respect of the On the Mark Real Property (the "**On the Mark First Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**On the Mark First Mortgage Terms**");
- (b) an Assignment of Rents and Leases dated June 9, 2020 (the "**On the Mark First Mortgage Assignment of Rents**");
- (c) an Assignment of Insurance Interest dated June 9, 2020, attached hereto as **Exhibit "GG"**; and
- (d) a General Security Agreement dated June 9, 2020 (the "**On the Mark First Mortgage GSA**"), attached hereto as **Exhibit "HH"**.

76. Copies of the On the Mark First Mortgage, the On the Mark First Mortgage Terms and the On the Mark First Mortgage Assignment of Rents are attached hereto as **Exhibit "II"**. The On the Mark First Mortgage Commitment Letter, the On the Mark First Mortgage, the On the Mark First Mortgage Terms, the On the Mark Assignments of Rents and the On the Mark First Mortgage GSA are referred to collectively herein as the "**On the Mark First Mortgage Loan Documents**".

77. KingSett registered the On the Mark First Mortgage in the Land Registry Office (No. 65). Copies of the sub-searches of title conducted on April 24, 2023 (collectively, the "**On the Mark Parcel Registers**") in respect of the On the Mark Real Property evidencing the registration of the On the Mark First Mortgage and the On the Mark Assignment of Rents on title are attached hereto as **Exhibit "JJ"**.

78. KingSett also registered its security interest granted by On the Mark pursuant to the On the Mark GSA under the PPSA. KingSett's registration in this regard is reflected in the search results (the "**On the Mark PPSA Search Results**") conducted against On the Mark under the PPSA effective April 13, 2023, which are attached hereto as **Exhibit "KK"**.

*(i) On the Mark's Other Creditors*

79. As disclosed within the On the Mark Parcel Registers and the On the Mark PPSA Search Results, On the Mark has not granted security interests to any creditors other than KingSett in either its personal property or in the On the Mark Real Property.

80. KingSett is not aware of whether On the Mark has unsecured creditors.

*(e) Stateview Homes (On the Mark) Inc. - Second Mortgage<sup>9</sup>*

81. KingSett entered into a commitment letter dated May 13, 2020 with On the Mark (the "**Original On the Mark Second Mortgage Commitment Letter**"), pursuant to which KingSett agreed to provide, among other things, a second mortgage in the principal amount of \$12,000,000 (the "**On the Mark Second Mortgage Loan Facility**"). Under the terms of the Original On the

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<sup>9</sup> Terms used but not otherwise defined in this section shall have the meanings ascribed to them in the On the Mark 2<sup>nd</sup> Mortgage Commitment Letter.



Mark Second Mortgage Commitment Letter, the On the Mark Second Mortgage Loan Facility: (i) bears interest at RBC Prime Rate plus 9.55% (floor rate of 12.00%) calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement; and (ii) without prejudice to KingSett's right to demand repayment at any time for any reason whatsoever, matures 18 months from the date of the initial advance under the On the Mark Second Mortgage Loan Facility. A copy of the Original On the Mark Second Mortgage Commitment Letter is attached hereto as **Exhibit "LL"**.

82. The parties have amended the Original On the Mark Second Mortgage Commitment Letter (as amended, the "**On the Mark Second Mortgage Commitment Letter**") pursuant to four (4) amendments dated July 27, 2021 (the "**First On the Mark Second Mortgage Amendment**"), November 29, 2021 (the "**Second On the Mark Second Mortgage Amendment**"), January 7, 2022 (the "**Third On the Mark Second Mortgage Amendment**") and January 18, 2023 (the "**Fourth On the Mark Second Mortgage Amendment**" and together with the First On the Mark Second Mortgage Amendment, the Second On the Mark Second Mortgage Amendment and the Third On the Mark Second Mortgage Amendment, the "**On the Mark Second Mortgage Amendments**"). Copies of the On the Mark Second Mortgage Amendments are attached hereto as **Exhibit "MM"**.

83. Principally, the On the Mark Second Mortgage Amendments provided as follows:

- (a) *First On the Mark Second Mortgage Amendment* – amended the Collateral, Interest Reserve and Allocation of Net Closing Proceeds sections of the Original On the Mark Second Mortgage Commitment Letter and increased first mortgage portion of the On the Mark Second Mortgage Loan Facility from \$12,000,000 to \$12,090,000.

- (b) *Second On the Mark Second Mortgage Amendment* – amended the Permitted Encumbrances section of the Original On the Mark Second Mortgage Commitment Letter.
- (c) *Third On the Mark Second Mortgage Amendment* – amended the Extension Option and Extension Fee sections of the Original On the Mark Second Mortgage Commitment Letter.
- (d) *Fourth On the Mark Second Mortgage Amendment* – further amended the Extension Option and Extension Fee sections of the Original On the Mark Second Mortgage Commitment Letter.

84. As of April 11, 2023, the total indebtedness under the On the Mark Second Mortgage Commitment Letter is \$12,221,278.43 (the "**On the Mark Second Mortgage Indebtedness**").

85. As general and continuing security for the payment and performance of On the Mark's obligations under the On the Mark Second Mortgage Commitment Letter, KingSett was granted various security by On the Mark and certain of its principals (collectively, the "**On the Mark Second Mortgage Security**").

86. Among other things, the On the Mark Second Mortgage Security granted by On the Mark, includes:

- (a) a \$15,000,000 second ranking charge/mortgage in respect of the On the Mark Real Property (the "**On the Mark Second Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**On the Mark Second Mortgage Terms**");

- (b) an Assignment of Rents and Leases dated June 9, 2020 (the "**On the Mark Second Mortgage Assignment of Rents**");
- (c) an Assignment of Insurance Interest dated June 9, 2020, attached hereto as **Exhibit "NN"**; and
- (d) a General Security Agreement dated June 9, 2020 (the "**On the Mark Second Mortgage GSA**"), attached hereto as **Exhibit "OO"**.

87. Copies of the On the Mark Second Mortgage, the On the Mark Second Mortgage Terms and the On the Mark Second Mortgage Assignment of Rents are attached hereto as **Exhibit "PP"**. The On the Mark Second Mortgage Commitment Letter, the On the Mark Second Mortgage, the On the Mark Second Mortgage Terms, the On the Mark Second Mortgage Assignments of Rents and the On the Mark Second Mortgage GSA are referred to collectively herein as the "**On the Mark Second Mortgage Loan Documents**".

88. KingSett registered the On the Mark Second Mortgage in the Land Registry Office (No. 65). Copies of the On the Mark Parcel Registers in respect of the On the Mark Real Property evidencing the registration of the On the Mark Second Mortgage and the On the Mark Second Mortgage Assignment of Rents on title are attached hereto as **Exhibit "JJ"**.

89. KingSett also registered its security interest granted by On the Mark pursuant to the On the Mark Second Mortgage GSA under the PPSA. KingSett's registration in this regard is reflected in the On the Mark PPSA Search Results, which are attached hereto as **Exhibit "KK"**.

(i) *On the Mark's Other Creditors*

90. Details on On the Mark's other creditors are detailed in paragraphs 79 and 80 of this affidavit.

(f) *TLSPD Taurasi Holdings Corp.*<sup>10</sup>

91. KingSett entered into a commitment letter dated August 4, 2020 with Taurasi Holdings (the "**Original Taurasi Holdings Commitment Letter**"), pursuant to which KingSett agreed to provide, among other things, a first mortgage in the principal amount of \$8,400,000 (the "**Taurasi Holdings Loan Facility**"). Under the terms of the Original Taurasi Holdings Commitment Letter, the Taurasi Holdings Loan Facility: (i) bears interest at RBC Prime Rate plus 3.30% (floor rate of 5.75%) calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement (the "**Taurasi Holdings Interest Rate**"); and (ii) without prejudice to KingSett's right to demand repayment at any time for any reason whatsoever, matures 12 months from the date of the initial advance under the Taurasi Holdings Loan Facility. A copy of the Original Taurasi Holdings Commitment Letter is attached hereto as **Exhibit "QQ"**.

92. The parties have amended the Original Taurasi Holdings Commitment Letter (as amended, the "**Taurasi Holdings Commitment Letter**") pursuant to two (2) amendments dated March 16, 2021 (the "**First Taurasi Holdings Amendment**") and February 16, 2022 (the "**Second Taurasi Holdings Amendment**") and together with the First Taurasi Holdings Amendment, the "**Taurasi Holdings Amendments**"). Copies of the Taurasi Holdings Amendments are attached hereto as **Exhibit "RR"**.

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<sup>10</sup> Terms used but not otherwise defined in this section shall have the meanings ascribed to them in the On the Mark 2<sup>nd</sup> Mortgage Commitment Letter.

93. Principally, the Taurasi Holdings Amendments provided as follows:
- (a) *First Taurasi Holdings Amendment* – amended and restated the Original Taurasi Holdings Commitment Letter and, among other things, increased the Taurasi Holdings Loan Facility from \$8,400,000 to \$21,755,000 and amended the Taurasi Holdings Interest Rate to Prime Rate plus 4.05% (floor rate of 6.50%).
  - (b) *Second Taurasi Holdings Amendment* – increased the Taurasi Holdings Loan Facility from \$21,755,000 to \$29,755,000 and amended the Taurasi Holdings Interest Rate to Prime Rate plus 4.30% (floor rate of 6.75%).
94. As of April 11, 2023, the total indebtedness under the On the Mark Second Mortgage Commitment Letter is \$30,139,394.81 (the "**Taurasi Holdings Indebtedness**").
95. As general and continuing security for the payment and performance of Taurasi Holdings' obligations under the Taurasi Holdings Commitment Letter, KingSett was granted various security by Taurasi Holdings and certain of its principals (collectively, the "**Taurasi Holdings Security**").
96. Among other things, the Taurasi Holdings Security granted by Taurasi Holdings, includes:
- (a) a \$37,200,000 first ranking charge/mortgage in respect of the Taurasi Holdings Real Property (the "**Taurasi Holdings Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**Taurasi Holdings Mortgage Terms**");
  - (b) an Assignment of Rents and Leases dated August 20, 2020 (the "**First Taurasi Holdings Assignment of Rents**");

- (c) an Assignment of Rents and Leases dated March 29, 2021 (the "**Second Taurasi Holdings Assignment of Rents**") and together with the First Taurasi Holdings Assignment of Rents, the "**Taurasi Holdings Assignment of Rents**");
- (d) an Assignment of Insurance Interest dated March 29, 2021, attached hereto as **Exhibit "SS"**; and
- (e) a General Security Agreement dated August 20, 2020 and a General Security Agreement dated March 29, 2021 (together, the "**Taurasi Holdings GSA**"), attached hereto as **Exhibit "TT"**.

97. Copies of the Taurasi Holdings Mortgage, the Taurasi Holdings Mortgage Terms and the Taurasi Holdings Assignment of Rents are attached hereto as **Exhibit "UU"**. The Taurasi Holdings Commitment Letter, the Taurasi Holdings Mortgage, the Taurasi Holdings Mortgage Terms, the Taurasi Holdings Assignments of Rents and the Taurasi Holdings GSA are referred to collectively herein as the "**Taurasi Holdings Loan Documents**".

98. KingSett registered the Taurasi Holdings Mortgage in the Land Registry Office (No. 65). Copies of the sub-searches of title conducted on April 24, 2023 (collectively, the "**Taurasi Holdings Parcel Registers**") in respect of the Taurasi Holdings Real Property evidencing the registration of the Taurasi Holdings Mortgage and the Taurasi Holdings Assignment of Rents on title are attached hereto as **Exhibit "VV"**.

99. KingSett also registered its security interest granted by Taurasi Holdings pursuant to the Taurasi Holdings GSA under the PPSA. KingSett's registration in this regard is reflected in the

search results (the "**Taurasi Holdings PPSA Search Results**") conducted against Taurasi Holdings under the PPSA effective April 13, 2023, which are attached hereto as **Exhibit "WW"**.

(i) *Taurasi Holdings' Other Creditors*

100. As disclosed within the Taurasi Holdings Parcel Registers and the Taurasi Holdings PPSA Search Results, in addition to KingSett, Taurasi Holdings has granted security interests to other creditors in both its personal property and/or the Taurasi Holdings Real Property. These creditors include Mercedes-Benz Financial Services Canada Corporation ("**Mercedes**") and TD Bank. As previously detailed and discussed, the TD Charge registration was not made with the consent of KingSett and as such gave rise to the TD Default.

101. The PPSA registration by Mercedes relates specifically to a 2021 Mercedes-BenzS580V4M bearing VIN: W1K6G7GB5MA028422.

102. KingSett is not aware of whether Taurasi Holdings has unsecured creditors.

(g) *Stateview Homes (High Crown Estates) Inc.*<sup>11</sup>

103. Dorr entered into a commitment letter dated June 17, 2021 with High Crown (the "**Original High Crown Commitment Letter**"), pursuant to which Dorr agreed to provide, among other things, a second mortgage in the principal amount of \$5,000,000 (the "**High Crown Loan Facility**").<sup>12</sup> Under the terms of the Original High Crown Commitment Letter, the High Crown Loan Facility: (i) bears interest at the greater of RBC Prime Rate plus 10.55% and 13%; and (ii) without prejudice to Dorr's right to demand repayment at any time for any reason whatsoever,

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<sup>11</sup> Terms used but not otherwise defined in this section shall have the meanings ascribed to them in the High Crown Commitment Letter.

<sup>12</sup> Dorr is the servicer under the High Crown Commitment Letter, however, KingSett holds 100% of the beneficial economic interest.

matures 12 months from the date of the initial advance under the High Crown Loan Facility if the same occurs on the first calendar day of a month, otherwise matures 12 months from the first calendar day of the month next following the date of the initial advance of the High Crown Loan Facility (the "**High Crown Maturity Date**"). A copy of the Original High Crown Commitment Letter is attached hereto as **Exhibit "XX"**.

104. The parties have amended the Original High Crown Commitment Letter (as amended, the "**High Crown Commitment Letter**") and together with the Minu Commitment Letter, the Nao Commitment Letter, the Minu/Nao Commitment Letter, the On the Mark First Mortgage Commitment Letter, the On the Mark Second Mortgage Commitment Letter, and the Taurasi Holdings Commitment Letter, the "**Commitment Letters**" and each a "**Commitment Letter**") pursuant to four (4) amendments dated July 23, 2021 (the "**First High Crown Amendment**"), February 8, 2022 (the "**Second High Crown Amendment**"), August 15, 2022 (the "**Third High Crown Amendment**") and November 24, 2022 (the "**Fourth High Crown Amendment**" and together with the First High Crown Amendment, the Second High Crown Amendment and the Third High Crown Amendment, the "**High Crown Amendments**"). Copies of the High Crown Amendments are attached hereto as **Exhibit "YY"**.

105. Principally, the High Crown Amendments provided as follows:

- (a) *First High Crown Amendment* – amended the Partial Discharges section of the Original High Crown Commitment Letter.
- (b) *Second High Crown Amendment* – amended and replaced the Collateral Security and permitted the original \$1,100,000 partial paydown of the High Crown Loan Facility to be held in a trust account until 70% of the hard costs were fixed upon



which the \$1,100,000 would first be injected into the project to cover overruns (if any), and secondly, released to High Crown.

- (c) *Third High Crown Amendment* – extended the High Crown Maturity Date to December 1, 2022.
- (d) *Fourth High Crown Amendment* – extended the High Crown Maturity Date to March 1, 2023.

106. As of April 11, 2023, the total indebtedness under the High Crown Commitment Letter is \$4,000,592.77 (the "**High Crown Indebtedness**" and together with the Minu Indebtedness, the Nao Indebtedness, the Minu/Nao Indebtedness, the On the Mark First Mortgage Indebtedness, the On the Mark Second Mortgage Indebtedness and the Taurasi Holdings Indebtedness, the "**Indebtedness**").

107. As general and continuing security for the payment and performance of High Crown's obligations under the High Crown Commitment Letter, Dorr was granted various security by High Crown and certain of its principals (collectively, the "**High Crown Security**"). Additionally, collateral security was also granted by Minu and Nao (the "**High Crown Collateral Security**").

108. Among other things, the High Crown Security and the High Crown Collateral Security granted by High Crown, Minu and Nao, includes:

- (a) a \$6,250,000 second ranking charge/mortgage in respect of the High Crown Real Property (the "**High Crown Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**High Crown Mortgage Terms**");

- (b) a \$6,250,000 third ranking charge/mortgage in respect of the Nao Real Property and the Minu Real Property (the "**High Crown Collateral Mortgage**"), governed by, among other things, the additional provisions registered therewith (the "**High Crown Collateral Mortgage Terms**");
- (c) an Assignment of Rents and Leases dated July 20, 2021 (the "**High Crown Assignment of Rents**"); and
- (d) a General Security Agreement dated July 20, 2021 (the "**High Crown GSA**" , and together with the Minu GSA, the Nao GSA, Minu Second Mortgage GSA, the Nao Second Mortgage GSA, the On the Mark First Mortgage GSA, the On the Mark Second Mortgage GSA, the Taurasi Holdings GSA, the "**GSAs**"), attached hereto as **Exhibit "ZZ"**.

109. Copies of the High Crown Mortgage, the High Crown Mortgage Terms, the High Crown Collateral Mortgage, the High Crown Collateral Mortgage Terms and the High Crown Assignment of Rents are attached hereto as **Exhibit "AAA"**. The High Crown Commitment Letter, the High Crown Mortgage, the High Crown Mortgage Terms, the High Crown Collateral Mortgage, the High Crown Collateral Mortgage Terms, the High Crown Assignments of Rents and the High Crown GSA are referred to collectively herein as the "**High Crown Loan Documents**" and together with Minu Loan Documents, the Nao Loan Documents, the Minu/Nao Loan Documents, the On the Mark First Mortgage Loan Documents, the On the Mark Second Mortgage Loan Documents and the Taurasi Holdings Loan Documents, the "**Loan Documents**".

110. Dorr registered the High Crown Mortgage and the High Crown Collateral Mortgage in the Land Registry Office (No. 65). Copies of the sub-searches of title conducted on April 24, 2023

(collectively, the "**High Crown Parcel Registers**" and together with the Minu Parcel Registers, Nao Parcel Registers, On the Mark Parcel Registers and the Taurasi Holdings Parcel Registers, the "**Parcel Registers**") in respect of the High Crown Real Property, along with the Minu Parcel Registers and the Nao Parcel Registers, evidencing the registration of the High Crown Mortgage, the High Crown Assignment of Rents and the High Crown Collateral Mortgage on title are attached hereto as **Exhibit "BBB"**, **Exhibit "L"** and **Exhibit "T"**.

111. Dorr also registered its security interest granted by High Crown pursuant to the High Crown GSA under the PPSA. Dorr's registration in this regard is reflected in the search results (the "**High Crown PPSA Search Results**") conducted against High Crown under the PPSA effective April 13, 2023, which are attached hereto as **Exhibit "CCC"**.

112. KingSett, Dorr and High Crown are party to a Subordination and Standstill Agreement dated August 3, 2021 wherein Dorr agreed to subordinate and postpone the High Crown Indebtedness and the High Crown Security to and in favour of the first lien indebtedness and security. Dorr has received written consent from Dorr (in its capacity as first lien mortgagee) to seek the proposed Receivership Order in connection with the High Crown Real Property.

(i) *High Crown's Other Creditors*

113. As disclosed within the High Crown Parcel Registers and the High Crown PPSA Search Results, High Crown has not granted security interests to any creditors other than Dorr and KingSett in either its personal property or in the High Crown Real Property.

114. Dorr is not aware of whether High Crown has unsecured creditors.

#### **IV. THE DEFAULTS, THE DEMAND LETTERS AND NITES**

115. As was previously discussed, certain events of default under the Loan Documents have occurred and are continuing. More specifically, and as discussed in greater detail above:

- (a) on or around April 3, 2023, each of the Debtors committed the Interest Payment Defaults when they failed to make their monthly interest payment in accordance with their obligations under the relevant Commitment Letter. These Interest Payment Defaults amount to approximately \$1,159,616.42 in the aggregate;
- (b) on April 1, 2023 and March 1, 2023, as the case may be, the Maturity Date (as defined in the Commitment Letters), in respect of the On the Mark First Mortgage Loan Facility, the On the Mark Second Mortgage Loan Facility, the High Crown Loan Facility and the Taurasi Holdings Loan Facility, passed without any extensions being granted;
- (c) on or around April 6, 2023, as a result the Unauthorized Overdraft and the resulting TD Settlement Agreement, the TD Charge was registered against the Taurasi Holdings Real Property absent KingSett's consent and in breach of the Taurasi Holdings Loan Documents;
- (d) the Debtors knowingly, underhandedly and in breach of the Loan Documents diverted large sums of money advanced in connection with the Loan Facilities by failing to use funds advanced for their required purposes;
- (e) the Liens have been registered against the On the Mark Real Property in connection with amounts owing to certain contractors and subcontractors which has led to

safety and project completion concerns and has resulted in the failure or delay of certain closings in connection with the On the Mark Townhomes; and

- (f) On the Mark has not remitted HST payable in connection with the sale of at least certain of the On the Mark Townhomes that have closed to date.

116. On April 12, 2023, the Applicants issued demand letters (collectively, the "**Demand Letters**" and each a "**Demand Letter**") to each of the Debtors, advising each Debtor that it was in default pursuant to the terms of its Commitment Letter. Each Demand Letter was delivered to the relevant Debtor contemporaneously with the NITES in accordance with section 244 of the BIA. Copies of the Demand Letters and the accompanying NITES are attached hereto as **Exhibit "DDD"**.

## **V. PROPOSED RECEIVERSHIP**

117. The ten-day period afforded to the Debtors under the Demand Letters and NITES to repay the Indebtedness prior to the Applicants taking any enforcement action expired on April 22, 2023. For the reasons detailed in this affidavit including, without limitation, the Unauthorized Overdraft in excess of \$37,000,000 which the Debtors took 2.5 weeks to advise the Applicants about, the defaults of the Debtors (including maturity date and interest payment defaults), and the improper diversion of funds advanced by the Applicants, the Applicants have lost all confidence, faith and trust in the Debtors and their management.

118. The Debtors' have no liquidity, no ability to immediately raise capital, and liens are being registered against certain of the Real Property. As previously discussed, the Liens are currently impacting the ability to close a number of transactions for the On the Mark Townhomes which is impacting all stakeholders of On the Mark, including third party purchasers. The appointment of

a receiver will facilitate these transactions closing. In addition, trades are unpaid, and I am advised that construction of the On the Mark project has halted as a result. Any issues relating to the Liens and the transaction proceeds can be dealt with in the Receivership Proceedings.

119. Pursuant to the Loan Documents, the Applicants have a contractual right to the appointment of a receiver upon a default and/or event of default, as applicable. Further, pursuant to the Commitment Letters, the Debtors have consented to the Applicants' appointment of a receiver or receiver manager, either privately or pursuant to Court-appointment.

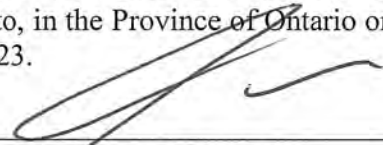
120. The Applicants believe that if the Receiver is appointed on the terms of the proposed Receivership Order, the Receivership Proceedings will provide the stability and supervision required to preserve and maximize the value of the Property for the benefit of all stakeholders, including the Applicants. Moreover, the Applicants believe that the proposed Court-supervised Receivership Proceedings are the only viable means protect and maximize value for the benefit of the Debtors' creditors and other stakeholders in the circumstances.

121. In light of all of the foregoing, I believe that the appointment of a receiver and manager over the Property is just and convenient.

122. KSV is prepared to act as the Receiver if so appointed. I am advised by Noah Goldstein of KSV that KSV is a "licensed trustee" as such term is defined in the BIA and has extensive experience in Canadian insolvency proceedings, including with respect to real estate developments. A copy of KSV's consent to act as the Receiver is attached hereto as **Exhibit "EEE"**.

123. I swear this affidavit in support of the Applicants' application to appoint the Receiver over the Property, and for no improper purpose.

SWORN BEFORE ME in the City of )  
Toronto, in the Province of Ontario on April )  
26, 2023. )

  
\_\_\_\_\_ )

**AIDEN NELMS** )

A Commissioner for Oaths in and for the )  
Province of Ontario )  
)  
)  
)  
)  
)  
)

  
\_\_\_\_\_ )

**DANIEL POLLACK**

*This is Exhibit*..... "A"..... *referred to in the*  
*affidavit of*..... Daniel Pollack--  
*sworn before me, this* 26<sup>th</sup>.....  
*day of* April, 2023.....

.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**





## Profile Report

STATEVIEW HOMES (MINU TOWNS) INC. as of April 24, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	STATEVIEW HOMES (MINU TOWNS) INC.
Ontario Corporation Number (OCN)	2855700
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	July 22, 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.

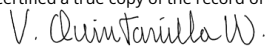
**Active Director(s)**

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** July 22, 2021

**Name** CARLO TAURASI  
**Address for Service** 410 Chrislea Road, 16, Woodbridge, Ontario, Canada, L4L  
8B5  
**Resident Canadian** Yes  
**Date Began** July 22, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



Director/Registrar

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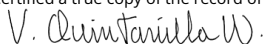
**Active Officer(s)**

**Name** DANIEL CICCONE  
**Position** Treasurer  
**Address for Service** 410 Chrislea Road, 16, Woodbridge, Ontario, Canada, L4L 8B5  
**Date Began** July 22, 2021

**Name** DANIEL CICCONE  
**Position** Secretary  
**Address for Service** 410 Chrislea Road, 16, Woodbridge, Ontario, Canada, L4L 8B5  
**Date Began** July 22, 2021

**Name** CARLO TAURASI  
**Position** President  
**Address for Service** 410 Chrislea Road, 16, Woodbridge, Ontario, Canada, L4L 8B5  
**Date Began** July 22, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



Director/Registrar

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## Corporate Name History

Name

STATEVIEW HOMES (MINU TOWNS) INC.

Effective Date

July 22, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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### 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

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### 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

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## Document List

Filing Name	Effective Date
CIA - Initial Return PAF: CARLO TAURASI - DIRECTOR	July 23, 2021
BCA - Articles of Incorporation	July 22, 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

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## Profile Report

STATEVIEW HOMES (NAO TOWNS) INC. as of April 24, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	STATEVIEW HOMES (NAO TOWNS) INC.
Ontario Corporation Number (OCN)	2772427
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	August 18, 2020
Registered or Head Office Address	410 Chrislea Road, Unit 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

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**Active Director(s)**

Minimum Number of Directors 1  
Maximum Number of Directors 10

**Name** DANIEL CICCONE  
**Address for Service** 410 Chrislea Road, Unit 16, Woodbridge, Ontario, Canada,  
L4L 8B5  
**Resident Canadian** Yes  
**Date Began** August 18, 2020

**Name** CARLO TAURASI  
**Address for Service** 410 Chrislea Road, Unit 16, Woodbridge, Ontario, Canada,  
L4L 8B5  
**Resident Canadian** Yes  
**Date Began** August 18, 2020

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*V. Quintanilla W.*

Director/Registrar

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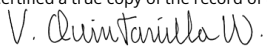
**Active Officer(s)**

**Name** DANIEL CICCONE  
**Position** Secretary  
**Address for Service** 410 Chrislea Road, Unit 16, Woodbridge, Ontario, Canada,  
L4L 8B5  
**Date Began** August 18, 2020

**Name** DANIEL CICCONE  
**Position** Treasurer  
**Address for Service** 410 Chrislea Road, Unit 16, Woodbridge, Ontario, Canada,  
L4L 8B5  
**Date Began** August 18, 2020

**Name** CARLO TAURASI  
**Position** President  
**Address for Service** 410 Chrislea Road, Unit 16, Woodbridge, Ontario, Canada,  
L4L 8B5  
**Date Began** August 18, 2020

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## Corporate Name History

Name

STATEVIEW HOMES (NAO TOWNS) INC.

Effective Date

August 18, 2020

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*V. Quintanilla W.*

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### Active Business Names

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*V. Quintanilla W.*

Director/Registrar

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### Expired or Cancelled Business Names

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## Document List

Filing Name	Effective Date
CIA - Initial Return PAF: PATRICIA ANNE BEDFORD - OTHER	August 18, 2020
BCA - Articles of Incorporation	August 18, 2020

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## Profile Report

STATEVIEW HOMES (ON THE MARK) INC. as of April 24, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	STATEVIEW HOMES (ON THE MARK) INC.
Ontario Corporation Number (OCN)	2750301
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	March 30, 2020
Registered or Head Office Address	410 Chrislea Road, Unit 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

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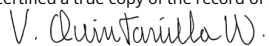
**Active Director(s)**

Minimum Number of Directors 1  
Maximum Number of Directors 10

**Name** DANIEL CICCONE  
**Address for Service** 410 Chrislea Road, Unit 16, Woodbridge, Ontario, Canada,  
L4L 8B5  
**Resident Canadian** Yes  
**Date Began** March 30, 2020

**Name** CARLO TAURASI  
**Address for Service** 410 Chrislea Road, Unit 16, Woodbridge, Ontario, Canada,  
L4L 8B5  
**Resident Canadian** Yes  
**Date Began** March 30, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



Director/Registrar

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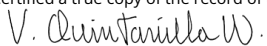
**Active Officer(s)**

**Name** DANIEL CICCONE  
**Position** Secretary  
**Address for Service** 410 Chrislea Road, Unit 16, Woodbridge, Ontario, Canada,  
L4L 8B5  
**Date Began** March 30, 2020

**Name** DANIEL CICCONE  
**Position** Treasurer  
**Address for Service** 410 Chrislea Road, Unit 16, Woodbridge, Ontario, Canada,  
L4L 8B5  
**Date Began** March 30, 2020

**Name** CARLO TAURASI  
**Position** President  
**Address for Service** 410 Chrislea Road, Unit 16, Woodbridge, Ontario, Canada,  
L4L 8B5  
**Date Began** March 30, 2020

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## Corporate Name History

Name

STATEVIEW HOMES (ON THE MARK) INC.

Effective Date

March 30, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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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.

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*V. Quintanilla W.*

Director/Registrar

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### Expired or Cancelled Business Names

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Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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## Document List

Filing Name	Effective Date
CIA - Initial Return PAF: DANIEL CICCONE - DIRECTOR	May 05, 2020
BCA - Articles of Incorporation	March 30, 2020

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.

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*V. Quintanilla W.*

Director/Registrar

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## Profile Report

TLSFD TAURASI HOLDINGS CORP. as of April 24, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	TLSFD TAURASI HOLDINGS CORP.
Ontario Corporation Number (OCN)	2295946
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	August 18, 2011
Registered or Head Office Address	161 Duncan Road, Richmond Hill, Ontario, Canada, L4C 6J5

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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**Active Director(s)**

Minimum Number of Directors 1  
Maximum Number of Directors 9

**Name** ANTHONY TAURASI  
**Address for Service** 167 Valley Vista Drive, Vaughan, Ontario, Canada, L6A 0Z4  
**Resident Canadian** Yes  
**Date Began** May 08, 2020

**Name** CARLO TAURASI  
**Address for Service** 48a Puccini Drive, Richmond Hill, Ontario, Canada, L4E 2Y6  
**Resident Canadian** Yes  
**Date Began** May 08, 2020

**Name** DENNIE TAURASI  
**Address for Service** 79 Vitlor Drive, Richmond Hill, Ontario, Canada, L4E 4P9  
**Resident Canadian** Yes  
**Date Began** May 08, 2020

**Name** DINO TAURASI  
**Address for Service** 48 Puccini Drive, Richmond Hill, Ontario, Canada, L4E 2Y6  
**Resident Canadian** Yes  
**Date Began** May 08, 2020

**Name** EMILIO TAURASI  
**Address for Service** 82 Vitlor Drive, Richmond Hill, Ontario, Canada, L4E 0G3  
**Resident Canadian** Yes  
**Date Began** May 08, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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**Active Officer(s)**

**Name** ANTHONY TAURASI  
**Position** General Manager  
**Address for Service** 167 Valley Vista Drive, Vaughan, Ontario, Canada, L6A 0Z4  
**Date Began** May 08, 2020

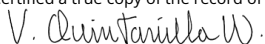
**Name** CARLO TAURASI  
**Position** President  
**Address for Service** 48a Puccini Drive, Richmond Hill, Ontario, Canada, L4E 2Y6  
**Date Began** May 08, 2020

**Name** DENNIE TAURASI  
**Position** Vice-President  
**Address for Service** 79 Vitlor Drive, Richmond Hill, Ontario, Canada, L4E 0G3  
**Date Began** May 08, 2020

**Name** DINO TAURASI  
**Position** Secretary  
**Address for Service** 48 Puccini Drive, Richmond Hill, Ontario, Canada, L4E 2Y6  
**Date Began** May 08, 2020

**Name** EMILIO TAURASI  
**Position** Treasurer  
**Address for Service** 82 Vitlor Drive, Richmond Hill, Ontario, Canada, L4E 4P9  
**Date Began** May 08, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



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

TLSFD TAURASI HOLDINGS CORP.

Effective Date

August 18, 2011

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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### Active 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

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### 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

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## Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: PATRICIA ANNE BEDFORD - OTHER	May 12, 2020
CIA - Notice of Change PAF: ALDO FORGIONE - OTHER	February 17, 2017
BCA - Articles of Incorporation	August 18, 2011

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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## Profile Report

STATEVIEW HOMES (HIGH CROWN ESTATES) INC. as of April 24, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	STATEVIEW HOMES (HIGH CROWN ESTATES) INC.
Ontario Corporation Number (OCN)	2646425
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	July 19, 2018
Registered or Head Office Address	410 Chrislea Road, Unit 15-16, Woodbridge, Ontario, Canada, L4L 8B5

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

A handwritten signature in black ink, appearing to read "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** CARLO TAURASI  
**Address for Service** 410 Chrislea Road, Unit 15-16, Woodbridge, Ontario,  
Canada, L4L 8B5  
**Resident Canadian** Yes  
**Date Began** July 19, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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**Active Officer(s)**

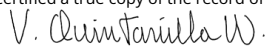
**Name** DANIEL CICCONE  
**Position** Chief Financial Officer  
**Address for Service** 410 Chrislea Road, Unit 15-16, Woodbridge, Ontario,  
Canada, L4L 8B5  
**Date Began** April 01, 2019

**Name** DANIEL CICCONE  
**Position** Treasurer  
**Address for Service** 410 Chrislea Road, Unit 15-16, Woodbridge, Ontario,  
Canada, L4L 8B5  
**Date Began** January 01, 2019

**Name** CARLO TAURASI  
**Position** President  
**Address for Service** 410 Chrislea Road, Unit 15-16, Woodbridge, Ontario,  
Canada, L4L 8B5  
**Date Began** July 19, 2018

**Name** CARLO TAURASI  
**Position** Secretary  
**Address for Service** 410 Chrislea Road, Unit 15-16, Woodbridge, Ontario,  
Canada, L4L 8B5  
**Date Began** July 19, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



Director/Registrar

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## Corporate Name History

Name

STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

Effective Date

July 19, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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### Active 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 - Notice of Change PAF: CARLO TAURASI - DIRECTOR	April 26, 2019
CIA - Notice of Change PAF: CARLO TAURASI - DIRECTOR	February 11, 2019
CIA - Initial Return PAF: CHRISTINE OLIVEIRA - OTHER	July 24, 2018
BCA - Articles of Incorporation	July 19, 2018

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..... "B"..... referred to in the*

*affidavit of Daniel Pollack--  
sworn before me, this 26<sup>th</sup>  
day of April, 2023.*

**A COMMISSIONER FOR TAKING AFFIDAVITS**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE  
  
JUSTICE **KOEHNEN**

)  
)  
)  
)

WEDNESDAY, THE  
  
4<sup>TH</sup> DAY OF APRIL, 2023

B E T W E E N :

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.

PLJ

---

The Toronto-Dominion Bank      Stateview Construction Ltd. et al  
Plaintiff      and      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](mailto:aobkin@mccarthy.ca)  
Tel: 416-601-7563

Lawyers for the Plaintiff

*This is Exhibit*..... **"C"** ..... *referred to in the*  
*affidavit of* Daniel Pollack.....  
*sworn before me, this* 26<sup>th</sup>.....  
*day of* April, 2023.....

.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**

**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

**MOTION RECORD OF THE MOVING PLAINTIFF  
(Consent Order Implementing Settlement Agreement)**

**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](mailto:aobkin@mccarthy.ca)  
Tel: 416-601-7563

**Lawyers for the plaintiff**

TO: **RAR Litigation**  
1 West Pearce St, Suite 505  
Richmond Hill, Ontario L4B 3K3

**Kyle Peterson LS#: 51118V**  
kpeterson@rarlitigation.com  
Tel: 647-265-4450

**Lawyers for StateView Homes**

**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

**INDEX**

<b>Tab</b>	<b>Description</b>
1	Notice of Motion dated April 3, 2023
2	Affidavit of Dennis Parker
A	<b>Exhibit "A"</b> : Statement of Claim in CV-23-00696833-0000
B	<b>Exhibit "B"</b> : Statement of Claim in CV-23-00697007-0000

<b>Tab</b>	<b>Description</b>
C	<b>Exhibit "B"</b> : Draft consent order
3	Fully executed consent of StateView Homes and TD
4	Clean copy of draft order



**Tab 1**

**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

**NOTICE OF MOTION**

**(Order Implementing Settlement Agreement)**

The moving party, The Toronto-Dominion Bank (“TD”), will make a motion to a Judge, at a date and time to be set at an Urgent Motions Scheduling Court, at the Toronto Courthouse, 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard in writing, on consent.

**THE MOTION IS FOR:**

1. A consent Order giving effect to the settlement agreement (“Settlement Agreement”) reached by the parties in the instant action.

**THE GROUNDS FOR THE MOTION ARE:**

**Background**

2. StateView Homes is homebuilding business based in York Region, consisting of a number of separate corporations. The defendants in this action (other than the Royal Bank of Canada (“RBC”)) operate the business or are associated with it (those defendants being the “StateView Defendants”).
3. On March 14, 2023, the plaintiff (“TD”) discovered that accounts held by StateView Homes with TD had accumulated an unauthorized overdraft in excess of \$37 million. Review of the account histories revealed what appears to be a highly sophisticated cheque kiting fraud spanning about 12 months and dozens of accounts, implicating multiple financial institutions. TD holds no security on the unauthorized \$37 million overdraft.
4. TD urgently issued this action on March 24, 2023 in an effort to recover its loss from the perpetrators of the fraud. RBC was named solely to effect a freeze of bank accounts at RBC under section 437(2) of the *Bank Act* and other statutory relief in an emergency situation.
5. As more information came to light, TD discovered more implicated accounts at other financial institutions, and issued a second action bearing court file number CV-23-00697007-0000, purely to secure emergency statutory relief from other financial institutions.

6. StateView Homes has indicated that the bank freezes include StateView Homes' operating account at RBC, impeding its ability to carry on operations and imperilling the business.
7. TD and StateView Homes have agreed to a settlement that would fully repay TD while keeping StateView Homes in operation.
8. StateView Homes asserts that it urgently needs its bank accounts unfrozen to maintain its construction and development operations. TD requires some form of security for the large loss it has suffered.
9. Therefore, TD and StateView Homes have entered into a settlement agreement which provides (among other things) that:
  - a. StateView Homes will make payments pursuant to a payment schedule that will make TD whole by July 2023;
  - b. TD will take security over specific pieces of StateView Homes real property until the outstanding fraudulent overdraft is fully repaid; and
  - c. BDO Canada Limited ("BDO") will be appointed by the court as an Information Officer to provide TD with transparency during the repayment process described above.
10. The settlement requires a consent order, which is the relief sought on this motion.
11. RBC is aware of the draft order sought, and does not oppose this motion.
12. This order is sought on an urgent basis, as StateView Homes represents that it needs access to its operating accounts to carry on business, which have been frozen since approximately March 24, 2023.

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

13. The executed consent of TD and StateView Homes

14. The affidavit of Dennis Parker, VP Business Deposits and Cash Management Services at TD

15. Such further and other materials as counsel may advise and this Honourable Court may permit.

April 3, 2023

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

**Geoff R. Hall LS#: 347010**  
ghall@mccarthy.ca  
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Tel: 416-601-7563

**Lawyers for the plaintiff**

TO: **RAR Litigation**  
1 West Pearce St, Suite 505  
Richmond Hill, Ontario L4B 3K3

**Kyle Peterson LS#: 51118V**  
kpeterson@rarlitigation.com  
Tel: 647-265-4450

Lawyers for StateView Homes

The Toronto-Dominion Bank      Stateview Construction Ltd. et al  
Plaintiff      and      Defendants

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

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**NOTICE OF MOTION**

**McCarthy Tétrault LLP**

Suite 5300, Toronto Dominion Bank Tower  
Toronto ON M5K 1E6

**Geoff R. Hall LS#: 347010**

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Tel: 416-601-7563

Lawyers for the Plaintiff

**Tab 2**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**B E T W E E N :**

**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**

**AFFIDAVIT OF DENNIS PARKER  
(Sworn April 3, 2023)**

I, Dennis Parker, of the City of Toronto MAKE OATH AND SAY

1. I am VP Business Deposits and Cash Management Services at The Toronto-Dominion Bank ("TD"). I am a member of the TD team leading the bank investigation into the events underlying this action. As such, I have personal knowledge of the facts to which I depose in this affidavit.
2. StateView Homes is homebuilding business based in York Region, consisting of a number of separate corporations. The defendants in this action (other than the Royal Bank of Canada



(“RBC”)) operate the business or are associated with it (those defendants being the “**StateView Defendants**”).

3. On March 14, 2023, TD discovered that accounts held by StateView Homes with TD had accumulated an unauthorized overdraft in excess of \$37 million. Review of the account histories revealed what appears to be a highly sophisticated cheque kiting fraud spanning about 12 months and dozens of accounts, implicating multiple financial institutions. TD holds no security on the unauthorized \$37 million overdraft.

4. TD urgently issued this action on March 24, 2023 in an effort to recover its loss from the perpetrators of the fraud. RBC was named solely to effect a freeze of bank accounts at RBC under section 437(2) of the *Bank Act* and other statutory relief in an emergency situation. The statement of claim in this action is at **Exhibit “A”**.

5. As more information came to light, TD discovered more implicated accounts at other financial institutions, and issued a second action bearing court file number CV-23-00697007-0000, purely to secure emergency statutory relief from other financial institutions. The statement of claim in this action is at **Exhibit “B”**.

6. Over the ensuing days, StateView Homes informed TD that it was unaware of the fraud, which it asserts was perpetrated by a rogue former Chief Financial Officer, without the knowledge of other StateView Homes personnel or the other StateView Defendants. StateView Homes has represented to TD that it is a legitimate business, with real value, and that it wishes to make TD whole on the fraudulently obtained overdraft as soon as possible. TD is cautiously willing to provide StateView Homes this opportunity.

7. StateView Homes has indicated that the bank freezes include StateView Homes’ operating account at RBC, impeding its ability to carry on operations and imperilling the business.

8. TD and StateView Homes have agreed to a settlement that would fully repay TD while keeping StateView Homes in operation.

9. StateView Homes asserts that it urgently needs its bank accounts unfrozen to maintain its construction and development operations. TD requires some form of security for the large loss it has suffered.

10. Therefore, TD and StateView Homes have entered into a settlement agreement which provides (among other things) that:

- (a) StateView Homes will make payments pursuant to a payment schedule that will make TD whole by July 2023;
- (b) TD will take security over specific pieces of StateView Homes real property until the outstanding fraudulent overdraft is fully repaid; and
- (c) BDO Canada Limited (“**BDO**”) will be appointed by the court as an Information Officer to provide TD with transparency during the repayment process described above.

11. The settlement requires a consent order in the form attached as **Exhibit “C”**. The form of this order has been negotiated by TD and StateView Homes, and is acceptable to BDO.

12. This order is sought on an urgent basis, as StateView Homes represents that it needs access to its operating accounts to carry on business, which have been frozen since approximately March 24, 2023.

**SWORN BEFORE ME:**

in person

by video conference

by Dennis Parker at the City of Toronto on April 3, 2023.



Signature of Commissioner (or as may be)  
Adam Dobkin – LSO# 79395V



Dennis Parker

**Tab A**

This is **Exhibit "A"** referred to in the Affidavit of Dennis Parker, sworn before me this 3<sup>rd</sup> day of April, 2023.

A handwritten signature in cursive script, reading "Adam Dobkin", positioned above a horizontal line.

A Commissioner for taking Affidavits

**Adam Dobkin LSO# 79395V**



CV-23-00696833-0002

Court File No.:

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**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

**STATEMENT OF CLAIM**

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

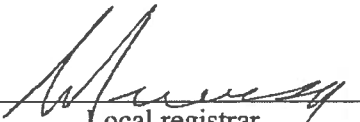
Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: March 24, 2023

Issued by

  
Local registrar

Address of court office 330 University Ave.  
Toronto, ON

TO: LUXVIEW FINE HOMES CORPORATION  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW CONSTRUCTION LTD.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (ASHBURN HEIGHTS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (BALDWIN HEIGHTS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (BEA TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (BONAVENTURE) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (EDGE TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

- AND TO: STATEVIEW HOMES (ELIA COLLECTION) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (ELM&CO) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (HAMPTON HEIGHTS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (HIGH CROWN ESTATES) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (KINGS LANDING PHASE II) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (KINGS LANDING) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (MAIN & CO) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (MINU TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (NAO TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (ON THE MARK) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (OOH LALA TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

- AND TO: STATEVIEW HOMES (QUEEN'S COURT) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (RIALTO TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (TESORO COLLECTION) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: TAURA DEVELOPMENTS INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: LIVE INSPIRED ORGANIZATION  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: HIGHVIEW BUILDING CORP INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: NORTHGATE FINE HOMES INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: TLSFD TAURASI HOLDINGS CORP.  
161 Duncan Road, Richmond Hill,  
Ontario, Canada, L4C 6J5
- AND TO: CARLO TAURASI  
48a Puccini Drive, Richmond Hill  
Ontario, Canada, L4E 2Y6
- AND TO: DINO TAURASI  
48 Puccini Drive, Richmond Hill  
Ontario, Canada, L4E 2Y6
- AND TO: DANIEL CICCONE  
55 Cooperage Crescent, Richmond Hill  
Ontario, Canada, L4C 9M2



- AND TO: ANTHONY TAURASI  
167 Valley Vista Drive, Vaughan,  
Ontario, Canada, L6A 0Z4
- AND TO: EMILIO TAURASI  
82 Vitlor Drive, Richmond Hill,  
Ontario, Canada, L4E 0G3
- AND TO: DENNIE TAURASI  
79 Vitlor Drive, Richmond Hill,  
Ontario, Canada, L4E 4P9
- AND TO: MELISSA TAURASI  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: NELDA TAURASI  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: ROYAL BANK OF CANADA  
3300 Hwy 7, Concord,  
ON L4K 4M3
- AND TO: ROYAL BANK OF CANADA  
260 East Beaver Creek Rd, Richmond Hill,  
ON L4B 3M3
- AND TO: ROYAL BANK OF CANADA  
1090 Don Mills Rd., North York,  
ON M3C 3R6

**CLAIM**

1. The Plaintiff, The Toronto-Dominion Bank ("TD"), seeks:
  - (a) as against all the Defendants with the exception of Royal Bank of Canada ("**StateView Defendants**"):
    - (i) A constructive trust and a tracing remedy over all funds withdrawn or spent in overdraft as a consequence of the Fraudulent Cheques and the Impugned Transactions (defined below) and the proceeds thereof;
    - (ii) In the alternative, damages in the amount of \$37,028,055.73;
    - (iii) An interim, interlocutory and permanent injunction enjoining these Defendants from disposing of, encumbering, assigning, transferring, dispersing or in any manner dealing with cash or assets, until further order of the Court;
    - (iv) Pre- and post-judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990 c. C. 43, as amended;
    - (v) Costs of this action; and,
    - (vi) Such further and other relief as counsel may advise and this Honourable Court may permit;
  - (b) An interim and permanent order in the nature of a *Norwich* Order requiring any bank, financial institution, trust company, credit unit, accounting firm, brokerage, investment houses, credit union or trust company having knowledge of this order to provide TD's counsel with copies of bank statements, cheques, deposit slips or bank records, as TD's counsel may require, in respect of any account or accounts held by or on behalf of the StateView Defendants whether solely or jointly;
  - (c) An interim and permanent worldwide *Mareva* injunction restraining any bank, financial institution, brokerage, investment house, credit union, trust company or other financial institution having knowledge of this order from permitting

withdrawals, transfers or payments out from accounts held in the name of the StateView Defendants, whether solely or jointly;

- (d) TD seeks as against the Defendant, RBC:
- (i) An order pursuant to s. 437 of the *Bank Act*, S.C. 1991, c. 46, as amended, requiring RBC not to make payment of the proceeds of the Fraudulent Cheques flowing from any account of the StateView Defendants held at RBC (the “**RBC Accounts**”); and
  - (ii) An order authorizing and directing the RBC to make reasonable best efforts to disclose to TD all the information reasonably required for TD to effectively trace the proceeds of the Fraudulent Cheques and the Impugned Transactions, including but not limited to providing the identifies of the recipients of the creators of the Fraudulent Cheques and the Impugned Transactions or proceeds thereof and where the funds from the Fraudulent Cheques and the Impugned Transactions or proceeds thereof are currently held.
- (e) Such further and other relief as counsel may advise and this Honourable Court may permit.

#### **THE PARTIES**

2. TD is a Schedule I bank incorporated under the *Bank Act*, S.C. 1991, c. 46, as amended (the “*Bank Act*”), with its head office in Toronto, Ontario.
3. RBC is a Schedule I bank incorporated under the *Bank Act*, S.C.. with its head office in Toronto.
4. The StateView Defendants are individuals and organizations associated with a construction and development business based in York Region that operates under the name “**StateView Homes**”. The StateView Defendants are implicated in a cheque kiting scheme of which TD has been the victim, with TD suffering losses of approximately \$37 million.

5. Carlo Taurasi ("**Carlo**") holds himself out as CEO and president of StateView Homes and is a director and officer of most corporate StateView Defendants, as listed below.
6. Dino Taurasi ("**Dino**") holds himself out as president of StateView Homes and is brother to Carlo. He is a director and officer of most corporate StateView Defendants, as listed below.
7. Daniel Ciccone ("**Daniel**") holds himself out as CFO of StateView Homes and is a director and officer of most corporate StateView Defendants, as listed below.
8. Melissa Taurasi ("**Melissa**") is a director and officer of an entity associated with StateView Homes, as listed below.
9. Nelda Taurasi ("**Nelda**") is a director and officer of an entity associated with StateView Homes, as listed below.
10. Dennie Taurasi ("**Dennie**") is a director and officer of an entity associated with StateView Homes, as listed below.
11. Anthony Taurasi ("**Anthony**") is a director and officer of an entity associated with StateView Homes, as listed below.
12. Emilio Taurasi ("**Emilio**") is a director and officer of an entity associated with StateView Homes, as listed below.
13. Luxview Fine Homes Corporation is a division of StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
14. Stateview Construction Ltd. is a corporation associated with StateView Homes. Carlo, Dino, and Daniel are its officers and directors. It has a deposit account with TD.
15. Stateview Homes (Ashburn Heights) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
16. Stateview Homes (Baldwin Heights) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.

17. Stateview Homes (Bea Towns) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
18. Stateview Homes (Bonaventure) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
19. Stateview Homes (Edge Towns) Inc., is a corporation associated with StateView Homes. Daniel is a director and officer and Carlo is an officer. It has a deposit account with TD.
20. Stateview Homes (Elia Collection) Inc., is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
21. Stateview Homes (Elm&Co) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
22. Stateview Homes (Hampton Heights) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
23. Stateview Homes (High Crown Estates) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel and Carlo are its officers. It has a deposit account with TD.
24. Stateview Homes (Kings Landing Phase II) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel and Carlo are its officers. It has a deposit account with TD.
25. Stateview Homes (Kings Landing) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel and Carlo are its officers. It has a deposit account with TD.
26. Stateview Homes (Main & Co) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
27. Stateview Homes (Minu Towns) Inc., is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
28. Stateview Homes (Nao Towns) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.

29. Stateview Homes (On The Mark) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
30. Stateview Homes (Ooh Lala Towns) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel, Dino, and Carlo are its officers. It has a deposit account with TD.
31. Stateview Homes (Queen's Court) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
32. Stateview Homes (Rialto Towns) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel, Dino, and Carlo are its officers. It has a deposit account with TD.
33. Stateview Homes (Tesoro Collection) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
34. Taura Developments Inc. is a division of StateView Homes. Dino and Carlo are directors. Dino, Carlo, and Daniel are its officers. It has a deposit account with TD.
35. Live Inspired Organization is a not-for-profit organization, incorporated under the *Not-for-Profit Corporations Act*, 2010, S.O. 2010, c. 15, and associated with StateView Homes. Carlo, Melissa, and Nelda are its directors and officers. It has a deposit account with TD.
36. Highview Building Corp Inc. is a corporation associated with StateView Homes. Dino, Daniel, and Carlo are its directors and officers. It has a deposit account with TD.
37. Northgate Fine Homes Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its directors and officers. It has a deposit account with TD.
38. TLSFD Taurasi Holdings Corp. is a corporation associated with StateView Homes. Anthony, Dennie, Dino, Emilio, and Carlo are its officers and directors. It has a deposit account with TD.

39. ABC Inc., XYZ Inc., Jon Doe and Jane Doe are pseudonyms for corporations and individuals unknown that received proceeds of the Fraudulent Cheques and/or conspired with the StateView Defendants to perpetrate the cheque kiting scheme.

### **THE DISHONoured CHEQUES AND IMPUGNED TRANSACTIONS**

40. TD is the victim of a fraudulent cheque kiting scheme. The StateView Defendants were active or complicit participants.

41. Between around April 2022 to March 2023, the TD bank accounts associated with the StateView Defendants engaged in an unusual series of cheque transactions emblematic of cheque kiting that had the following consistent pattern:

- (a) One of the StateView Defendants would deposit a cheque (each, a **“Fraudulent Cheque”**) for a large sum from one of its RBC accounts (set out below). TD would conditionally credit the StateView Defendant’s account with the amount of the cheque pending final settlement through the Canadian Clearing and Settlement System.
- (b) Immediately upon deposit, the relevant StateView Defendant would use the conditional credit from TD to disburse the funds, either through another cheque written to a different StateView Defendant or to a third party, a wire transfer, or an inter-account transfer into another TD account held by a different StateView Defendant.
- (c) A “stop payment” would then be issued on the Fraudulent Cheque, prior to TD obtaining final settlement of the cheque through the Automated Clearing and Settlement System.
- (d) In order to evade detection and to temporarily avoid an overdraft in the account, the StateView Defendant would enter into another sham transaction to create the illusion of fresh funds coming in, either through the deposit of another Fraudulent Cheque into the account or through a transfer using a conditional credit provided by TD in another of its TD accounts effected through a Fraudulent Cheque.

- (e) Large volumes of Fraudulent Cheques were deposited in this fashion throughout April 2022 to March 2023, along with a corresponding number of sham transactions.

42. By March 2023, the TD bank accounts associated with the StateView Defendants accumulated over \$37 million in overdrafts, as the StateView Defendants would fund their business and pay themselves through the conditional credits provided by TD through the Fraudulent Cheques. The overdrafts were created through a series of cheques and wires paid to accounts of the StateView Defendants held at other financial institutions and payments made to third parties as part of their home construction business (the "**Impugned Transactions**").

43. The result was that the StateView Defendants enjoyed over \$37 million of unauthorized credit at TD's expense.

44. Cheque kiting is inherently fraudulent. There is no valid commercial purpose for the timing of the Fraudulent Cheques and Impugned Transactions.

45. TD requires a *Norwich* Order at the outset of these proceedings to learn, amongst other things:

- (a) Who holds the accounts that issued the Fraudulent Cheques;
- (b) Who stopped the cheques; and
- (c) Who obtained the conditionally credited funds drawn in overdraft.

46. Without this information, TD cannot confirm it has identified all of the perpetrators of the fraud, nor locate for recovery purposes the destination of the funds paid by TD without its consent.

47. At this time, TD has identified the following unique RBC accounts which issued the Fraudulent Cheques:



Accountholder/Payee of Stopped Cheque	Account Number of Stopped Cheque
Stateview Homes	102 129 4
Taura Developments	108 131 4
Stateview Homes (King's Landing Phase II) Inc.	111 322 4

As these accounts, and potentially others, sent the Fraudulent Cheques and then stopped them to create the conditional credits in a coordinated manner, they are potentially implicated in the fraud.

48. At this time, TD has identified the follow unique RBC accounts which received large sums in overdraft from one or more corporate StateView Defendants during the kiting period:

Accountholder/Payee of Stopped Cheque	Account Number of Stopped Cheque
Dino Taurasi	501 928 6
Carlo Taurasi	501 907 0

These accounts are personally associated with Dino and Carlo Taurasi, and they received large sums of money debited from the account of corporate StateView Defendants that received stopped cheques during the kiting period. Therefore, they are potentially implicated in the fraud.

49. TD paid all of the funds associated with the Impugned Transactions and the Stateview Defendants and the other payees enjoyed a benefit through the payments of these funds. The Stateview Defendants had no juristic entitlement to the benefits they received from the Impugned Transactions. As of March 21, 2023, the collective overdraft amount was \$37,028,055.73. All recipients of the proceeds of the Fraudulent Cheques and/or the Impugned Transactions correspondingly enriched without any juristic reason for the enrichment.

50. Any proceeds of the Fraudulent Cheques and Impugned Transactions are proceeds of the fraud, and therefore TD claims any proceeds of the Fraudulent Cheques are properly the object of a tracing remedy.

51. Given the inextricable link between the Fraudulent Cheques and the Impugned Transactions, on the one hand, and the funds TD provided through the conditional credits, on the other hand, TD is entitled to a constructive trust over the funds expended in overdraft.

52. TD pleads and relies upon the provisions of the *Bank Act*, S.C. 1991 c. 46, as amended, and specifically s. 437, r. 30.10 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194. Any recipient financial institutions ought not to make payment of any proceeds flowing from the Stopped Cheques, in light of TD's claim to these funds.

53. TD proposes that this action be tried in Toronto.

March 24, 2023

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

**Geoff R. Hall LS#: 347010**  
[ghall@mccarthy.ca](mailto:ghall@mccarthy.ca)  
Tel: 416-601-7856

**Adam Ship LS#: 55973P**  
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Tel: 416-601-7731

**Adam Dobkin LS#: 79395V**  
[aobkin@mccarthy.ca](mailto:aobkin@mccarthy.ca)  
Tel: 416-601-7563

Lawyers for the Plaintiff

CV-23-10696833-0000  
Court File No.:

The Toronto-Dominion Bank  
Plaintiff  
and  
Stateview Construction Ltd. et al  
Defendants

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
Proceeding commenced at TORONTO

**STATEMENT OF CLAIM**

**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**  
adobkin@mccarthy.ca  
Tel: 416-601-7563

Lawyers for the Plaintiff

**Tab B**

This is **Exhibit "B"** referred to in the Affidavit of Dennis Parker, sworn before me this 3<sup>rd</sup> day of April, 2023.

A handwritten signature in black ink, appearing to read "Adam Dobkin". The signature is written in a cursive style with a horizontal line underneath it.

A Commissioner for taking Affidavits

**Adam Dobkin LSO# 79395V**

Court File No.:

CN-23-00697007-0000

ONTARIO  
SUPERIOR COURT OF JUSTICE

BETWEEN:

THE TORONTO-DOMINION BANK

Plaintiff

- and -

DUCA FINANCIAL SERVICES CR. UN. LTD and BANK OF NOVA SCOTIA

Defendants



STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

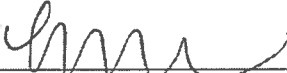
Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: March 29, 2023

Issued by

  
Local registrar

Address of  
court office

330 University Ave., 8th Floor<sup>12</sup>  
Toronto, ON, M5G 1R7<sup>16</sup>

TO: Duca Financial Services Cr. Un. Ltd  
5290 Yonge St., P.O. Box 1100, Willowdale,  
ON M2N 5P9

AND TO: Bank of Nova Scotia  
10850 Yonge St Unit #1, Richmond Hill  
Ontario, Canada, L4C 3E4

AND TO: Bank of Nova Scotia  
9665 Bayview Avenue, Richmond Hill  
Ontario, Canada, L4C 9V4

## CLAIM

1. The Plaintiff, The Toronto-Dominion Bank (“TD”), making no allegation of impropriety against any of the Defendants, seeks:

- (a) as against the Defendant, Duca Financial Services Cr. Un. Ltd (“Duca”):
  - (i) An order pursuant to s. 145 of the *Credit Unions and Caisses Populaires Act, 2020*, S.O. 2020, c. 36, Sched. 7, as amended, requiring Duca not to make payment of the proceeds of the Fraudulent Cheques (defined below) from any account (the “Duca Accounts”) held at Duca by or on behalf of any of the defendants, individually or jointly, described in the Statement of Claim appended hereto as Schedule “A”, with the exception of Royal Bank of Canada (the “StateView Defendants”); and
  - (ii) An order authorizing and directing Duca to make reasonable best efforts to disclose to TD all the information reasonably required for TD to effectively trace the proceeds of the Fraudulent Cheques and the Impugned Transactions (defined below), including but not limited to providing the identities of the recipients of the creators of the Fraudulent Cheques and the Impugned Transactions or proceeds thereof and where the funds from the Fraudulent Cheques and the Impugned Transactions or proceeds thereof are currently held.
- (b) TD seeks as against the Defendant, Bank of Nova Scotia (“BNS”):
  - (i) An order pursuant to s. 437 of the *Bank Act*, S.C. 1991, c. 46, as amended, requiring BNS not to make payment of the proceeds of the Fraudulent Cheques flowing from any account of the StateView Defendants held at BNS (the “BNS Accounts”); and
  - (ii) An order authorizing and directing the BNS to make reasonable best efforts to disclose to TD all the information reasonably required for TD to effectively trace the proceeds of the Fraudulent Cheques and the Impugned



Transactions, including but not limited to providing the identities of the recipients of the creators of the Fraudulent Cheques and the Impugned Transactions or proceeds thereof and where the funds from the Fraudulent Cheques and the Impugned Transactions or proceeds thereof are currently held.

- (c) Such further and other relief as counsel may advise and this Honourable Court may permit.

### THE PARTIES

2. TD is a Schedule I bank incorporated under the *Bank Act*, S.C. 1991, c. 46, as amended (the "*Bank Act*"), with its head office in Toronto, Ontario.
3. BNS is a Schedule I bank incorporated under the *Bank Act*, with its head office in Toronto.
4. Duca is a Canadian credit union headquartered in Toronto Ontario.
5. As noted, TD makes no allegation of impropriety against either BNS or Duca.

### FACTS

6. TD is the victim of a fraudulent cheque kiting scheme. Cheque kiting is inherently fraudulent activity which, in this case, exploited the conditional credit extended by TD to its clients between the time a cheque is deposited and the time the funds it promises are cleared from the sending account to the recipient account.
7. The StateView Defendants sent thousands of cheques to some 22 TD accounts from other financial institutions, disbursed the conditional credit they created, and then issued stop payments on those cheques ("**Fraudulent Cheques**"), creating over \$37 million in overdraft owed to TD in less than a year. The StateView Defendants used the conditional credit to siphon off funds to their accounts at other financial institutions or to meet the operational and capital requirements of their business. The transactions made using the ill-gotten conditional credit (together, "**Impugned Transactions**") in effect created a sizeable unauthorized line of credit in favour of the StateView Defendants.

8. TD brought an action on March 24, 2023 to recover these funds. The Statement of Claim, bearing court file number CV-23-00696833-0000, is attached hereto as **Schedule "A"**. That action ("**StateView Action**") named the known perpetrators at the time of filing. It also named Royal Bank of Canada ("**RBC**"), for which no allegation of wrongdoing is made, but some of whose accounts were used by the StateView Defendants to perpetrate fraud on TD.

9. In the StateView Action, TD seeks a constructive trust and tracing remedies over the proceeds of the Fraudulent Cheques, as well as injunctive relief to halt the dissipation of funds and to investigate the extent and origins of the fraud. TD's investigations are ongoing.

10. After filing, further investigation revealed the StateView Defendants (or their currently unidentified accomplices) hold accounts at BNS and Duca, which variously sent fraudulent cheques to TD accounts or received kited funds from the StateView Defendants' TD accounts.

11. TD therefore brings this claim out of necessity to complement the StateView Action. TD seeks limited statutory relief against Duca and BNS without any allegations of wrongdoing against those institutions.

12. After filing the StateView Action, TD identified Duca account number 21\*\*\*-\*\*\*\*\*02 as a source of fraudulent cheques sent to TD accounts held by the StateView Defendants. The Duca account is in the name of Stateview Homes (Main & CO.) Inc., one of the StateView Defendants. The implicated cheques emanating from this account have a total value of \$4,049,500.

13. After filing the StateView Action, TD identified accounts at BNS associated with a presumed relative of the StateView Defendants, Tina Taurasi, that received cheques and wires totalling \$555,002 from the StateView Defendants' TD accounts during the fraud period. These accounts bear the following BNS account numbers:

- (a) 93\*\*-002 \*\*\*\*\* 53
- (b) 93\*\*\*-002 \*\*\*\*\* 24
- (c) 93\*\*\*-002 \*\*\*\*\* 87

14. As these accounts, and potentially others, belong to a close relative to the principals of the fraudulent corporations and received large sums from accounts perpetrating a fraud on TD, they are potentially implicated. TD intends to add Tina Taurasi as a defendant to the StateView Action.
15. TD pleads and relies upon the provisions of the
- (a) *Bank Act*, S.C. 1991 c. 46, as amended, and specifically s. 437;
  - (b) *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194; and
  - (c) *Credit Unions and Caisses Populaires Act, 2020*, S.O. 2020, c. 36, Sched. 7, as amended, and specifically s. 145.
16. Any recipient financial institutions ought not to make payment of any proceeds flowing from the Fraudulent Cheques, in light of TD's claim to these funds.
17. TD proposes that this action be tried in Toronto.

March 29, 2023

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

**Geoff R. Hall LS#: 34701O**  
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 "A"**

CV-23-00696833-000

Court File No.:



**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**

**STATEMENT OF CLAIM**

**TO THE DEFENDANTS**

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

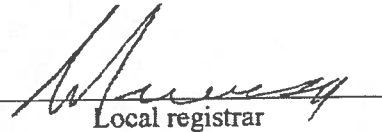
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TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: March 24, 2023

Issued by

  
Local registrar

Address of 330 University Ave.  
court office Toronto, ON

TO: LUXVIEW FINE HOMES CORPORATION  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW CONSTRUCTION LTD.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (ASHBURN HEIGHTS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (BALDWIN HEIGHTS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (BEA TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (BONAVENTURE) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (EDGE TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

- AND TO: STATEVIEW HOMES (ELIA COLLECTION) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (ELM&CO) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (HAMPTON HEIGHTS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (HIGH CROWN ESTATES) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (KINGS LANDING PHASE II) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (KINGS LANDING) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (MAIN & CO) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (MINU TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (NAO TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (ON THE MARK) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (OOH LALA TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (QUEEN'S COURT) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (RIALTO TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (TESORO COLLECTION) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: TAURA DEVELOPMENTS INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: LIVE INSPIRED ORGANIZATION  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: HIGHVIEW BUILDING CORP INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: NORTHGATE FINE HOMES INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: TLSFD TAURASI HOLDINGS CORP.  
161 Duncan Road, Richmond Hill,  
Ontario, Canada, L4C 6J5

AND TO: CARLO TAURASI  
48a Puccini Drive, Richmond Hill  
Ontario, Canada, L4E 2Y6

AND TO: DINO TAURASI  
48 Puccini Drive, Richmond Hill  
Ontario, Canada, L4E 2Y6

AND TO: DANIEL CICCONE  
55 Cooperage Crescent, Richmond Hill  
Ontario, Canada, L4C 9M2

AND TO: ANTHONY TAURASI  
167 Valley Vista Drive, Vaughan,  
Ontario, Canada, L6A 0Z4

AND TO: EMILIO TAURASI  
82 Vitlor Drive, Richmond Hill,  
Ontario, Canada, L4E 0G3

AND TO: DENNIE TAURASI  
79 Vitlor Drive, Richmond Hill,  
Ontario, Canada, L4E 4P9

AND TO: MELISSA TAURASI  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: NELDA TAURASI  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: ROYAL BANK OF CANADA  
3300 Hwy 7, Concord,  
ON L4K 4M3

AND TO: ROYAL BANK OF CANADA  
260 East Beaver Creek Rd, Richmond Hill,  
ON L4B 3M3

AND TO: ROYAL BANK OF CANADA  
1090 Don Mills Rd., North York,  
ON M3C 3R6



### CLAIM

1. The Plaintiff, The Toronto-Dominion Bank ("TD"), seeks:
  - (a) as against all the Defendants with the exception of Royal Bank of Canada ("StateView Defendants"):
    - (i) A constructive trust and a tracing remedy over all funds withdrawn or spent in overdraft as a consequence of the Fraudulent Cheques and the Impugned Transactions (defined below) and the proceeds thereof;
    - (ii) In the alternative, damages in the amount of \$37,028,055.73;
    - (iii) An interim, interlocutory and permanent injunction enjoining these Defendants from disposing of, encumbering, assigning, transferring, dispersing or in any manner dealing with cash or assets, until further order of the Court;
    - (iv) Pre- and post-judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990 c. C. 43, as amended;
    - (v) Costs of this action; and,
    - (vi) Such further and other relief as counsel may advise and this Honourable Court may permit;
  - (b) An interim and permanent order in the nature of a *Norwich* Order requiring any bank, financial institution, trust company, credit unit, accounting firm, brokerage, investment houses, credit union or trust company having knowledge of this order to provide TD's counsel with copies of bank statements, cheques, deposit slips or bank records, as TD's counsel may require, in respect of any account or accounts held by or on behalf of the StateView Defendants whether solely or jointly;
  - (c) An interim and permanent worldwide *Mareva* injunction restraining any bank, financial institution, brokerage, investment house, credit union, trust company or other financial institution having knowledge of this order from permitting

withdrawals, transfers or payments out from accounts held in the name of the StateView Defendants, whether solely or jointly;

- (d) TD seeks as against the Defendant, RBC:
- (i) An order pursuant to s. 437 of the *Bank Act*, S.C. 1991, c. 46, as amended, requiring RBC not to make payment of the proceeds of the Fraudulent Cheques flowing from any account of the StateView Defendants held at RBC (the "RBC Accounts"); and
  - (ii) An order authorizing and directing the RBC to make reasonable best efforts to disclose to TD all the information reasonably required for TD to effectively trace the proceeds of the Fraudulent Cheques and the Impugned Transactions, including but not limited to providing the identifies of the recipients of the creators of the Fraudulent Cheques and the Impugned Transactions or proceeds thereof and where the funds from the Fraudulent Cheques and the Impugned Transactions or proceeds thereof are currently held.
- (e) Such further and other relief as counsel may advise and this Honourable Court may permit.

#### THE PARTIES

2. TD is a Schedule I bank incorporated under the *Bank Act*, S.C. 1991, c. 46, as amended (the "*Bank Act*"), with its head office in Toronto, Ontario.
3. RBC is a Schedule I bank incorporated under the *Bank Act*, S.C., with its head office in Toronto.
4. The StateView Defendants are individuals and organizations associated with a construction and development business based in York Region that operates under the name "StateView Homes". The StateView Defendants are implicated in a cheque kiting scheme of which TD has been the victim, with TD suffering losses of approximately \$37 million.

5. Carlo Taurasi ("**Carlo**") holds himself out as CEO and president of StateView Homes and is a director and officer of most corporate StateView Defendants, as listed below.
6. Dino Taurasi ("**Dino**") holds himself out as president of StateView Homes and is brother to Carlo. He is a director and officer of most corporate StateView Defendants, as listed below.
7. Daniel Ciccone ("**Daniel**") holds himself out as CFO of StateView Homes and is a director and officer of most corporate StateView Defendants, as listed below.
8. Melissa Taurasi ("**Melissa**") is a director and officer of an entity associated with StateView Homes, as listed below.
9. Nelda Taurasi ("**Nelda**") is a director and officer of an entity associated with StateView Homes, as listed below.
10. Dennie Taurasi ("**Dennie**") is a director and officer of an entity associated with StateView Homes, as listed below.
11. Anthony Taurasi ("**Anthony**") is a director and officer of an entity associated with StateView Homes, as listed below.
12. Emilio Taurasi ("**Emilio**") is a director and officer of an entity associated with StateView Homes, as listed below.
13. Luxview Fine Homes Corporation is a division of StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
14. Stateview Construction Ltd. is a corporation associated with StateView Homes. Carlo, Dino, and Daniel are its officers and directors. It has a deposit account with TD.
15. Stateview Homes (Ashburn Heights) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
16. Stateview Homes (Baldwin Heights) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.

17. Stateview Homes (Bea Towns) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
18. Stateview Homes (Bonaventure) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
19. Stateview Homes (Edge Towns) Inc., is a corporation associated with StateView Homes. Daniel is a director and officer and Carlo is an officer. It has a deposit account with TD.
20. Stateview Homes (Elia Collection) Inc., is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
21. Stateview Homes (Elm&Co) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
22. Stateview Homes (Hampton Heights) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
23. Stateview Homes (High Crown Estates) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel and Carlo are its officers. It has a deposit account with TD.
24. Stateview Homes (Kings Landing Phase II) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel and Carlo are its officers. It has a deposit account with TD.
25. Stateview Homes (Kings Landing) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel and Carlo are its officers. It has a deposit account with TD.
26. Stateview Homes (Main & Co) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
27. Stateview Homes (Minu Towns) Inc., is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
28. Stateview Homes (Nao Towns) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.

29. Stateview Homes (On The Mark) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
30. Stateview Homes (Ooh Lala Towns) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel, Dino, and Carlo are its officers. It has a deposit account with TD.
31. Stateview Homes (Queen's Court) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
32. Stateview Homes (Rialto Towns) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel, Dino, and Carlo are its officers. It has a deposit account with TD.
33. Stateview Homes (Tesoro Collection) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
34. Taura Developments Inc. is a division of StateView Homes. Dino and Carlo are directors. Dino, Carlo, and Daniel are its officers. It has a deposit account with TD.
35. Live Inspired Organization is a not-for-profit organization, incorporated under the *Not-for-Profit Corporations Act*, 2010, S.O. 2010, c. 15, and associated with StateView Homes. Carlo, Melissa, and Nelda are its directors and officers. It has a deposit account with TD.
36. Highview Building Corp Inc. is a corporation associated with StateView Homes. Dino, Daniel, and Carlo are its directors and officers. It has a deposit account with TD.
37. Northgate Fine Homes Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its directors and officers. It has a deposit account with TD.
38. TLSFD Taurasi Holdings Corp. is a corporation associated with StateView Homes. Anthony, Dennie, Dino, Emilio, and Carlo are its officers and directors. It has a deposit account with TD.

39. ABC Inc., XYZ Inc., Jon Doe and Jane Doe are pseudonyms for corporations and individuals unknown that received proceeds of the Fraudulent Cheques and/or conspired with the StateView Defendants to perpetrate the cheque kiting scheme.

### **THE DISHONoured CHEQUES AND IMPUGNED TRANSACTIONS**

40. TD is the victim of a fraudulent cheque kiting scheme. The StateView Defendants were active or complicit participants.

41. Between around April 2022 to March 2023, the TD bank accounts associated with the StateView Defendants engaged in an unusual series of cheque transactions emblematic of cheque kiting that had the following consistent pattern:

- (a) One of the StateView Defendants would deposit a cheque (each, a **“Fraudulent Cheque”**) for a large sum from one of its RBC accounts (set out below). TD would conditionally credit the StateView Defendant’s account with the amount of the cheque pending final settlement through the Canadian Clearing and Settlement System.
- (b) Immediately upon deposit, the relevant StateView Defendant would use the conditional credit from TD to disburse the funds, either through another cheque written to a different StateView Defendant or to a third party, a wire transfer, or an inter-account transfer into another TD account held by a different StateView Defendant.
- (c) A “stop payment” would then be issued on the Fraudulent Cheque, prior to TD obtaining final settlement of the cheque through the Automated Clearing and Settlement System.
- (d) In order to evade detection and to temporarily avoid an overdraft in the account, the StateView Defendant would enter into another sham transaction to create the illusion of fresh funds coming in, either through the deposit of another Fraudulent Cheque into the account or through a transfer using a conditional credit provided by TD in another of its TD accounts effected through a Fraudulent Cheque.

- (e) Large volumes of Fraudulent Cheques were deposited in this fashion throughout April 2022 to March 2023, along with a corresponding number of sham transactions.

42. By March 2023, the TD bank accounts associated with the StateView Defendants accumulated over \$37 million in overdrafts, as the StateView Defendants would fund their business and pay themselves through the conditional credits provided by TD through the Fraudulent Cheques. The overdrafts were created through a series of cheques and wires paid to accounts of the StateView Defendants held at other financial institutions and payments made to third parties as part of their home construction business (the "**Impugned Transactions**").

43. The result was that the StateView Defendants enjoyed over \$37 million of unauthorized credit at TD's expense.

44. Cheque kiting is inherently fraudulent. There is no valid commercial purpose for the timing of the Fraudulent Cheques and Impugned Transactions.

45. TD requires a *Norwich* Order at the outset of these proceedings to learn, amongst other things:

- (a) Who holds the accounts that issued the Fraudulent Cheques;
- (b) Who stopped the cheques; and
- (c) Who obtained the conditionally credited funds drawn in overdraft.

46. Without this information, TD cannot confirm it has identified all of the perpetrators of the fraud, nor locate for recovery purposes the destination of the funds paid by TD without its consent.

47. At this time, TD has identified the following unique RBC accounts which issued the Fraudulent Cheques:

Accountholder/Payee of Stopped Cheque	Account Number of Stopped Cheque
Stateview Homes	102 129 4
Taura Developments	108 131 4
Stateview Homes (King's Landing Phase II) Inc.	111 322 4

As these accounts, and potentially others, sent the Fraudulent Cheques and then stopped them to create the conditional credits in a coordinated manner, they are potentially implicated in the fraud.

48. At this time, TD has identified the follow unique RBC accounts which received large sums in overdraft from one or more corporate StateView Defendants during the kiting period:

Accountholder/Payee of Stopped Cheque	Account Number of Stopped Cheque
Dino Taurasi	501 928 6
Carlo Taurasi	501 907 0

These accounts are personally associated with Dino and Carlo Taurasi, and they received large sums of money debited from the account of corporate StateView Defendants that received stopped cheques during the kiting period. Therefore, they are potentially implicated in the fraud.

49. TD paid all of the funds associated with the Impugned Transactions and the Stateview Defendants and the other payees enjoyed a benefit through the payments of these funds. The Stateview Defendants had no juristic entitlement to the benefits they received from the Impugned Transactions. As of March 21, 2023, the collective overdraft amount was \$37,028,055.73. All recipients of the proceeds of the Fraudulent Cheques and/or the Impugned Transactions correspondingly enriched without any juristic reason for the enrichment.



50. Any proceeds of the Fraudulent Cheques and Impugned Transactions are proceeds of the fraud, and therefore TD claims any proceeds of the Fraudulent Cheques are properly the object of a tracing remedy.

51. Given the inextricable link between the Fraudulent Cheques and the Impugned Transactions, on the one hand, and the funds TD provided through the conditional credits, on the other hand, TD is entitled to a constructive trust over the funds expended in overdraft.

52. TD pleads and relies upon the provisions of the *Bank Act*, S.C. 1991 c. 46, as amended, and specifically s. 437, r. 30.10 of the *Rules of Civil Procedure*, R.R.O. 1990. Reg. 194. Any recipient financial institutions ought not to make payment of any proceeds flowing from the Stopped Cheques, in light of TD's claim to these funds.

53. TD proposes that this action be tried in Toronto.

March 24, 2023

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Lawyers for the Plaintiff

CW-23-10696833-0000  
Court File No.:

The Toronto-Dominion Bank  
Plaintiff  
and  
Stateview Construction Ltd. et al  
Defendants

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
Proceeding commenced at TORONTO

**STATEMENT OF CLAIM**

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Lawyers for the Plaintiff

The Toronto-Dominion Bank  
Plaintiff

and  
Duca Financial Services Cr. Un. Ltd. et al  
Defendants

Court File No.:

W-77-00697007-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at TORONTO

**STATEMENT OF CLAIM**

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Lawyers for the Plaintiff

Tab C

This is **Exhibit "C"** referred to in the Affidavit of Dennis Parker, sworn before me this 3<sup>rd</sup> day of April, 2023.

A handwritten signature in black ink that reads "Adam Dobkin". The signature is written in a cursive style and is positioned above a horizontal line.

A Commissioner for taking Affidavits

**Adam Dobkin LSO# 79395V**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE ) , THE  
 )  
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

Stateview Construction Ltd. et al  
and  
Defendants

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**ORDER**

**McCarthy Tétrault LLP**

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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

**AFFIDAVIT OF DENNIS PARKER**

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Lawyers for the Plaintiff

**Tab 3**

**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 Order attached as **Schedule "A"**.

April 3, 2023

Date:

McCarthy Tétrault LLP per [Signature]

**McCarthy Tétrault LLP**  
Lawyers for the plaintiff

April 3, 2023

Date:

[Signature]

**RAR Litigation Kyle J. Peterson**  
**LSO No.: 51118V**

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 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, and the added defendants StateView Homes (Nao Towns II) Inc. and StateView Homes (Ivory Oak Estates) Inc.



**SCHEDULE "A"**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE )  
 )  
JUSTICE )  
 ) DAY OF , 2023

**B E T W E E N :**

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**

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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**

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Lawyers for the Plaintiff



**Tab 4**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE )  
 )  
 )  
JUSTICE ) DAY OF , 2023

B E T W E E N :

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      Stateview Construction Ltd. et al  
Plaintiff      and      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](mailto:aobkin@mccarthy.ca)  
Tel: 416-601-7563

Lawyers for the Plaintiff



The Toronto-Dominion Bank      Stateview Construction Ltd. et al  
Plaintiff      and      Defendants

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

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**MOTION RECORD**

**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](mailto:aobkin@mccarthy.ca)  
Tel: 416-601-7563

Lawyers for the Plaintiff

*This is Exhibit*....."D".....*referred to in the*  
*affidavit of* Daniel Pollack.....  
*sworn before me, this* 26<sup>th</sup>.....  
*day of* April, 2023.....

.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**

## Aiden Nelms

---

**From:** Jennifer Stam <jennifer.stam@nortonrosefulbright.com>  
**Sent:** Tuesday, April 18, 2023 10:49 AM  
**To:** Sean Zweig; Aiden Nelms  
**Cc:** Lonergan, Clark  
**Subject:** RE: Stateview - Minu Offer

Hi Sean – thank you for your email. The company has confirmed that the offer is not proceeding.

Thanks.

**Jennifer Stam**  
Partner

Norton Rose Fulbright Canada LLP / S.E.N.C.R.L., s.r.l.  
222 Bay Street, Suite 3000, P.O. Box 53, Toronto ON M5K 1E7 Canada  
T: +1 416.202.6707 | M: +1 416.735.5442 | F: +1 416.216.3930  
[jennifer.stam@nortonrosefulbright.com](mailto:jennifer.stam@nortonrosefulbright.com)

## NORTON ROSE FULBRIGHT

---

**From:** Sean Zweig <ZweigS@bennettjones.com>  
**Sent:** April 17, 2023 6:29 PM  
**To:** Jennifer Stam <jennifer.stam@nortonrosefulbright.com>; Aiden Nelms <NelmsA@bennettjones.com>  
**Cc:** Lonergan, Clark <clonergan@bdo.ca>; Daniel Pollack (dpollack@kingsettcapital.com) <dpollack@kingsettcapital.com>  
**Subject:** RE: Stateview - Minu Offer

Jenny,

As discussed, StateView required KingSett's consent to enter into the agreement pursuant to the applicable loan and security documents. That consent was not sought, and would not have been provided if sought.

StateView did not undertake a fulsome sale process or otherwise adequately canvass the market. It is an interesting data point to see an amount offered by one bidder, but this should have never been signed back by StateView in the circumstances. Doing so unfortunately further erodes KingSett's trust and faith in StateView.

I understand based on our discussion that StateView will be "getting out of the agreement" tonight. Please confirm once that has occurred.

Thank you

**Sean Zweig**  
*Partner\**, Bennett Jones LLP  
\*Denotes Professional Corporation  
3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4  
T. 416 777 6254 | F. 416 863 1716

[BennettJones.com](http://BennettJones.com)



---

**From:** Jennifer Stam <[jennifer.stam@nortonrosefulbright.com](mailto:jennifer.stam@nortonrosefulbright.com)>  
**Sent:** Monday, April 17, 2023 5:13 PM  
**To:** Sean Zweig <[ZweigS@bennettjones.com](mailto:ZweigS@bennettjones.com)>; Aiden Nelms <[NelmsA@bennettjones.com](mailto:NelmsA@bennettjones.com)>  
**Cc:** Lonergan, Clark <[clonergan@bdo.ca](mailto:clonergan@bdo.ca)>; Carlo <[carlo@stateviewhomes.com](mailto:carlo@stateviewhomes.com)>; Dino <[dino@stateviewhomes.com](mailto:dino@stateviewhomes.com)>  
**Subject:** Stateview - Minu Offer

Sean

While you are considering the proposal that was sent to you last Friday, we've had some positive developments as it relates to the Minu development.

As you know we've gone to market on a number of your properties and over the past week have been in negotiations for an offer on Minu. This has resulted in the attached offer for \$59mm. The buyer is undertaking limited due diligence and contemplates a 90 day close. We see this as a positive development and wanted to get this over to you right away. We remain ready to discuss this and the broader proposal at your convenience.

**Jennifer Stam**  
Partner

Norton Rose Fulbright Canada LLP / S.E.N.C.R.L., s.r.l.  
222 Bay Street, Suite 3000, P.O. Box 53, Toronto ON M5K 1E7 Canada  
T: +1 416.202.6707 | M: +1 416.735.5442 | F: +1 416.216.3930  
[jennifer.stam@nortonrosefulbright.com](mailto:jennifer.stam@nortonrosefulbright.com)

**NORTON ROSE FULBRIGHT**

Law around the world  
[nortonrosefulbright.com](http://nortonrosefulbright.com)

**Confidentiality notice**

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<http://www.bennettjones.com/unsubscribe>

*This is Exhibit*..... **"E"** ..... *referred to in the*  
*affidavit of* Daniel Pollack.....  
*sworn before me, this* 26<sup>th</sup>.....  
*day of* April, 2023.....

.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**



**Masters Insurance Limited**  
TORONTO | HAMILTON | OTTAWA | WINDSOR | NEW YORK | FLORIDA

T 905 738 4164 F 905 738 5143  
7501 Keele St., Suite 400, Vaughan, ON L4K 1Y2  
mastersinsurance.com

April 18, 2023

Delivered By Registered Letter

Dorr Capital Corporation

41 ScArsdale Road, Unit 6,  
Toronto, Ontario  
M3B 2R2

**RE: Notice of Cancellation – Stateview Construction Ltd. / Dino Taurasi**  
**Insurer: Northbridge General Ins. Corp.**  
**Policy: CBC0651149 & CBC065140**

Dear Sirs :

Please note that the above referenced policy has been cancelled effective 12:01AM May 03, 2023.

Included is a copy of the Registered Letters for the insuring policies as Issued by Northbridge General Insurance Company for your files, as per Statutory Conditions of the insuring policies.

We would instruct you to conduct yourselves accordingly based on this notice of cancellation and your interest as it relates to the policy.

Should there be any questions or concerns, please do not hesitate to contact our office.

Sincerely,  
**MASTERS INSURANCE LIMITED**

Jackie Garnett  
Encl.





**Masters Insurance Limited**  
TORONTO | HAMILTON | OTTAWA | WINDSOR | NEW YORK | FLORIDA  
T 905 738 4164 F 905 738 5143  
7501 Keele St., Suite 400, Vaughan, ON L4K 1Y2  
mastersinsurance.com

April 18, 2023

Delivered By Registered Letter

Dorr Capital Corporation

41 ScArsdale Road, Unit 6,  
Toronto, Ontario  
M3B 2R2

**RE: Notice of Cancellation – Stateview Construction Ltd. / Carlos Taurasi**  
**Insurer: Northbridge General Ins. Corp.**  
**Policy: CBC0651149 & CBC065140**

Dear Sirs :

Please note that the above referenced policy has been cancelled effective 12:01AM May 03, 2023.

Included is a copy of the Registered Letters for the insuring policies as Issued by Northbridge General Insurance Company for your files, as per Statutory Conditions of the insuring policies.

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Sincerely,  
**MASTERS INSURANCE LIMITED**

Jackie Garnett

Encl.





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TORONTO | HAMILTON | OTTAWA | WINDSOR | NEW YORK | FLORIDA

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mastersinsurance.com

April 18, 2023

Delivered By Registered Letter

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

**RE: Notice of Cancellation – Stateview Construction Ltd./Highview Building Corp Inc  
Stateview Homes (NAO Towns ) Inc  
Stateview Homes (BEA Towns) Inc  
Insurer: Northbridge General Ins. Corp.  
Policy: CBC0651149 & CBC065140**

Dear Sirs :

Please note that the above referenced policy has been cancelled effective 12:01AM May 03, 2023.

Included is a copy of the Registered Letters for the insuring policies as Issued by Northbridge General Insurance Company for your files, as per Statutory Conditions of the insuring policies.

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Should there be any questions or concerns, please do not hesitate to contact our office.

Sincerely,  
**MASTERS INSURANCE LIMITED**

Jackie Garnett







**Masters Insurance Limited**

TORONTO | HAMILTON | OTTAWA | WINDSOR | NEW YORK | FLORIDA

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7501 Keele St., Suite 400, Vaughan, ON L4K 1Y2

mastersinsurance.com

April 18, 2023

Delivered By Registered Letter

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

**RE: Notice of Cancellation – Stateview Construction Ltd./Highview Building Corp Inc  
Stateview Homes (NAO Towns ) Inc  
Stateview Homes (BEA Towns) Inc  
Insurer: Northbridge General Ins. Corp.  
Policy: CBC0651149 & CBC065140**

Dear Sirs :

Please note that the above referenced policy has been cancelled effective 12:01AM May 03, 2023.

Included is a copy of the Registered Letters for the insuring policies as Issued by Northbridge General Insurance Company for your files, as per Statutory Conditions of the insuring policies.

We would instruct you to conduct yourselves accordingly based on this notice of cancellation and your interest as it relates to the policy.

Should there be any questions or concerns, please do not hesitate to contact our office.

Sincerely,  
**MASTERS INSURANCE LIMITED**

Jackie Garnett





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mastersinsurance.com

April 18, 2023

Delivered By Registered Letter

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

**RE: Notice of Cancellation – Stateview Construction Ltd./Dino Taurasi / Carlo Taurasi**  
**Insurer: Northbridge General Ins. Corp.**  
**Policy: CBC0651149 & CBC065140**

Dear Sirs :

Please note that the above referenced policy has been cancelled effective 12:01AM May 03, 2023.

Included is a copy of the Registered Letters for the insuring policies as Issued by Northbridge General Insurance Company for your files, as per Statutory Conditions of the insuring policies.

We would instruct you to conduct yourselves accordingly based on this notice of cancellation and your interest as it relates to the policy.

Should there be any questions or concerns, please do not hesitate to contact our office.

Sincerely,  
**MASTERS INSURANCE LIMITED**

Jackie Garnett  
/JG





**Masters Insurance Limited**

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April 18, 2023

Delivered By Registered Letter

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

**RE: Notice of Cancellation – Stateview Construction Ltd./ Luxview Fine Homes Corporation**  
**Insurer: Northbridge General Ins. Corp.**  
**Policy: CBC0651149 & CBC065140**

Dear Sirs :

Please note that the above referenced policy has been cancelled effective 12:01AM May 03, 2023.

Included is a copy of the Registered Letters for the insuring policies as Issued by Northbridge General Insurance Company for your files, as per Statutory Conditions of the insuring policies.

We would instruct you to conduct yourselves accordingly based on this notice of cancellation and your interest as it relates to the policy.

Should there be any questions or concerns, please do not hesitate to contact our office.

Sincerely,

**MASTERS INSURANCE LIMITED**

Jackie Garnett  
/JG





**Masters Insurance Limited**

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7501 Keele St., Suite 400, Vaughan, ON L4K 1Y2

mastersinsurance.com

April 18, 2023

Delivered By Registered Letter

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

**RE: Notice of Cancellation – Stateview Construction Ltd./Stateview Homes (\*Hampton Heights)  
Inc**  
**Insurer: Northbridge General Ins. Corp.**  
**Policy: CBC0651149 & CBC065140**

Dear Sirs :

Please note that the above referenced policy has been cancelled effective 12:01AM May 03, 2023.

Included is a copy of the Registered Letters for the insuring policies as Issued by Northbridge General Insurance Company for your files, as per Statutory Conditions of the insuring policies.

We would instruct you to conduct yourselves accordingly based on this notice of cancellation and your interest as it relates to the policy.

Should there be any questions or concerns, please do not hesitate to contact our office.

Sincerely,  
**MASTERS INSURANCE LIMITED**

Jackie Garnett  
/JG





**Masters Insurance Limited**  
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7501 Keele St., Suite 400, Vaughan, ON L4K 1Y2  
mastersinsurance.com

April 18, 2023

Delivered By Registered Letter

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

**RE: Notice of Cancellation – Stateview Construction Ltd. / Stateview Homes (Elm & Co) Inc**  
**Insurer: Northbridge General Ins. Corp.**  
**Policy: CBC0651149 & CBC065140**

Dear Sirs :

Please note that the above referenced policy has been cancelled effective 12:01AM May 03, 2023.

Included is a copy of the Registered Letters for the insuring policies as Issued by Northbridge General Insurance Company for your files, as per Statutory Conditions of the insuring policies.

We would instruct you to conduct yourselves accordingly based on this notice of cancellation and your interest as it relates to the policy.

Should there be any questions or concerns, please do not hesitate to contact our office.

Sincerely,  
**MASTERS INSURANCE LIMITED**

A handwritten signature in blue ink, appearing to be 'A. Smith', is written over a horizontal line.



*This is Exhibit*..... **"F"**..... *referred to in the*  
*affidavit of* Daniel Pollaek.....  
*sworn before me, this* 26<sup>th</sup>.....  
*day of* April, 2023.....

.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**



September 30, 2021

Stateview Homes Inc.  
c/o Dorr Capital

Attention: Riccardo Platti

Re: First mortgage construction financing of MiNu Townhomes

---

**A. LOAN TERMS**

The Lender is pleased to offer a 1<sup>st</sup> Mortgage, non-revolving demand loan (the "**Loan**") in connection with the above noted matter, subject to the terms and conditions as described herein and within the Schedules attached hereto (the "**Commitment Letter**").

1. **Project:** A 7.0-acre site to be developed with 147 townhomes located along Donald Cousens Parkway, Markham Ontario ("**MiNu Townhomes**" or the "**Project**")
2. **Lender:** KingSett Mortgage Corporation (the "**Lender**").
3. **Borrower:** Stateview Homes (Minu Towns) Inc. (the "**Borrower**").
4. **Guarantor:** Dino Taurasi and Carlo Taurasi (collectively, the "**Guarantor**").
5. **Loan Amount:**

First Mortgage	\$73,590,000
Letter of Credit (cash in lieu)	\$6,105,000
(Collectively, the " <b>Loan</b> " or " <b>Loan Amount</b> ")	
6. **Interest Rate:** Prime Rate + 2.80% (floor rate of 5.25%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to the Loan the each and every month of the Term (as such Term may be extended in accordance with this Commitment Letter), provided that "**Prime Rate**" shall mean, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada as the reference rate of interest for the determination of interest rates charged to its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans in Toronto, Ontario.
7. **Upfront Lender's Fee:** \$129,000 (0.16% of the Loan Amount) non-refundable lender's fee (the "**Upfront Lender's Fee**") earned by the Lender upon the Borrower's execution of this Commitment Letter and payable by the Borrower to the Lender at the time of the initial advance of the Loan. The Lender shall deduct the Lender's Fee, adjusted to reflect any credit for the remaining Good Faith Deposit, from the proceeds of the initial advance of the Loan.

8. **Subsequent Lender's Fee:** \$428,865 (0.54% of the Loan Amount) non-refundable lender's fee (the "**Subsequent Lender's Fee**") earned by the Lender six (6) months after the first calendar day of the month next following the date of the initial advance of the Loan.
9. **Term:** Any portion of the Loan Amount outstanding at any time is 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, 18 months (the "**Term**") after the first calendar day of the month next following the date of the initial advance of the Loan (the "**Interest Adjustment Date**"), as may be extended in accordance with this Commitment Letter (the "**Maturity Date**"). The principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security is repayable in full on the Maturity Date together with all accrued and unpaid interest, costs, fees and any other amount secured by the Security.
10. **Extension Option:** Provided that no Event of Default as defined in the Mortgage and referred to in this Commitment Letter as an "**Event of Default**" has occurred which is continuing and subject to the consent of the Lender, in its sole, absolute and unfettered discretion, the Lender shall permit an extension of the Term by two extensions of three months each to the Maturity Date (each an "**Extension Option**"). The exercise of each Extension Option is subject to delivery of a written request from the Borrower to the Lender at least 30 days prior to the Maturity Date and payment of the Extension Fee.
11. **Extension Fee:** \$100,000 (~0.12% of the Loan Amount) extension fee earned by the Lender upon the exercise of each Extension Option (the "**Extension Fee**") and payable on or before the date which is ten days prior to the Maturity Date. Should any Extension Option not be granted by the Lender, the Lender will return the applicable Extension Fee to the Borrower, if applicable.
12. **Monthly Payments:** Monthly payments of interest only are required to be made by the Borrower to the Lender in connection with the Loan at the Interest Rate and subject to the Interest Reserve provisions of this Commitment Letter (the "**Monthly Payments**"). Monthly Payments are to be made on the first calendar day of every month commencing on the Interest Adjustment Date until the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security is repaid in full. Non-Sufficient Fund payments will be subject to an administration fee of \$500.
13. **Interest Reserve:** Provided an Event of Default has not occurred which is continuing, monthly interest shall be capitalized to the outstanding principal balance of the Loan until the earlier of repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security in full or the capitalization of a total of \$3,500,000 (the "**Interest Reserve**"). The Project Monitor will evaluate, on a monthly basis, the capacity of the Interest Reserve to complete the Project. Any deemed shortfall in the Interest Reserve shall be funded from the Borrower's own financial resources prior to the next scheduled Monthly Payment. At such time as the Loan is in default or upon full utilization of the Interest Reserve, the Borrower shall be required to make Monthly Payments from its own financial resources and not from the Interest Reserve.



14. **Sources and Uses:**

Project Budget		Total	Sources of Funds		Total
Land Costs	\$	48,453,500	1st Mortgage	\$	73,590,000
Servicing Costs		5,936,412	2nd Mortgage - Tranche 1		15,500,000
Hard Costs		33,311,000	Purchaser Deposits		14,640,000
Soft Costs		2,454,007	Deferred Costs		1,893,326
DCs and Levies		15,835,122	Equity		8,322,959
Financing Costs		4,661,200			
Financing Costs - Mezzanine Loan		3,573,750			
Interim Occupancy Income		(960,000)			
Trade Credit (Contracted)		(830,500)			
Hard Cost Contingency		1,511,794			
<b>Total Uses of Funds</b>	<b>\$</b>	<b>113,946,285</b>	<b>Total Sources of Funds</b>	<b>\$</b>	<b>113,946,285</b>

15. **Project Budget:** See Schedule G (the "**Project Budget**"). For greater certainty, the Lender approved Project Budget shall be no greater than \$113,946,285. The Project Budget may be amended or modified from time to time subject to the prior written consent of the Lender. Consent to increase the Project Budget may be unreasonably withheld, delayed and/or conditioned by the Lender unless 100% of the Project Budget increase is forthwith funded by additional cash equity injected into the Project by the Borrower.
16. **Project Monitor:** An independent project monitor acceptable to the Lender shall have been engaged to act on behalf of the Lender throughout the duration of the Project at the Borrower's expense. The Lender's project monitor shall be Altus Group (the "**Project Monitor**"). The scope of the Project Monitor's mandate is outlined in Schedule C. The Lender shall have the right to expand or vary the scope of the Project Monitor or to replace the Project Monitor at any time, in its discretion, acting reasonably.
17. **Minimum Project Equity:** The Borrower shall maintain a minimum cash equity position in the MiNu Townhomes project of \$8,322,959 until the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security is repaid in full (the "**Minimum Project Equity**").
18. **Prepayment:** 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, this Loan is open for prepayment from the initial advance of the Loan until the date which is 6 months after the Interest Adjustment Date, provided that the Lender has received a minimum of 6 months of interest. The Loan will be closed thereafter for prepayment, save and except for partial discharges, until the Maturity Date.
19. **Approval of Sale Documents:** The Borrower shall provide the Lender with
- (a) **Approved Sales.** a spreadsheet, certified by a senior officer of the Borrower, setting out the details of each purchase approved by the Borrower in respect of a sale of a unit in the Project (each a "**Unit**"); and
  - (b) **Statements of Adjustment.** no later than five days prior to the closing date for the sale of a Unit, an executed copy of the final vendor's statement of adjustments for such Unit. Prior to the closing date for the sale of such Unit the Lender may provide the Borrower with written notice that it does not approve the vendor's statement of adjustments and setting out the Lender's determination of the amount of the Net Closing Proceeds that it requires to be paid by the Borrower in order for the Lender to deliver a partial discharge of the Security encumbering such Unit in accordance with Section A.20.

20. **Partial Discharge:** Provided that no Event of Default has occurred which is continuing, the Lender will provide the Borrower with partial real and personal property discharges of the Security on a per Unit basis upon receipt of the net closing proceeds for each Unit (the "**Net Closing Proceeds**") calculated as the greater of:
- (a) the actual gross unit selling price net of applicable sales tax including parking, storage, recoveries, or any associated upgrade revenue for such Unit; and
  - (b) the Lender's minimum discharge amount as set forth on the Sales List in Schedule H attached hereto for such Unit,

Less the aggregate of

- (a) purchaser deposits used in the Project Budget allocated to such Unit;
- (b) reasonable closing costs, approved legal fees, reasonable arm's length realty commissions, and any other reasonable closing adjustments for the sale of a unit similar to such Unit, which aggregate amount shall not to exceed \$15,000 per unit.

A partial discharge fee of \$500 per discharged unit shall be deemed earned by the Lender and payable by the Borrower contemporaneously with the granting by the Lender of each partial discharge.

21. **Allocation of Net Closing Proceeds:** In order of priority, the Net Closing Proceeds will be applied to the permanent reduction of the Loan until repaid in full inclusive of cash securing any Letters of Credit outstanding.
22. **Mortgage Discharge:** The Lender shall charge a one-time administrative fee of \$1,000 for ongoing administration of the Loan including, but not limited to, providing a full discharge of the Security which administration fee is earned by the Lender upon the Borrower's execution of this Commitment Letter and payable by the Borrower to the Lender on the Maturity Date. The Borrower's legal counsel shall prepare all documentation reasonably required to discharge the Security for review by the Lender and its legal counsel. Discharge statements will be provided to the Borrower within three business days after receipt of a written request for same.
23. **Permitted Encumbrances:** The Lender hereby acknowledges and consents to the following permitted encumbrances (each a "**Permitted Encumbrance**"):
- (a) **Approved MiNu/NAO Townhomes Second Mortgage:** A Second mortgage, in an amount not to exceed \$30,650,000, provided by KingSett Mortgage Corporation, at an interest rate of 12.50% on terms and conditions acceptable to the Lender (the "**MiNu/NAO Townhomes Second Mortgage**"); and

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

24. **No Further Encumbrances:** Additional financing (prior or subsequent) of the Project, secured or unsecured, or the registration of any other encumbrance save and except for Permitted Encumbrances is not permitted in connection with the Project without the prior written consent of the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.

25. **Costs and Expenses:** The Borrower shall bear all costs and expenses incurred by the Lender from time to time in connection with the Loan regardless of whether or not all or any portion of the Loan Amount is ever advanced and, such costs may include, but shall not be limited to, legal fees, payment of property taxes as a protective disbursement, environmental site assessment reports, appraisal reports, building condition reports, insurance consulting reviews, reliance letters, title insurance, Project Monitor mandates, out-of-pocket expenses for property inspections and any applicable sales tax related to all such costs and expenses.

## B. SECURITY

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

1. **Mortgage:** A \$100,000,000 first ranking mortgage/charge (~125% of the Loan Amount) granted by the Borrower, including, without limitation, an assignment of condominium voting rights and a negative pledge by the Nominee not to repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Project sponsors or other non-arm's length parties until such time as the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security has been repaid in full, save and except for those development, marketing and/or construction fees specifically approved in writing by the Lender and included in the Project Budget prepared by the Project Monitor.
2. **General Assignment of Rents:** A general assignment of leases and rents granted by the Borrower.
3. **General Security Agreement:** A general security agreement granted by the Borrower and/or the Nominee, as applicable, creating a first ranking security interest over all presently held and hereafter acquired personal property situated on, used in connection with or derived from the Project.
4. **General Assignment of Material Contracts:** A general assignment of all current and future material contracts for the Project including, without limitation, those relating to construction, supply, consulting, engineering specifications and drawings, architectural specifications and drawings, plans, licenses and permits for the Project granted by the Borrower and/or the Nominee, as applicable, provided that upon the request of the Lender the Borrower and/or the Nominee shall grant a specific assignment of any current or future material contract for the Project which shall be acknowledged and consented to in writing by all counterparties to such material contract.
5. **Specific Assignment of Construction Management Agreement:** A specific assignment of the construction management contract for the Project, or contracts if more than one, granted by the Borrower and/or the Nominee, as applicable, pursuant to which the Lender may assume or terminate, at its option, the rights of the Borrower under the same if the Lender has made demand for repayment of the Loan which specific assignment shall be acknowledged and consented to in writing by the construction manager.
6. **Specific Assignment of Property Management Agreement:** A specific assignment of the commercial and residential property management contracts granted by the Borrower and/or the Nominee, as applicable, pursuant to which the Lender may assume or terminate, at its option, the rights of the Borrower under the same if the Lender has made demand for repayment of the Loan

which specific assignment shall be acknowledged and consented to in writing by the property manager.

7. **Assignment of Agreements of Purchase and Sale and Purchaser Deposits:** A general assignment of individual agreements of purchase and sale, including purchaser deposits, pertaining to the Project granted by the Borrower and/or the Nominee, as applicable, provided that Purchaser deposits from the sale of units, parking units and storage lockers may be held in a solicitor's deposit trust account and/or used to repay the Loan in accordance with the provisions of applicable legislation, Condominium Act or otherwise, within the Province of Ontario.
8. **Assignment of Insurance:** An assignment of insurance granted by the Borrower and the Nominee, as applicable, with respect to any and all insurance proceeds arising in connection with all insurance for the Project as set forth on Schedule A.
9. **Fraud, Misrepresentation and Environmental Indemnity:** A fraud, misrepresentation and environmental indemnity granted by the Loan Parties.
10. **Beneficial Security Agreement:** An acknowledgement, direction and security agreement, if applicable, whereby the Borrower acknowledges, consents to and directs the Nominee to provide all of the Security to which the Nominee is a party to the Lender.
11. **Guarantee:** Unlimited personal joint and several guarantee granted by the Guarantors for 100% of the Borrower's indebtedness to the Lender, including, without limitation, all accrued but unpaid fees, interest, and expenses incurred by the Lender together with a postponement of creditor and shareholder claims against the Borrower and a negative pledge by the Guarantors to not repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Project sponsors and other non-arms length parties until such time as the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security has been repaid in full, save and except for those development, marketing and/or construction fees specifically approved in writing by the Lender and included in the Project Budget prepared by the Project Monitor.
12. **Cost Overrun and Completion Guarantee:** A guarantee re: project completion and cost overruns granted by the Guarantors for completion of the Project, to keep the Project free of all liens and to fund all costs to complete the Project including, without limitation, all interest costs, fees, insurance premiums and other payments associated with the Project.
13. **Pledge Agreement:** A hypothecation and pledge to the Lender of any and all issued and outstanding common shares, preferred shares and limited partnership units of the Borrower (and any and all shares of a general partner of the Borrower), as applicable, by the holders thereof provided that:
  - (a) the Lender's interest in such securities shall be perfected by possession and control by the Lender (or its legal counsel on behalf of the Lender) of the original share and/or unit certificates;
  - (b) if the registered owners of such shares and units are not providing a guarantee of the Borrower's obligations to the Lender hereunder, then such registered owners shall be required to provide a limited recourse guarantee with recourse against such registered owners limited in scope to the pledge of such shares and/or unit certificates; and
  - (c) if the registered owners are different than the beneficial owners of such shares and/or unit certificates then the beneficial owners shall be required to enter into an acknowledgement, direction and security agreement authorizing the registered owner to pledge the shares and/or unit certificates to the Lender.

14. **Subordination and Standstill Agreement:** The Subordination and Standstill Agreement contemplated in Section A.23.
15. **Other:** Such other Security as the Lender and/or its legal counsel may reasonably require.

### C. CONDITIONS PRECEDENT TO LAND AND DEVELOPMENT ADVANCES

The obligation of the Lender to make available the initial advance of the Loan shall be subject to the pre-funding conditions below (collectively, the "**Land and Development Conditions Precedent**") which shall be satisfied or waived by the Lender in its sole, absolute and unfettered discretion at least two business days prior to the initial advance of the Loan.

1. **Inspection:** The Lender shall have completed an inspection of the MiNu Townhomes project.
2. **Financial Statements:** The Lender shall have received accountant prepared notice to reader statements for the Borrower and any corporate Guarantor, if applicable, for its last two fiscal year-ends.
3. **PNW Statements:** The Lender shall have received certified and current-dated net worth statements for any personal Guarantor, if applicable, with supporting documentation of asset values.
4. **MiNu Townhomes Agreement of Purchase and Sale:** The Lender shall have received the agreement of purchase and sale for the acquisition of the lands upon which the MiNu Townhomes project is to be constructed, any amendments thereto, and the statement of adjustments delivered on closing collectively confirming a minimum aggregate purchase price of \$48,225,000.
5. **Planning Approvals:** The Lender shall have received evidence confirming zoning approval, development permit availability to improve the lands as described under the MiNu Townhomes project together with evidence satisfactory to the Lender that the full building permit will be issued in time to meet the MiNu Townhomes project schedule.
6. **Services Capacity:** The Lender shall have received evidence confirming that physical and capacity allocation of all municipal services is immediately available for the MiNu Townhomes project.
7. **Drawings and Plans:** The Lender shall have received architectural and engineering plans, drawings and specifications together with all related architectural and engineering fee-for-service soft cost contracts.
8. **Appraisal:** The Lender shall have received an appraisal report for the MiNu Townhomes project from an acceptable appraisal firm reporting an "as is" minimum value of \$48,225,000 and a "complete" minimum value of \$141,568,068 which appraisal report is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
9. **Environmental Site Assessment:** The Lender shall have received a phase I and, if applicable, a phase II environmental site assessment for the MiNu Townhomes project from an acceptable environmental consultant which environmental site assessment is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
10. **Geotechnical Soil Report:** The Lender shall have received a geotechnical report confirming the feasibility of the MiNu Townhomes project under existing soil conditions from an acceptable engineering firm which geotechnical report is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.

11. **New Home Warranty:** The Lender shall have received confirmation that the MiNu Townhomes project and, if applicable, the Borrower and constructor are registered and enrolled with Tarion.
12. **Letters of Credit:** The Lender shall have received copies of all required letters of credit for the MiNu Townhomes project.
13. **Cash Equity:** The Lender shall have received evidence that the Borrower has invested the minimum cash equity as per Section A.17 into the MiNu Townhomes project.
14. **MiNu Townhomes Project Report:** The Lender shall have received and reviewed an initial report on the MiNu Townhomes project prepared by the Project Monitor in accordance with Schedule C.
15. **Condominium Documentation:** The Lender shall have received all condominium documentation including, without limitation, condominium disclosure documents; parking agreements; reciprocal agreements; the declaration, by-laws and amendments thereto, if applicable; and the standard form purchase and sale agreement for the sale of Units.
16. **Unit Sales List:** The Lender shall have received a sales list for all Units detailing, for each Unit, as applicable, Unit size, whether the Unit is sold and unsold, the sale price or list price, received deposits, purchaser name and address, and the MiNu Townhomes projected closing date.
17. **Unit Purchase and Sale Agreements:** The Lender shall have received binding agreements evidencing not less than 122 Qualified Presales generating total gross sale proceeds of not less than \$117,502,780. "**Qualified Presales**" means a pending sale of a Unit:
  - (a) to an arms-length purchaser, not less than 75% of the sales must be supported by purchaser pre-approval for mortgage financing;
  - (b) for a gross unit selling price net of any applicable sales tax of not less than the respective Minimum Discharge Amount as set forth in Schedule H;
  - (c) with contracted deposits of not less than \$120,000 per unit; and
  - (d) contractual recoveries of not less than \$12,500 per unit.
18. **Purchaser Deposits:** The Lender shall have received evidence that the Borrower has received not less than \$4,880,000 in purchase deposits for MiNu Townhomes.
19. **Servicing Contract:** The Lender shall have received evidence that the MiNu Townhomes servicing cost budget has been supported by a fixed price contract.
20. **Delivery of Loan Documents:** The Lender shall have received the following:
  - (a) the Loan Documents duly executed by the parties thereto;
  - (b) a request for borrowing delivered in accordance with the provisions of Section E.1 which shall include, without limitation, certification that all proceeds of the advance of the Loan are being used solely to pay all accounts payable of the MiNu Townhomes project approved by the Lender and for no other purpose whatsoever;
  - (c) certificates of each corporate Loan Party dated the closing date and executed by an appropriate officer of each such person, as applicable, certifying, among other things, the constating and organizational documents, an organizational chart, incumbency of signing officers and authorizing resolutions;

- (d) a favourable corporate and enforceability opinion from the Borrower's legal counsel, including, without limitation, existence, power and capacity, authorization, execution and delivery, enforceability, creation of security interest, registration, share capital, and perfection, as applicable; and
  - (e) a favourable title opinion from the Borrower's legal counsel or a loan policy of title insurance in lieu thereof, respecting the ownership of the MiNu Townhomes project and the ranking of the liens constituted by the Security thereon.
21. **Registration of Security:** All registrations, recordings and filings of or with respect to the Security which in the opinion of the Lender's counsel are necessary to render effective and perfected, or to give notice of, the security intended to be created thereby shall have been completed.
  22. **Material Contracts:** The Lender shall have received copies, where applicable, of any and all agreement to which any of the Loan Parties are a party or by which any of them is bound which is material to the MiNu Townhomes project or the business of the Loan Parties with respect to the Property having regard to its subject matter or the potential consequences of breach or termination, including, without limitation, any cost sharing, parking, maintenance, unregistered access or right-of-way, crane swing, or tieback agreement.
  23. **Survey:** The Lender shall have received either (i) a real property report / survey for the MiNu Townhomes project prepared by an accredited land surveyor confirming no encroachments, easements or rights of way, save those which the Lender may specifically accept, and setting out the relationship of the lands and proposed improvements thereon to public thoroughfares for access purposes, or (ii) survey coverage in a loan policy of title insurance.
  24. **Searches:** The Lender shall have received either (i) all customary off-title searches for properties of similar nature to that of the MiNu Townhomes project including, without limitation, searches for unregistered easements, rights-of way, property tax status, environmental notices, and executions against the Loan Parties, or (ii) satisfactory coverage in a loan policy of title insurance. If applicable, the off-title searches are to be obtained by the Borrower's legal counsel and forwarded to the Lender's legal counsel for review;
  25. **Clean Title:** The Lender shall be satisfied with title to the lands upon which the MiNu Townhomes project will be constructed including, without limitation, the absence of liens and other encumbrances other than the Permitted Encumbrances;
  26. **No Litigation:** There shall exist no judicial, administrative or other proceeding, investigation or litigation affecting the MiNu Townhomes project or any of the Loan Parties that has, or could reasonably be expected to have, a material adverse effect on (i) the business, operations, property or financial or other condition of any of the Loan Parties which would materially negatively affect the ability of the Loan Parties, taken as a whole, to perform and discharge their obligations under the Loan Documents, (ii) the MiNu Townhomes project, the Lender's liens on the MiNu Townhomes project and other collateral pursuant to the Security, or the priority of those liens, or (iii) the Lender's ability to enforce its rights or remedies under any of the Loan Documents.
  27. **AML/KYC:** The Lender shall have received all documentation and information in respect of the Loan Parties including each corporate Loan Party's ownership structure, and its respective authorized signing officers, including addresses and verified personal identification, as the Lender may reasonably require in respect of Loan, including in respect of compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.
  28. **Insurance:** The Lender shall have received duly executed certificate(s) of insurance evidencing the insurance over the MiNu Townhomes project in accordance with the requirements set out in Schedule A showing the Lender as mortgagee and loss payee as its interest may appear and

showing the Lender as an additional insured under all liability policies relating to the MiNu Townhomes project, all such insurance coverage and certificate(s) to be acceptable to the Lender's insurance consultant, as confirmed by a report to the Lender.

29. **Levies and Fees**: All levies, impost fees, local improvement charges, property taxes and other charges that are due and payable in connection with the MiNu Townhomes project shall have been paid to the date of the advance of the Loan unless the same form part of the MiNu Townhomes Project Budget and are to be included in ongoing advances under the Loan.
30. **Notice to Property Tax Authority**: The Borrower shall have executed and delivered the Lender's Notice to Property Tax Authority set forth on Schedule E, which shall permit the Lender to request information from the municipality from time to time regarding the MiNu Townhomes property taxes.
31. **Pre-Authorized Debit**: The Borrower shall have executed and delivered the Lender's Pre Authorized Debit Form set forth on Schedule F, which shall permit the Lender to debit the Borrower's applicable current account each month for the Monthly Payment(s) should full utilization, suspension or cancelation of the Interest Reserve occur including, but not limited to any applicable Lender's Fees and Extension Fees.
32. **ESG Survey**: The Borrower shall have completed and delivered the Lender's ESG Survey set forth on Schedule I.
33. **Lender's Approvals**: The Lender shall have received the approval of its investment committee and any other approvals required by the Lender.
34. **Permitted Encumbrance Loan Documents**: The Lender shall have received the following documentation:
  - (a) Commitment letters, loan amendments and extensions (if any);
  - (b) Confirmation that all Permitted Encumbrance lender pre-funding conditions have been met, save and except for the full advance of the Loan; and
  - (c) If required, written acknowledgement and consent with respect to the subject Loan
35. **Due Diligence**: The Lender shall have completed its business, financial and legal due diligence, including without limitation property level due diligence with respect to the MiNu Townhomes project.

#### **D. CONDITIONS PRECEDENT TO CONSTRUCTION ADVANCES**

The obligation of the Lender to make available any subsequent advance of the Loan, shall be subject to the pre-funding conditions below (collectively, the "**Construction Conditions Precedent**" together with the Land and Development Conditions Precedent, collectively, the "**Conditions Precedent**") which Construction Conditions Precedent shall be satisfied or waived by the Lender in its sole, absolute and unfettered discretion at least two business days prior to any subsequent advance of the Loan.

1. **Land and Development Conditions Precedent**: The Land and Development Conditions Precedent shall have been satisfied or waived by the Lender.
2. **Fixed Price Contracts**: The Lender shall have received executed fixed price contracts for a minimum of 70% of the MiNu Townhomes Project Budget construction hard costs.



3. **Purchaser Deposits**: The Lender shall have received evidence that the Borrower has received not less than \$14,640,000 in purchase deposits for MiNu Townhomes.
4. **Insurance**: The Lender shall have received duly executed certificate(s) of insurance evidencing the insurance over the MiNu Townhomes project in accordance with the requirements set out in Schedule A showing the Lender as mortgagee and loss payee as is interest may appear and showing the Lender as an additional insured under all liability policies relating to the MiNu Townhomes project, all such insurance coverage and certificate(s) to be acceptable to the Lender's insurance consultant, as confirmed by a report to the Lender.
5. **No Default**: No Event of Default shall exist, nor shall the advance of the Loan result in the occurrence of an Event of Default.
6. **Representations Correct**: The representations and warranties contained in the Loan Documents shall be true and correct in all material respects on the date of each subsequent advance as if made on that date, except where any representation or warranty relates to a specified date, in which case that representation or warranty shall be made as of the date to which it relates.
7. **Request for Borrowing**: The Lender shall have received a request for borrowing delivered in accordance with the provisions of Section E.2 which shall include, without limitation, certification that all proceeds of the advance of the Loan are being used solely to pay all accounts payable of the Project approved by the Lender and for no other purpose whatsoever.
8. **Project Reports**: The Lender shall have received and reviewed a progress draw report on the Project prepared by the Project Monitor in accordance with Schedule C.
9. **Title Search**: the Lender shall have received on the date of each subsequent advance of the Loan a title subsearch of the MiNu Townhomes project and report from the Lender's counsel confirming that no construction liens or other liens are registered against the MiNu Townhomes project, other than Permitted Encumbrances.

## **E. FUNDING**

Each advance of the Loan shall, in addition to being subject to the applicable Conditions Precedent, be completed in accordance with the following:

1. **Initial Advance**: An initial advance of the Loan is to be determined by the Project Monitor.
2. **Subsequent Advances**: Subsequent advances under the Loan shall be permitted not more frequently than once per month and in minimum monthly increments of \$250,000 for the purpose of funding the applicable Project costs approved by the Lender with such advances to be made on a cost-in-place basis subject to the Lender's cost-to-complete formula. This dollar amount limit shall not apply to monthly advances of the Interest Reserve.
3. **Margin Calculation**: Accumulated advances under the Loan shall at no time exceed the cost of cost-in-place less the aggregate of (i) holdbacks required by the Project Monitor, (ii) Minimum Project Equity, (iii) any purchaser deposits used as source of funds within the applicable Project Budget, (iv) deferred costs and (v) any advances made under the Permitted Encumbrances, if applicable.

In the event that the amount of purchaser deposits used in the MiNu Townhomes project exceeds \$14,640,000, the amount available under the MiNu Townhomes Loan is to be permanently reduced dollar for dollar with the amount of the exceedance.

4. **Advances to Subtrades:** The Lender reserves the right to make advances of the Loan directly to the Project Monitor or trades (sub-trades or otherwise) and/or suppliers if an Event of Default has occurred which is continuing or if the Lender believes, in its sole, absolute and unfettered discretion, without the need to furnish evidence to the Borrower thereof, that advances of the Loan are being diverted from the Project and/or are being used to fund Project costs not provided for in the Project Budget.
5. **Advance Fee:** All advances of the Loan, save and except for advances under the Interest Reserve alone, shall be subject to a \$500 advance fee payable by the Borrower to the Lender which amount shall be deducted from the applicable advance of the Loan by the Lender.
6. **Outside Funding Date:** In the event that the initial advance of the Loan has not been made by October 31, 2021, at the exclusive option of the Lender, its obligations under this Commitment Letter shall cease and be at an end and the Lender shall be released from any and all of its present and/or future obligations under this Commitment Letter and the Security including, without limitation, the obligation to make any advances under the Loan. Notwithstanding the foregoing, the Lender shall remain entitled to earn and receive full payment of the Lender's Fee and to fully recover from the Borrower and any Guarantor any expenses incurred by the Lender in connection with this Commitment Letter.

**F. SPECIAL CONDITIONS**

The Loan shall be subject to the following special conditions which shall each have been received, reviewed and/or met, as the context implies, to the satisfaction of the Lender in its sole, absolute, and unfettered discretion prior to any advance of the Loan:

1. **Start of Construction:** The Loan shall have converted to a construction loan with an initial construction advance to occur on or before May 1, 2022.
2. **Bulk Unit Purchasers:** Any bulk sale of Units to a single purchaser, defined as 2 units or more, must be approved by the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.

**G. COUNSEL**

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

1. **Lender's Counsel:**

Blaney McMurtry LLP (Attention: Steven Jeffery)  
 2 Queen Street East, Suite 1500  
 Toronto, ON  
 M5C 3G5

Phone: (416) 593-3939  
 Fax: (416) 593-2966  
 Email: [sjeffery@blaney.com](mailto:sjeffery@blaney.com)

2. **Loan Parties' Counsel:**

\_\_\_\_\_  
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
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If you are in agreement with the foregoing terms and conditions, please indicate this by signing and returning this Commitment Letter to the Lender by October 5, 2021, failing which this letter shall, at the Lender's option, be deemed null and void.

Yours truly,

**KINGSETT MORTGAGE CORPORATION**

Per:   
Jamie Dysart (Oct 4, 2021 11:43 EDT)  
\_\_\_\_\_  
Jamie Dysart  
Managing Director, Mortgage  
Investments

Per:   
Bryan Salazar (Oct 4, 2021 13:23 EDT)  
\_\_\_\_\_  
Bryan Salazar  
Managing Director, Mortgage  
Underwriting & Funding

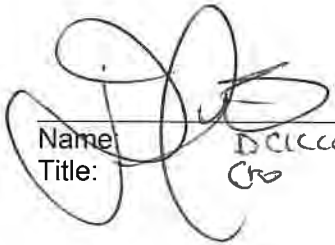
**ACKNOWLEDGEMENT**

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

Accepted and agreed as of the 4<sup>th</sup> day of OCTOBER, 2021.


**BORROWER:**

Stateview Homes (Minu Towns) Inc.

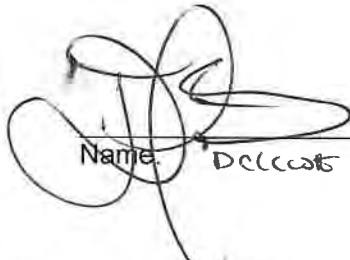
  
Name: D. Ciccolo  
Title: CEO

**GUARANTOR:**

Dino Taurasi

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

**WITNESS**

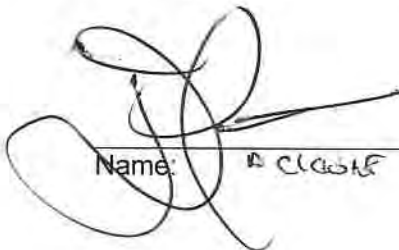
  
Name: D. Ciccolo

**GUARANTOR:**

Carlo Taurasi

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

**WITNESS**

  
Name: D. Ciccolo

**SCHEDULE A**  
**CONSTRUCTION INSURANCE REQUIREMENTS CHECKLIST**

1. All insurance policies must be forwarded to the Lender's insurance consultant for review. The cost of such review shall be for the account of the Borrower.
2. All insurance policies shall be in form and with insurers reasonably acceptable to the Lender and contain the original signatures of the insurers (which may include being signed by certified electronic signature).
3. The Lender must be shown as first mortgagee and loss payee under the builder's risk and, where applicable, the boiler and machinery insurance policies.
4. The Lender must be shown as an additional insured under all liability policies covering the Project with respect to claims arising out of the operations of the named insured.
5. The Borrower or the Nominee, as applicable, must be shown as a named insured or additional named insured under all policies of insurance in force with respect to the Project.
6. The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Project as an insured location must be shown on the insurance policies.
7. The builder's risk and, where applicable, the boiler and machinery policies shall contain a standard mortgage clause in favour of the Lender.
8. All policies of insurance must provide the Lender with at least 30 days' prior written notice of adverse material change or cancellation, except for the non-payment of premium, in which case the statutory conditions may apply.
9. There needs to be evidence of builders risk insurance written on an all risk or broad form basis and may or may not be subject to the latest CCDC policy wording.
10. The builders risk insurance needs to insure 100% of the projected hard costs of the Project and not less than 25% of all Project soft costs plus 100% of any finance charges, or 100% of recurring Project soft costs.
11. There needs to be evidence of full by-law extensions, including the increased cost of construction, cost of demolition of the undamaged portion of the property and resultant loss of income.
12. There needs to be evidence of earthquake, flood and sewer back-up insurance.
13. The builder's risk policy needs to include a "permission to occupy" clause and coverage for the installation, testing and commissioning of machinery and equipment, and for all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical, and mechanical breakdown.
14. The builders risk policy needs to include delayed start up insurance to cover 100% of the anticipated loss of revenue for a minimum of one year, which may be incurred in the event of an insured loss, during construction.
15. The builders risk policy, where applicable, must contain a minimum DE4/LEG2 amended workmanship, design or materials exclusion working and confirmation of resulting damage is covered.

**Owners Liability:**

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

**Contractors Liability:**

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

**Wrap-up Liability:**

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

**Other:**

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

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

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

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

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



**SCHEDULE B  
OTHER CONDITIONS**

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

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

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

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

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

16. **Time of the Essence:** Time is of the essence in this Commitment Letter.
17. **Non-Merger:** The representations, warranties, covenants and obligations herein set out in any of the Loan Documents shall not merge or be extinguished by the execution or registration of the Security but shall survive until the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other amounts secured by the Security are repaid in full.
18. **Representations and Warranties:** Each of the Loan Parties will, as applicable, provide the usual representations and warranties in the Loan Documents including, without limitation (a) the accuracy of any financial statements provided to the Lender, (b) that there has been no material adverse change in the financial condition or operations, as reflected in the financial statements used to evaluate this Loan, (c) title to the Project, (d) such Loan Party's power and authority to execute and deliver the Loan Documents to which it is a party, (e) the accuracy of any documentation delivered to the Lender, (f) the accuracy of all representations and warranties made to the Lender in the Loan Documents to which it is a party, (g) that there are no pending adverse claims, no outstanding judgments, no defaults under other agreements relating to the Project, and no undefended material actions, suits or proceedings with respect to such Loan Party or the Project, (h) that such Loan Party is attending to the preservation of its assets, (i) the payment of all taxes, (j) that no consents, approvals or authorizations are necessary in connection with such Loan Party's business including without limitation, the construction of the Project, (k) that the construction of the Project is proceeding in accordance with all applicable laws, (l) that there are no other encumbrances registered against title to the lands upon which the Project is to be constructed except for Permitted Encumbrances, (m) that all necessary services are available to the Project, and (n) that no hazardous substances used, stored, discharged or present on the Project other than in accordance with all applicable laws, and will represent and warrant such other reasonable matters as the Lender or its counsel may require.
19. **Interim Occupancy Fees and Revenues:** Interim occupancy fees/revenue must be used exclusively towards Project costs or to reduce the outstanding balance of any loan secured by a first ranking mortgage of the lands upon which the Project will be constructed. Save an except as set forth in this Section, interim occupancy fees may not be used by the Borrower for any other purpose nor may they be removed from the Project as a fee, equity repatriation, dividend, interest, premium or any other form of distribution.
20. **Payment of Sales Taxes:** The Borrower accepts full responsibility for remittance and payment of any and all applicable sales tax due and the periodic submission and collection of all applicable sales tax claims and credits. The Project Budget shall include a net difference of \$Nil for applicable sales tax paid less applicable sales tax recovered and shall also include a ceiling of \$750,000 at any point in time, prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, with respect to the permitted difference between applicable sales tax included in work-in-place less applicable sales tax recovered by the Borrower from government authorities. If the difference referred to in the previous sentence exceeds \$750,000 at any point in time prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, the portion of the difference in excess of \$750,000 be funded by the Borrower as additional equity.
21. **Lender's Sign:** The Lender shall have the right, but shall not be obligated, at the Lender's cost, to place a sign on the Project at any time after execution of this Commitment Letter by the Borrower but prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, which sign shall state that the Lender has assisted with the financing of the Project. The Lender, at the Lender's cost, shall be permitted to take down the sign at any time prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs

secured by the Security in full, after which time the Borrower shall be permitted to take down such sign at any time at the Borrower's cost.

22. **Governing Law:** The Loan and the Loan Documents shall be governed by and construed under laws of the Province of Ontario and the federal laws of Canada as applicable therein.
23. **Modification:** No term or requirement of any of the Loan Documents may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to any of the Loan Documents must be in writing and signed by a duly authorized officer of the Lender and accepted by a duly authorized officer of the Borrower.
24. **Language:** Any word importing the singular or plural shall include the plural and singular respectively. If any party is comprised of more than one entity, the obligations of each of such entities shall be joint and several. Any word importing persons of either gender or firms or corporations shall include persons of the other gender and firms or corporations where the context so requires.
25. **Headings:** The headings and section numbers appearing in any of the Loan Documents are included only for convenience of reference and in no way define, limit, construe or describe the scope or intent of any provision of any of the Loan Documents.
26. **Counterparts:** Any of the Loan Documents may be executed in several counterparts, each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument.
27. **Electronic Execution:** The words "execution," "execute", "signed," "signature," and words of like import in or related to any Loan Documents to be signed in connection with the Loan shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act (Canada)* and the *Electronic Commerce Act, 2000* (Ontario), or any other similar laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada.
28. **Calculations:** All interest calculated under this Commitment Letter shall be computed based on the actual number of days elapsed in a year consisting of 365 days.
29. **Paramountcy:** In the event of any inconsistency or conflict between any of the provisions of the Commitment Letter and any provision or provisions of the Security, the provisions of the Commitment Letter will prevail.

**SCHEDULE C  
PROJECT MONITOR MANDATE / REPORTING**

**LOW RISE CONSTRUCTION**

**GENERALLY ON THE ROLE OF THE PROJECT MONITOR:**

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

**PRELIMINARY REPORT PRIOR TO INITIAL FUNDING:**

The Project Monitor is to prepare a preliminary report inclusive of the following information:

**Project Description:**

1. The Preliminary report should include a brief description of the project. The description should outline major points such as:
  - (a) Overall GFA of the proposed project
  - (b) Whether the project consists of purpose built rental units or for sale housing units.
  - (c) The number of houses / townhomes etc being built; and if there are several blocks each should be summarized.
  - (d) If there are multiple phases - the number of phases included in the project, with a brief description of each phase.
  - (e) The type of construction, with a brief description of:
    - (i) Foundation system (eg Concrete footings)
    - (ii) Structure (eg Timber framed)
    - (iii) Envelope (eg Brick veneer & vinyl siding with punch windows)
    - (iv) Roofing system (eg Asphalt shingles)
    - (v) Finishes (eg. Interior walls with drywall finishes, tiling finishes in the washrooms, laminate flooring throughout, unfinished basement etc)
    - (vi) Services, including a brief description of the HVAC system being installed
    - (vii) Landscaping scope
    - (viii) Deferred scope – if there are items shown on the drawings which are being deferred / not included in the sources of funding, these should be identified.

**Budget & Schedule Commentary:**

1. Quantity Surveyor to review the drawing packages included and comment on whether or not the drawings are adequate for pricing. Commentary should clarify whether the drawings are approximately at:
  - (a) Class B stage / Detailed Design
  - (b) Class A stage – commentary should clarify if the drawings are 'Issued for Construction' or 'Issued for Tender'
  - (c) Drawings are to be made available upon request
2. review the Borrower's proposed detailed Project Budget as revised and approved by the Lender, further to the Project Monitor's recommendations. The review of the soft costs should confirm
  - (a) Comment on the allowance for the Development Management fee and whether it is reasonable
  - (b) Review the development charges, building permits allowances and levies and confirm they are in line with the local city charges
3. review all material cost-items, contracts and change orders with trades; the review must include commentary with regards to the documentation included in the major trade contracts and any exclusions / qualifications. Requirements are further outlined in the section on Contracts below.
4. Request / confirm quantum of any contemplated trade contract change orders or extras not yet approved with the Borrower and / or Construction Manager.
5. confirm all funding sources including without limitation, equity, purchaser deposits, deferrals, mezzanine financing and construction loan, as applicable;
6. confirm that Minimum Project Equity has been injected into the Project on the agreed-upon land valuation contained in the Commitment Letter and costs incurred to date;
7. confirm that the Borrower has continually maintained the Minimum Project Equity at all times;
8. confirm the adequacy of the interest expense carried in the Project Budget including, without limitation, the preparation of independent Project cash flows.
9. confirm the adequacy of the contingency allowances carried in terms of construction risk and other soft costs;
10. confirm the costs incurred to date through a review of all invoices, the Borrower's trial balance, aged payables listing, cancelled cheques, etc. (backup to costs to be made available on request);
11. confirm applicable development charges and levies relating to the Project including, without limitation, parkland deduction, regional and municipal, education, Section 37 and any other applicable municipal fees;
12. confirm the expected timing of payments and prepare a cash flow;
13. Provide commentary on relative experience of major trade contractors and the construction manager, and any requirement for bonding. Commentary should briefly comment on the trade's capacity to complete low rise projects of this scale, and confirm whether they are arm's length / non arm's length.
14. review the Project construction time schedule (the "**Project Schedule**") to confirm overall reasonableness. The commentary must confirm whether the schedule is suitably detailed with all

key activities listed and has a clear critical path that the Quantity Surveyor can track. Key milestones to be summarized and incorporated in the report.

15. review allowance for appropriate HST and whether this is to be funded by the Lender or the Borrower and, where the Project includes residential rental units, validate the amount of self-assessed HST included in the Project Budget.
16. Confirm the approach being taken with regards to Holdback. If the Borrower is not taking a 10% Holdback in line with the requirements of the lien act this must be noted in the report and discussed with the KingSett team.
17. If the project includes any deferred items, these must be noted in the report.

**Management Contract & Trade contracts:**

1. Confirm whether the project is being self performed with the Borrower acting as the Construction manager; or whether a 3<sup>rd</sup> party Construction manager is being hired.
2. Confirm the Borrower's approach to procurement, clarifying whether the Borrower has a standard form of contract that they use with trades, inclusive of a detailed scope of work; or whether post award trade work proceeds on the basis of quotes received (without a contract being in place).
3. review the development management agreement to confirm the requirements and any other material agreements against the Project Budget;
4. review the budget as follows:
  - (a) all costs reported as committed should be reviewed in terms of reasonableness, conformity to the latest design documents, Project Schedule and for front end loading;
  - (b) confirmation of committed costs identifying contracts, awards, letters of intent and trade quotations together with a summary of major contracts still to be awarded and tendering schedule for all un-awarded scopes of work. Commentary must also advise of the approximate timeline to turn the Letters of Intent into firm contracts;
  - (c) Time sensitive LOIs / Quotes / Contracts should be identified. For example, if a quote is received for Lumber supply which is contingent on work commencing by certain dates, this should be noted.
  - (d) Any quotes / contracts / LOIs that do not cover the entire scope should be identified. For example, if there are 30 Blocks, and the lumber supply quote only covers the first 10 Blocks, this should be noted.
  - (e) for all costs noted as being uncommitted, an estimate should be completed (QS to confirm the reasonableness of the budget amounts);
  - (f) All information reviewed, including Bid Levelling, must be made available to the Lender upon request;



5. Please list all contracts / LOIs / Quotes using a format similar to the table below (examples given for reference purposes only)

Trade / Supplier	Sub-Contractor / Supplier	Drawings included	Status	Amount
Excavation	Trade A	Eg. Issued for Permit	Quote	\$500,000.00
Concrete Work	Trade B	Eg. Issued for Permit	Contract	\$1,000,000.00
Lumber Supply	Trade C	Eg. Issued for Construction	Unit rate contract	\$2,225,000.00
Carpentry - Framing	Trade D	Eg. Issued for Permit	LOI	\$3,000,000.00
Roofing	Trade E	Eg. Issued for Construction	Quote	\$600,000.00

**Presales:**

1. review the Borrower's schedule of presales and provide a summary of sold and unsold Units (including without limitation parking Units and locker Units) in terms of both Units and revenue;
2. review all agreements of purchase and sale to confirm presale requirements have been met in terms of sales;
3. review contracted deposits and the Borrower's ledger of deposits to confirm deposits as a source of funds have been met; and
4. review mortgage pre-approvals for qualified presales.

**Permits and Approvals:** Provide a list of all the permits and approvals required for the project, as well as the expected timing of receipt of the approvals and permits. Review all of the development agreements, site plan agreement, subdivision agreement, building permits, and other municipal / regional agreements and, in the case where not all permits are available, identify which permits have been received and any that have been applied for and anticipated timing of receipt.

**Letters of Credit:** confirm the amounts of any required letters of credit and whether any or all of the letters of credit are duplicates of Project costs included within the Project Budget.

**Insurance:** review the insurance provided in terms of period of coverage, insured parties, loss payable and the sum insured.

**Other Conditions:**

1. review all loan agreements and commitment letters including, without limitation, any deposit insurance agreement and amendments for the financing of the Project;
2. confirm the purchase price for the lands upon which the Project is to be constructed by reviewing the purchase and sale agreement and supporting documents;
3. review all available architectural and engineering plans and specifications for conformity with the Project Budget, along with all awarded contracts, letters of intent or tendered quotations;

4. review all environmental site assessments reports, geotechnical reports and hydrogeology reports, as applicable, and confirm that all recommendations are included within the Project Budget; any major risks / unknowns are to be highlighted.
5. review all design consultant contracts in conjunction with a review of costs incurred to date to confirm the adequacy of applicable budgets. The commentary should confirm whether are adequate funds left in the cost to complete for the contract administration phase of the project of the design team; and
6. review all sales, legal and marketing agreements in conjunction with a review of costs incurred to date to confirm the adequacy of applicable budgets and the timing of commission payments with respect thereto.
7. If there are any off site storage items being claimed by the Borrower, the associated documentation should be enclosed, including the Bill of Sale and insurance documents. Please note that for off site amounts in excess of \$50,000 the QS needs to visit the site where the offsite storage materials are being retained.

**Other:**

1. identify any potential issues that may affect the completion of the Project in accordance with the Project Budget and the Project Schedule;
2. provide any additional recommendations as they become apparent during the Project Monitor's review and discussions with the Borrower and the Lender.
3. **List any outstanding documents that have been requested but not received.** For example, if backup to invoices have been requested but not received, this should be noted.

**Appendices required in the Preliminary report:**

The following are a list of the Appendices required in the Preliminary report

- (a) Borrower's cost ledger / Borrower's job cost report
- (b) Quantity Surveyor's Capital Cost Summary (CCS)
- (c) A reconciliation between the Quantity Surveyor's CCS and the Borrower's ledger
- (d) A construction cost report (CCR). [CCR must show Holdback on a trade by trade basis]
- (e) Draft Margin Calculation
- (f) A current project schedule
- (g) Cash flow
- (h) A site plan marked up showing what has been completed to date (example included as a separate attachment for reference)
- (i) Borrower's sales report
- (j) Deposit Trust summary
- (k) The Construction Manager's invoice / Contractor's invoice. If applicable, executed copies of change orders should be included [Full backup must be made available on request]

- (l) Consultant reports / Consultant Sign off / Municipal sign off (as available / applicable)
- (m) Site Photographs (minimum of 6 photos per Block once framing has commenced)
- (n) Project statistics, showing the GFA on a floor by floor basis
- (o) Project Monitor's Certificate for Payment
- (p) Project Monitor Certificate / Payment certifier's certificate (as available / applicable)
- (q) Statutory Declaration and WSIB / Worksafe statement
- (r) Off site Storage Agreements (if off site storage has been claimed, please enclose in a separate appendix)
- (s) Building Permits & Development agreements
- (t) Contracts / Backup to costs being reported as committed
- (u) Insurance Certificates
- (v) Legal Survey

## **PROGRESS DRAW REPORTS PRIOR TO SUBSEQUENT ADVANCES FOR WORK-IN-PLACE:**

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

### **Outstanding documents:**

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

### **Site Visit:**

1. conduct monthly site inspections prior to every draw request, including photographs and commentary on all work-in-place and the status of the Project;
2. confirm if there are any materials stored off-site and ensure that appropriate bill of sales and off-site material documentation is provided, including a thorough review of the documents to ensure the addresses, the names of the parties and the dollar amounts are correct and in line with contractual arrangements. Please note that for off site amounts in excess of \$50,000 the QS needs to visit the site where the offsite storage materials are being retained and;
3. provide commentary on the status of physical progress on-site and whether it is progressing in accordance with the Project Schedule. Commentary should:
  - (a) Provide an overall summary of the progress on site
  - (b) Outline what has been completed since the last report was issued
  - (c) Compare actual progress to the schedule, noting how progress compares to the critical path. If the schedule is slipping, QS is to clarify how the Borrower & Construction team are addressing this.
  - (d) The report should include a table with clear milestones, and the milestones should be no more than 6 months apart. **Milestone dates not to be changed without prior discussions with KingSett Capital.**
  - (e) Provide an updated progress matrix (sample one will be provided)

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

1. review the Borrower's draw request based on a Project cost report, invoices and aged payables listing, and update and confirm the cost of work completed to date including holdbacks;

2. Further to the above, the QS must do a review of all the hard cost invoices to ensure amounts claimed are in line with progress on site, including all costs tied to general requirements and trade invoices (full backup of hard costs to be made available on request).
3. update the Project Budget and comment on any amendments to the Project Budget based on a review of the latest information and discussions with the Borrower;
4. review and update the Project cash flow projections and advise on any necessary revisions. Cash flow should include a reasonable forecast of the construction hard costs, and all key milestones in the project per the baseline schedule should be shown in the legend;
5. comment on the adequacy of the remaining contingency allowances;
6. review cancelled cheques to confirm that all material costs claimed in the Borrower's last draw request have been paid; and
7. receive and review a standard Statutory Declaration of Progress Payment Distribution and WSIB certificate. The QS should check that the Statutory Declaration has been signed, stamped by the commissioner and is up to date. If the statutory Declaration isn't up to date this should be flagged in the executive summary of the report.

**Construction:**

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

**Loan Calculation/Monthly Draw:**

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

**Sales and Deposits:**

1. review and analyze the Borrower's updated presale and/or deposit schedule and provide comments on any material changes from the last draw report; and

2. where deposits are held in trust, obtain an updated confirmation from the trustee as to the amounts held.

**Permits and Approvals:**

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

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

**Other:**

1. identify any potential issues that may affect the completion of the Project in accordance with the Project Budget and the Project Schedule;
2. provide any additional recommendations as they become apparent during the Project Monitor's review and discussions with the Borrower and the Lender;
3. All Monitoring reports should include the following Appendices:
  - (a) Borrower's cost ledger / Borrower's job cost report
  - (b) Quantity Surveyor's Capital Cost Summary (CCS)
  - (c) A reconciliation between the Quantity Surveyor's CCS and the Borrower's ledger
  - (d) A construction cost report (CCR)
  - (e) Draft Margin Calculation
  - (f) A current project schedule
  - (g) Cash flow (must be kept up to date)
  - (h) A site plan marked up showing what has been completed to date (example included as a separate attachment for reference)
  - (i) Borrower's sales report
  - (j) Deposit Trust summary
  - (k) The Construction Manager's invoice / Contractor's invoice. If applicable, executed copies of change orders should be included
  - (l) Consultant reports (including structural, mechanical, electrical, geotechnical reports as available)
  - (m) Site Photographs. Location at which site photos were taken to be clearly identified (minimum of 6 photos per phase once framing has started)

- (n) Project Monitor's Certificate for Payment
- (o) Project Monitor Certificate / Payment Certifier's Certificate (as applicable)
- (p) Statutory Declaration and WSIB / Worksafe statement
- (q) Off site Storage Agreements (if off site storage has been claimed, please enclose in a separate appendix)
- (r) Building Permits & Development agreements (as they are received)
- (s) Contracts / Backup to costs being reported as committed (as they are received)
- (t) Insurance certificates (when updated / renewed)

## SCHEDULE D REPORTING

The Borrower shall provide the Lender with copies of the following regarding the Loan Parties and the Project:

1. any and all insurance policy renewals and/or amendments within ten business days of the issuance thereof. The Lender may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Borrower's expense;
2. ongoing Project information including, but not limited to, strata plan documentation, working and final architects' / engineers' drawings, construction budgets, artist's renderings, and floor plans for the proposed Units;
3. annually or as otherwise requested from time to time by the Lender evidence of the payment of all property taxes, local improvement rates and charges with respect to the Project;
4. within 90 days of the end of each of its fiscal years, or if the Borrower is an individual, each calendar year, or more often if requested by the Lender, the Borrower shall provide to the Lender:
  - (a) notice to reader financial statements of the Borrower and of any corporate Guarantor, including a balance sheet and supporting schedules, a detailed statement of income and expenditures and supporting schedules, and a statement of change in cash flow; and
  - (b) in the case of an individual Borrower or personal Guarantor, net worth statements may be supplied in lieu of financial statements;
5. on a monthly basis, Project sales list updates and all newly executed firm and binding purchase and sale agreements with respect to the sale of Units; and
6. at the Lender's request from time to time, the Borrower shall provide the Lender with any other relevant updates regarding the Project.





**SCHEDULE E  
NOTICE TO PROPERTY TAX AUTHORITY**

**Re:**            **Project:** \_\_\_\_\_

To Whom It May Concern:

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


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

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**BORROWER:**  
Stateview Homes (Minu Towns) Inc.

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

**GUARANTOR:**  
Dino Taurasi

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

**GUARANTOR:**  
Carlo Taurasi

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

**Project Civic Address:**

**Roll Number:**

(Please complete in full)

**SCHEDULE F  
PRE-AUTHORIZED DEBIT ("PAD") FORM**

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

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

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

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

<b>Borrower Name</b>	
<b>Address</b>	<b>Province</b>
<b>City</b>	<b>Postal Code</b>
<b>Phone #</b>	

<b>FI Name</b>	<b>Institution #</b>
<b>Account #</b>	<b>Transit #</b>
<b>Address</b>	<b>Province</b>
<b>City</b>	<b>Postal Code</b>

<b>Authorized Signature(s)</b>	
<b>Name(s)</b>	

**SCHEDULE G  
PROJECT BUDGET**

The total Project Budget has been represented by the Borrower to be \$113,946,285 as set out below.

<b>Project Budget</b>	<b>Total</b>
Land Costs	\$ 48,453,500
Servicing Costs	5,936,412
Hard Costs	33,311,000
Soft Costs	2,454,007
DCs and Levies	15,835,122
Financing Costs	4,661,200
Financing Costs - Mezzanine Loan	3,573,750
Interim Occupancy Income	(960,000)
Trade Credit (Contracted)	(830,500)
Hard Cost Contingency	1,511,794
<b>Total Uses of Funds</b>	<b>\$ 113,946,285</b>

**SCHEDULE H  
SALES LIST**

Unit	Purchase Price		HST		Minimum Discharge Amount		Deposits	
					Price (net of HST)		Used in Budget	
1	\$	909,990	\$	83,450	\$	826,540	\$	120,000
2	\$	889,990	\$	81,149	\$	808,841	\$	120,000
3	\$	859,990	\$	77,698	\$	782,292	\$	120,000
4	\$	869,990	\$	78,848	\$	791,142	\$	120,000
5	\$	859,990	\$	77,698	\$	782,292	\$	120,000
6	\$	869,990	\$	78,848	\$	791,142	\$	120,000
7	\$	859,990	\$	77,698	\$	782,292	\$	120,000
8	\$	869,990	\$	78,848	\$	791,142	\$	120,000
9	\$	859,990	\$	77,698	\$	782,292	\$	120,000
10	\$	869,990	\$	78,848	\$	791,142	\$	120,000
11	\$	879,990	\$	79,999	\$	799,991	\$	120,000
12	\$	889,990	\$	81,149	\$	808,841		
13	\$	879,990	\$	79,999	\$	799,991	\$	120,000
14	\$	889,990	\$	81,149	\$	808,841	\$	120,000
15	\$	859,990	\$	77,698	\$	782,292	\$	120,000
16	\$	889,990	\$	81,149	\$	808,841	\$	120,000
17	\$	842,790	\$	75,719	\$	767,071	\$	120,000
18	\$	869,990	\$	78,848	\$	791,142	\$	120,000
19	\$	859,990	\$	77,698	\$	782,292	\$	120,000
20	\$	899,990	\$	82,300	\$	817,690	\$	120,000
21	\$	859,990	\$	77,698	\$	782,292	\$	120,000
22	\$	899,990	\$	82,300	\$	817,690	\$	120,000
23	\$	909,990	\$	83,450	\$	826,540	\$	120,000
24	\$	889,990	\$	81,149	\$	808,841	\$	120,000
25	\$	909,990	\$	83,450	\$	826,540	\$	120,000
26	\$	889,990	\$	81,149	\$	808,841	\$	120,000
27	\$	889,990	\$	81,149	\$	808,841	\$	120,000
28	\$	869,990	\$	78,848	\$	791,142	\$	120,000
29	\$	859,990	\$	77,698	\$	782,292	\$	120,000
30	\$	899,990	\$	82,300	\$	817,690	\$	120,000
31	\$	859,990	\$	77,698	\$	782,292	\$	120,000
32	\$	869,990	\$	78,848	\$	791,142		
33	\$	859,990	\$	77,698	\$	782,292	\$	120,000
34	\$	869,990	\$	78,848	\$	791,142	\$	120,000
35	\$	879,990	\$	79,999	\$	799,991		
36	\$	919,990	\$	84,601	\$	835,389	\$	120,000
37	\$	879,990	\$	79,999	\$	799,991	\$	120,000
38	\$	919,990	\$	84,601	\$	835,389	\$	120,000
39	\$	859,990	\$	77,698	\$	782,292	\$	120,000
40	\$	869,990	\$	78,848	\$	791,142		
41	\$	859,990	\$	77,698	\$	782,292		
42	\$	869,990	\$	78,848	\$	791,142		
43	\$	859,990	\$	77,698	\$	782,292		
44	\$	889,990	\$	81,149	\$	808,841	\$	120,000
45	\$	909,990	\$	83,450	\$	826,540	\$	120,000
46	\$	939,990	\$	86,902	\$	853,088	\$	120,000
47	\$	884,990	\$	80,574	\$	804,416	\$	120,000
48	\$	894,990	\$	81,725	\$	813,265	\$	120,000
49	\$	864,990	\$	78,273	\$	786,717	\$	120,000
50	\$	874,990	\$	79,424	\$	795,566	\$	120,000

Unit	Purchase Price	HST	Minimum Discharge Amount Price (net of HST)	Deposits Used in Budget
51	\$ 894,990	\$ 81,725	\$ 813,265	\$ 120,000
52	\$ 874,990	\$ 79,424	\$ 795,566	\$ 120,000
53	\$ 864,990	\$ 78,273	\$ 786,717	\$ 120,000
54	\$ 874,990	\$ 79,424	\$ 795,566	\$ 120,000
55	\$ 864,990	\$ 78,273	\$ 786,717	\$ 120,000
56	\$ 874,990	\$ 79,424	\$ 795,566	\$ 120,000
57	\$ 894,990	\$ 81,725	\$ 813,265	\$ 120,000
58	\$ 904,990	\$ 82,875	\$ 822,115	
59	\$ 919,990	\$ 84,601	\$ 835,389	\$ 120,000
60	\$ 929,990	\$ 85,751	\$ 844,239	\$ 120,000
61	\$ 899,990	\$ 82,300	\$ 817,690	
62	\$ 879,990	\$ 79,999	\$ 799,991	\$ 120,000
63	\$ 869,990	\$ 78,848	\$ 791,142	\$ 120,000
64	\$ 879,990	\$ 79,999	\$ 799,991	\$ 120,000
65	\$ 889,990	\$ 81,149	\$ 808,841	\$ 120,000
66	\$ 879,990	\$ 79,999	\$ 799,991	\$ 120,000
67	\$ 869,990	\$ 78,848	\$ 791,142	\$ 120,000
68	\$ 879,990	\$ 79,999	\$ 799,991	
69	\$ 835,389	\$ 74,868	\$ 760,521	
70	\$ 919,990	\$ 84,601	\$ 835,389	
71	\$ 889,990	\$ 81,149	\$ 808,841	\$ 120,000
72	\$ 919,990	\$ 84,601	\$ 835,389	
73	\$ 869,990	\$ 78,848	\$ 791,142	\$ 120,000
74	\$ 939,990	\$ 86,902	\$ 853,088	
75	\$ 869,990	\$ 78,848	\$ 791,142	\$ 120,000
76	\$ 949,990	\$ 88,052	\$ 861,938	\$ 120,000
77	\$ 869,990	\$ 78,848	\$ 791,142	\$ 120,000
78	\$ 939,990	\$ 86,902	\$ 853,088	\$ 120,000
79	\$ 869,990	\$ 78,848	\$ 791,142	
80	\$ 909,990	\$ 83,450	\$ 826,540	\$ 120,000
81	\$ 899,990	\$ 82,300	\$ 817,690	\$ 120,000
82	\$ 919,990	\$ 84,601	\$ 835,389	\$ 120,000
83	\$ 899,990	\$ 82,300	\$ 817,690	\$ 120,000
84	\$ 929,990	\$ 85,751	\$ 844,239	\$ 120,000
85	\$ 899,990	\$ 82,300	\$ 817,690	
86	\$ 939,990	\$ 86,902	\$ 853,088	
87	\$ 899,990	\$ 82,300	\$ 817,690	\$ 120,000
88	\$ 909,990	\$ 83,450	\$ 826,540	\$ 120,000
89	\$ 1,299,990	\$ 128,317	\$ 1,171,673	\$ 120,000
90	\$ 1,179,990	\$ 114,512	\$ 1,065,478	\$ 120,000
91	\$ 1,135,810	\$ 109,429	\$ 1,026,381	\$ 120,000
92	\$ 1,158,990	\$ 112,096	\$ 1,046,894	
93	\$ 1,158,990	\$ 112,096	\$ 1,046,894	\$ 120,000
94	\$ 1,158,990	\$ 112,096	\$ 1,046,894	\$ 120,000
95	\$ 1,158,990	\$ 112,096	\$ 1,046,894	\$ 120,000
96	\$ 1,179,990	\$ 114,512	\$ 1,065,478	\$ 120,000
97	\$ 1,179,990	\$ 114,512	\$ 1,065,478	\$ 120,000
98	\$ 1,158,990	\$ 112,096	\$ 1,046,894	\$ 120,000
99	\$ 1,158,990	\$ 112,096	\$ 1,046,894	
100	\$ 1,158,990	\$ 112,096	\$ 1,046,894	\$ 120,000

Unit	Purchase Price		Minimum Discharge Amount		Deposits		
		HST		Price (net of HST)	Used in Budget		
101	\$	1,158,990	\$	112,096	\$	1,046,894	
102	\$	1,179,990	\$	114,512	\$	1,065,478	\$ 120,000
103	\$	1,179,990	\$	114,512	\$	1,065,478	\$ 120,000
104	\$	1,158,990	\$	112,096	\$	1,046,894	\$ 120,000
105	\$	1,158,990	\$	112,096	\$	1,046,894	\$ 120,000
106	\$	1,158,990	\$	112,096	\$	1,046,894	\$ 120,000
107	\$	1,158,990	\$	112,096	\$	1,046,894	
108	\$	1,194,990	\$	116,238	\$	1,078,752	\$ 120,000
109	\$	1,179,990	\$	114,512	\$	1,065,478	\$ 120,000
110	\$	1,158,990	\$	112,096	\$	1,046,894	\$ 120,000
111	\$	1,158,990	\$	112,096	\$	1,046,894	\$ 120,000
112	\$	1,158,990	\$	112,096	\$	1,046,894	\$ 120,000
113	\$	1,158,990	\$	112,096	\$	1,046,894	\$ 120,000
114	\$	1,158,990	\$	112,096	\$	1,046,894	\$ 120,000
115	\$	1,179,990	\$	114,512	\$	1,065,478	\$ 120,000
116	\$	1,209,990	\$	117,963	\$	1,092,027	
117	\$	989,990	\$	92,654	\$	897,336	\$ 120,000
118	\$	1,159,990	\$	112,211	\$	1,047,779	\$ 120,000
119	\$	989,990	\$	92,654	\$	897,336	\$ 120,000
120	\$	989,990	\$	92,654	\$	897,336	\$ 120,000
121	\$	939,990	\$	86,902	\$	853,088	\$ 120,000
122	\$	959,990	\$	89,202	\$	870,788	\$ 120,000
123	\$	959,990	\$	89,202	\$	870,788	\$ 120,000
124	\$	989,990	\$	92,654	\$	897,336	\$ 120,000
125	\$	959,990	\$	89,202	\$	870,788	\$ 120,000
126	\$	989,990	\$	92,654	\$	897,336	\$ 120,000
127	\$	939,990	\$	86,902	\$	853,088	\$ 120,000
128	\$	959,990	\$	89,202	\$	870,788	\$ 120,000
129	\$	939,990	\$	86,902	\$	853,088	
130	\$	999,990	\$	93,804	\$	906,186	
131	\$	939,990	\$	86,902	\$	853,088	\$ 120,000
132	\$	989,990	\$	92,654	\$	897,336	\$ 120,000
133	\$	939,990	\$	86,902	\$	853,088	\$ 120,000
134	\$	959,990	\$	89,202	\$	870,788	\$ 120,000
135	\$	989,990	\$	92,654	\$	897,336	\$ 120,000
136	\$	989,990	\$	92,654	\$	897,336	\$ 120,000
137	\$	959,990	\$	89,202	\$	870,788	\$ 120,000
138	\$	1,009,990	\$	94,955	\$	915,035	\$ 120,000
139	\$	939,990	\$	86,902	\$	853,088	\$ 120,000
140	\$	959,990	\$	89,202	\$	870,788	\$ 120,000
141	\$	969,990	\$	90,353	\$	879,637	\$ 120,000
142	\$	959,990	\$	89,202	\$	870,788	\$ 120,000
143	\$	939,990	\$	86,902	\$	853,088	\$ 120,000
144	\$	959,990	\$	89,202	\$	870,788	\$ 120,000
145	\$	969,990	\$	90,353	\$	879,637	\$ 120,000
146	\$	974,990	\$	90,928	\$	884,062	\$ 120,000
147	\$	1,299,990	\$	128,317	\$	1,171,673	
<b>Total</b>	<b>\$</b>	<b>141,365,549</b>	<b>\$</b>	<b>13,141,169</b>	<b>\$</b>	<b>128,224,380</b>	<b>\$ 14,640,000</b>

**SCHEDULE I  
ESG SURVEY**

**KingSett Mortgage Investments - ESG SURVEY**

KingSett Capital is committed to integrating best-in-class ESG practices throughout all its investment vehicles. We kindly ask that you complete this questionnaire so that we can track the Environmental, Social and Governance performance of the mortgage investments managed by KingSett Mortgage Corporation.

**Date:** \_\_\_\_\_  
**Borrower:** \_\_\_\_\_  
**Property:** \_\_\_\_\_  
**Completed By:** \_\_\_\_\_

Please identify any of the following ESG initiatives that apply to your organization and/or the property being financed.

<b>General</b>	Does your organization have an ESG strategy or annual report? If yes, where can we find more information?
<b>Environmental Initiatives</b> (please select all that apply to the property being financed)	<input type="checkbox"/> Water & energy consumption tracking <input type="checkbox"/> Waste volume tracking <input type="checkbox"/> On-site clean or renewable energy generation or storage (ex. solar, geothermal) <input type="checkbox"/> Retrofits to improve the energy-efficiency of the property (ex. lighting, HVAC, windows) <input type="checkbox"/> Stormwater management system <input type="checkbox"/> Green roof or green wall <input type="checkbox"/> Electric vehicle chargers on site <input type="checkbox"/> High performance envelope (ex. triple glazing) <input type="checkbox"/> Air tightness testing <input type="checkbox"/> High-efficiency appliances or fixtures <input type="checkbox"/> Green building certifications (ex. LEED, BOMA, WELL) _____ <input type="checkbox"/> Is the property's carbon footprint tracked? <input type="checkbox"/> Are carbon offsets purchased to offset embodied or operational carbon? <input type="checkbox"/> Other _____
<b>Social Impact</b>	<input type="checkbox"/> Does the project create or preserve any affordable housing units? Number of units _____ <input type="checkbox"/> Is there any community space (ex. daycare, arts & culture) in the property? Sq. ft. _____ <input type="checkbox"/> Tenant wellness or community focused programs <input type="checkbox"/> Other _____
<b>Governance</b>	<input type="checkbox"/> Does your organization have an ESG strategy or annual report? <input type="checkbox"/> Does your organization have a code of ethics? <input type="checkbox"/> Does your organization have ESG performance targets (ex. emissions reduction, diversity targets)? <input type="checkbox"/> Does your organization have any responsible hiring or contracting policies in place? <input type="checkbox"/> Other _____

Please tell us about any other ESG initiatives not highlighted above:

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



*This is Exhibit*..... **"G"**..... *referred to in the*  
*affidavit of* Daniel Pollack--  
*sworn before me, this* 26<sup>th</sup>  
*day of* April, 2023

.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**



October 6, 2021

Stateview Homes Inc.  
c/o Dorr Capital

Attention: **Riccardo Platti**

**Re: First mortgage construction financing of MiNu Townhomes**

---

We are pleased to advise that KingSett Mortgage Corporation has approved the following First amendment (the "**First Amendment**") to the commitment letter dated September 30, 2021 (collectively, the "**Commitment**"), which Commitment sets out the terms and conditions of the Loan granted by the Lender to the Borrower and is incorporated herein by reference.

All capitalized terms contained in this First Amendment shall have the respective meanings ascribed thereto in the Commitment unless expressly defined in this First Amendment.

**AMENDED LOAN TERMS**

**A. LOAN TERMS**

1. Section A. 13 is deleted in its entirety and replaced with the following:

**Interest Reserve:** Provided an Event of Default has not occurred which is continuing, monthly interest shall be capitalized to the outstanding principal balance of the Loan until the earlier of repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security in full or the capitalization of a total of \$3,900,000 (the "**Interest Reserve**"). Note that \$400,000 of the Interest Reserve is to be utilized for the Letter of Credit (cash in lieu) facility. The Project Monitor will evaluate, on a monthly basis, the capacity of the Interest Reserve to complete the Project. Any deemed shortfall in the Interest Reserve shall be funded from the Borrower's own financial resources prior to the next scheduled Monthly Payment. At such time as the Loan is in default or upon full utilization of the Interest Reserve, the Borrower shall be required to make Monthly Payments from its own financial resources and not from the Interest Reserve.

**GENERAL MATTERS**

1. Entire Agreement – No alteration, modification, amendment, change or addition to this First Amendment (nor further alteration, modification, amendment, change or addition to the Commitment) shall be effective unless the same is in writing and signed by all of the parties hereto.
2. Not a Novation – It is the intent of the Borrower and Lender that this First Amendment shall not constitute a novation or in any way adversely affect the Commitment or the Security for the Loan, including, without limitation, the mortgage/charge in favour of the Lender.



3. Captions – The captions and headings herein shall be solely for convenience of reference and in no way define, limit or describe the scope or intent of any provisions or sections of this First Amendment.
4. Successors and Assigns – The First Amendment shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, successors and assigns but may not be assigned by the Borrower under any circumstances and the parties hereto agree that any such attempted assignment by the Borrower shall be null and void and of no force and effect.
5. Limited Modification – The Commitment, as amended by this First Amendment, and the Security shall remain in full force and effect and all parties liable or obligated with respect thereto shall remain so liable or obligated with respect to the Commitment, as amended by this First Amendment, and the Security. The Property shall remain in all respects subject to the liens, charges and encumbrances as set out in the Commitment, as amended by this First Amendment, and the Security and nothing herein and nothing done pursuant hereto shall affect or be construed to affect the liens, charges and encumbrances of, or warranties of title in, any of the loan documents including, without limitation, the Commitment and the Security (the “**Loan Documents**”), nor the priority thereof over other liens, charges, encumbrances or conveyances. This First Amendment shall not release or affect the liability of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents.

If any obligation of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents is determined to be void or unenforceable on account of this First Amendment and/or the modification of the Loan Documents as contemplated by this First Amendment, the Borrower, as an additional and independent obligation, hereby agrees to indemnify and hold harmless the Lender against and from all loss, cost, damage or expense (including attorney’s fees, whether or not litigation has been commenced, and any and all costs for trial, bankruptcy and appellate proceedings) suffered or incurred by the Lender as the result of any such obligation being void or unenforceable.

6. Commitment References – This First Amendment shall form a part of the Commitment and shall be read as such and reference in the Commitment to the Commitment or similar expressions shall be deemed, as of the date hereof, to include this First Amendment.
7. Time is of the Essence - Time is of the essence in this First Amendment.
8. Conflict - In the event of any inconsistency between the terms and conditions of any one or more of the Loan Documents and this First Amendment, the terms and conditions and provisions of this First Amendment shall prevail. Whenever possible, this First Amendment shall be read to harmonize, rather than conflict, with any term or provision contained in the Loan Documents which is not specifically modified by this First Amendment.
9. Appointment of a Receiver - In the event of a default of the Borrower on the Property, beyond the applicable cure period, in addition to any other rights which it may have, the Borrower consents to the Lender’s appointment of a receiver manager or receiver, either privately or court appointed, to manage the Property and do all things necessary



as an owner would be entitled to do, including sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation.

10. Facsimile Transmission - The parties hereto acknowledge that this First Amendment may be transmitted by facsimile transmission and that, if signed by each party hereto, such facsimile transmission will constitute a legally binding agreement between the parties.
11. Privacy Act Consent - The parties hereto acknowledge that this First Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.



**PRIVACY ACT CONSENT**

The parties hereto acknowledge that this First Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.

Please execute and return one copy of this **First** Amendment to the attention of the undersigned no later than October 7, 2021, failing which, at the Lender's exclusive option, this First Amendment shall be null and void and of no force nor effect and the Lender shall be entitled to all of its rights and remedies under the Commitment and the Security.

Yours truly,

**KINGSETT MORTGAGE CORPORATION**

Per:   
Jamie Dysart  
Managing Director, Mortgage  
Investments

Per:   
Bryan Salazar  
Managing Director, Mortgage  
Underwriting & Funding






**ACKNOWLEDGEMENT**

The terms and conditions of this Commitment are hereby acknowledged and agreed to by the Borrower and Guarantors at wonnie this 6<sup>th</sup> day of October, 2021.

**BORROWER:**

Stateview Homes (Minu Towns) Inc.

  
Name: Dino Taurasi  
Title: CEO

**GUARANTOR:**

Dino Taurasi

**WITNESS**

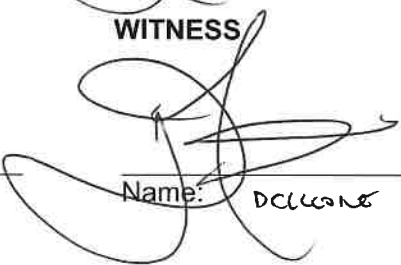
  
Name: DCLUAS

Name:  
Title:

**GUARANTOR:**

Carlo Taurasi

**WITNESS**

  
Name: DCLUAS

Name:  
Title:



May 13, 2022

Stateview Homes Inc.  
c/o Dorr Capital

Attention: Riccardo Platti

**Re: First mortgage construction financing of MiNu Townhomes**

---

We are pleased to advise that KingSett Mortgage Corporation has approved the following second amendment (the "**Second Amendment**") to the commitment letter dated September 30, 2021 as amended by the first amendment letter dated October 6, 2021 (collectively, the "**Commitment**"), which Commitment sets out the terms and conditions of the Loan granted by the Lender to the Borrower and is incorporated herein by reference.

All capitalized terms contained in this Second Amendment shall have the respective meanings ascribed thereto in the Commitment unless expressly defined in this Second Amendment.

## **AMENDED LOAN TERMS**

### **A. LOAN TERMS**

1. Section A. 8 is deleted in its entirety and replaced with the following:

**Subsequent Lender's Fee:** \$428,865 (0.54% of the Loan Amount) non-refundable lender's fee (the "**Subsequent Lender's Fee**") earned by the Lender as follows:

- a) \$100,000 will be earned and payable on May 1, 2022, provided the loan has not yet been repaid in full; and
- b) \$328,865 will be earned and payable on August 1, 2022, provided that the loan has not yet been repaid in full.

2. Section A. 18 is deleted in its entirety and replaced with the following:

**Prepayment:** 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, this Loan is open for prepayment from the initial advance of the Loan until August 1, 2022. The Loan will be closed thereafter for prepayment, save and except for partial discharges, until the Maturity Date.

## **GENERAL MATTERS**

1. **Entire Agreement** – No alteration, modification, amendment, change or addition to this Second Amendment (nor further alteration, modification, amendment, change or addition to the Commitment) shall be effective unless the same is in writing and signed by all of the parties hereto.



2. Not a Novation – It is the intent of the Borrower and Lender that this Second Amendment shall not constitute a novation or in any way adversely affect the Commitment or the Security for the Loan, including, without limitation, the mortgage/charge in favour of the Lender.
3. Captions – The captions and headings herein shall be solely for convenience of reference and in no way define, limit or describe the scope or intent of any provisions or sections of this Second Amendment.
4. Successors and Assigns – The Second Amendment shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, successors and assigns but may not be assigned by the Borrower under any circumstances and the parties hereto agree that any such attempted assignment by the Borrower shall be null and void and of no force and effect.
5. Limited Modification – The Commitment, as amended by this Second Amendment, and the Security shall remain in full force and effect and all parties liable or obligated with respect thereto shall remain so liable or obligated with respect to the Commitment, as amended by this Second Amendment, and the Security. The Property shall remain in all respects subject to the liens, charges and encumbrances as set out in the Commitment, as amended by this Second Amendment, and the Security and nothing herein and nothing done pursuant hereto shall affect or be construed to affect the liens, charges and encumbrances of, or warranties of title in, any of the loan documents including, without limitation, the Commitment and the Security (the “**Loan Documents**”), nor the priority thereof over other liens, charges, encumbrances or conveyances. This Second Amendment shall not release or affect the liability of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents.  

If any obligation of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents is determined to be void or unenforceable on account of this Second Amendment and/or the modification of the Loan Documents as contemplated by this Second Amendment, the Borrower, as an additional and independent obligation, hereby agrees to indemnify and hold harmless the Lender against and from all loss, cost, damage or expense (including attorney’s fees, whether or not litigation has been commenced, and any and all costs for trial, bankruptcy and appellate proceedings) suffered or incurred by the Lender as the result of any such obligation being void or unenforceable.
6. Commitment References – This Second Amendment shall form a part of the Commitment and shall be read as such and reference in the Commitment to the Commitment or similar expressions shall be deemed, as of the date hereof, to include this Second Amendment.
7. Time is of the Essence - Time is of the essence in this Second Amendment.
8. Conflict - In the event of any inconsistency between the terms and conditions of any one or more of the Loan Documents and this Second Amendment, the terms and conditions and provisions of this Second Amendment shall prevail. Whenever possible, this Second Amendment shall be read to harmonize, rather than conflict, with any term or provision contained in the Loan Documents which is not specifically modified by this Second Amendment.





9. Appointment of a Receiver - In the event of a default of the Borrower on the Property, beyond the applicable cure period, in addition to any other rights which it may have, the Borrower consents to the Lender's appointment of a receiver manager or receiver, either privately or court appointed, to manage the Property and do all things necessary as an owner would be entitled to do, including sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation.
10. Facsimile Transmission - The parties hereto acknowledge that this Second Amendment may be transmitted by facsimile transmission and that, if signed by each party hereto, such facsimile transmission will constitute a legally binding agreement between the parties.
11. Privacy Act Consent - The parties hereto acknowledge that this Second Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.


**PRIVACY ACT CONSENT**


The parties hereto acknowledge that this Second Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.

Please execute and return one copy of this **Second** Amendment to the attention of the undersigned no later than May 18, 2022 with payment of the \$100,000 fee, failing which, at the Lender's exclusive option, this Second Amendment shall be null and void and of no force nor effect and the Lender shall be entitled to all of its rights and remedies under the Commitment and the Security.

Yours truly,

**KINGSETT MORTGAGE CORPORATION**

Per:   
Jamie Dysart (May 13, 2022 16:59 EDT)  
Jamie Dysart  
Managing Director, Mortgage  
Investments

Per:   
Bryan Salazar (May 13, 2022 17:07 EDT)  
Bryan Salazar  
Managing Director, Mortgage  
Underwriting & Funding





**ACKNOWLEDGEMENT**

The terms and conditions of this Commitment are hereby acknowledged and agreed to by the Borrower and Guarantors at Woburn, MA this 15th day of MAY, 2022.


**BORROWER:**

Stateview Homes (Minu Towns) Inc.

  
Name: D. Ciccone  
Title: CEO

**GUARANTOR:**

Dino Taurasi

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

**GUARANTOR:**

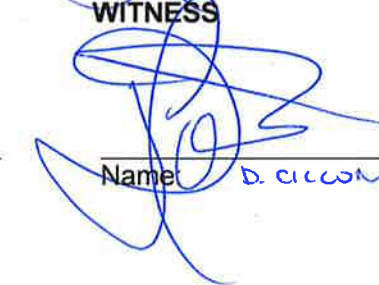
Carlo Taurasi

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

**WITNESS**

  
Name: D. Ciccone

**WITNESS**

  
Name: D. Ciccone



**June 13, 2022**

**Stateview Homes Inc.  
c/o Dorr Capital**

Attention: **Riccardo Platti**

**Re: First mortgage construction financing of MiNu Townhomes**

---

We are pleased to advise that KingSett Mortgage Corporation has approved the following third amendment (the "**Third Amendment**") to the commitment letter dated September 30, 2021 as amended by the first amendment letter dated October 6, 2021 and the second amendment letter dated May 13, 2022 (collectively, the "**Commitment**"), which Commitment sets out the terms and conditions of the Loan granted by the Lender to the Borrower and is incorporated herein by reference.

All capitalized terms contained in this Third Amendment shall have the respective meanings ascribed thereto in the Commitment unless expressly defined in this Third Amendment.

## **AMENDED LOAN TERMS**

### **A. LOAN TERMS**

1. Section A. 5 is deleted in its entirety and replaced with the following:

<b><u>Loan Amount:</u></b>	First Mortgage	\$73,590,000
	Letter of Credit (cash in lieu)	\$7,105,000
	(Collectively, the " <b>Loan</b> " or " <b>Loan Amount</b> ")	

For greater clarity, the First Mortgage amount is inclusive of a \$3,500,000 interest reserve and the Letter of Credit (cash in lieu) amount is inclusive of a \$400,000 interest reserve.

**Amendment Fee** - \$7,000 fee, equivalent to 0.70% of the \$1,000,000 increase to the Letter of Credit (cash in Lieu) facility, (the "**Third Amendment Fee**") earned by and payable to the Lender upon receipt of the executed Third Amendment. The Third Amendment Fee will be deducted from the next loan draw under the Letter of Credit (cash in lieu) facility.

### **B. CONDITIONS PRECEDENT**

This Third Amendment shall be subject to the following additional conditions precedent which shall each have been received, reviewed and/or met to the satisfaction of the Lender in its sole, absolute and unfettered discretion (collectively, the "**Third Amendment Conditions Precedent**").

1. Updated Subordination and Standstill Agreement for each Permitted Encumbrance.



## GENERAL MATTERS

1. Entire Agreement – No alteration, modification, amendment, change or addition to this Third Amendment (nor further alteration, modification, amendment, change or addition to the Commitment) shall be effective unless the same is in writing and signed by all of the parties hereto.
2. Not a Novation – It is the intent of the Borrower and Lender that this Third Amendment shall not constitute a novation or in any way adversely affect the Commitment or the Security for the Loan, including, without limitation, the mortgage/charge in favour of the Lender.
3. Captions – The captions and headings herein shall be solely for convenience of reference and in no way define, limit or describe the scope or intent of any provisions or sections of this Third Amendment.
4. Successors and Assigns – The Third Amendment shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, successors and assigns but may not be assigned by the Borrower under any circumstances and the parties hereto agree that any such attempted assignment by the Borrower shall be null and void and of no force and effect.
5. Limited Modification – The Commitment, as amended by this Third Amendment, and the Security shall remain in full force and effect and all parties liable or obligated with respect thereto shall remain so liable or obligated with respect to the Commitment, as amended by this Third Amendment, and the Security. The Property shall remain in all respects subject to the liens, charges and encumbrances as set out in the Commitment, as amended by this Third Amendment, and the Security and nothing herein and nothing done pursuant hereto shall affect or be construed to affect the liens, charges and encumbrances of, or warranties of title in, any of the loan documents including, without limitation, the Commitment and the Security (the “**Loan Documents**”), nor the priority thereof over other liens, charges, encumbrances or conveyances. This Third Amendment shall not release or affect the liability of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents.

If any obligation of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents is determined to be void or unenforceable on account of this Third Amendment and/or the modification of the Loan Documents as contemplated by this Third Amendment, the Borrower, as an additional and independent obligation, hereby agrees to indemnify and hold harmless the Lender against and from all loss, cost, damage or expense (including attorney’s fees, whether or not litigation has been commenced, and any and all costs for trial, bankruptcy and appellate proceedings) suffered or incurred by the Lender as the result of any such obligation being void or unenforceable.

6. Commitment References – This Third Amendment shall form a part of the Commitment and shall be read as such and reference in the Commitment to the Commitment or similar expressions shall be deemed, as of the date hereof, to include this Third Amendment.
7. Time is of the Essence - Time is of the essence in this Third Amendment.



- 8. Conflict - In the event of any inconsistency between the terms and conditions of any one or more of the Loan Documents and this Third Amendment, the terms and conditions and provisions of this Third Amendment shall prevail. Whenever possible, this Third Amendment shall be read to harmonize, rather than conflict, with any term or provision contained in the Loan Documents which is not specifically modified by this Third Amendment.
- 9. Appointment of a Receiver - In the event of a default of the Borrower on the Property, beyond the applicable cure period, in addition to any other rights which it may have, the Borrower consents to the Lender's appointment of a receiver manager or receiver, either privately or court appointed, to manage the Property and do all things necessary as an owner would be entitled to do, including sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation.
- 10. Facsimile Transmission - The parties hereto acknowledge that this Third Amendment may be transmitted by facsimile transmission and that, if signed by each party hereto, such facsimile transmission will constitute a legally binding agreement between the parties.
- 11. Privacy Act Consent - The parties hereto acknowledge that this Third Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.


**PRIVACY ACT CONSENT**


The parties hereto acknowledge that this Third Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.

Please execute and return one copy of this Third Amendment to the attention of the undersigned no later than June 17, 2022, failing which, at the Lender's exclusive option, this Third Amendment shall be null and void and of no force nor effect and the Lender shall be entitled to all of its rights and remedies under the Commitment and the Security.

Yours truly,

**KINGSETT MORTGAGE CORPORATION**

Per:   
Jamie Dysart (Jun 13, 2022 15:45 EDT)  
 Jamie Dysart  
 Managing Director, Mortgage  
 Investments

Per:   
Bryan Salazar (Jun 13, 2022 14:40 EDT)  
 Bryan Salazar  
 Managing Director, Mortgage  
 Underwriting & Funding

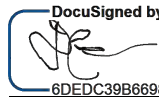


**ACKNOWLEDGEMENT**

The terms and conditions of this Commitment are hereby acknowledged and agreed to by the Borrower and Guarantors at \_\_\_\_\_ this \_\_\_\_\_ day of <sup>June 14, 2022</sup> \_\_\_\_\_, 2022.

**BORROWER:**

Stateview Homes (Minu Towns) Inc.

DocuSigned by:  
  
6DEDC39B6698478...

Name:

Title:

**GUARANTOR:**

Dino Taurasi

DocuSigned by:  
  
25F0D1A093894D3...

Name:

Title:

**WITNESS**

DocuSigned by:  
  
30E01E733F9B420...

Name:

**GUARANTOR:**

Carlo Taurasi

DocuSigned by:  
  
30E01E733F9B420...

Name:

Title:

**WITNESS**

DocuSigned by:  
  
25F0D1A093894D3...

Name:

*This is Exhibit*..... **"H"** ..... *referred to in the*  
*affidavit of* Daniel Pollack.....  
*sworn before me, this* 26<sup>th</sup>.....  
*day of* April, 2023.....

.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**

**ASSIGNMENT OF MATERIAL AGREEMENTS**

THIS AGREEMENT made as of the 8<sup>th</sup> day of October, 2021.

**B E T W E E N:**

**STATEVIEW HOMES (MINU TOWNS) INC.**

(hereinafter referred to as the "**Assignor**"),

- and -

**KINGSETT MORTGAGE CORPORATION**

(hereinafter referred to as the "**Lender**")

**WHEREAS** by a commitment letter dated the 30<sup>th</sup> day of September, 2021, from the Lender to Stateview Homes Inc. and accepted by the Assignor (which commitment letter, as it may be amended, modified, restated or consolidated from time to time, is hereinafter referred to as the "**Commitment**"), the Assignor agreed to assign, as security, to the Lender, inter alia, its rights, benefits, title and interest in, to and under certain material agreements and documents;

**AND WHEREAS** as security for the obligations of the Assignor to the Lender pursuant to the Commitment, the Assignor delivered to the Lender on the date hereof a charge/mortgage (which charge/mortgage, as it may be amended, renewed, extended or substituted for, is hereafter referred to as the "**Mortgage**") charging to the Lender the Project (as defined in the Commitment).

**NOW THEREFORE**, in consideration of the Lender agreeing to make advances to the Assignor under and subject to the Commitment and the sum of Ten Dollars (\$10.00) now paid by the Lender to the Assignor and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Assignor) the parties hereto covenant and agree with each other as follows:

**ARTICLE 1**  
**ASSIGNMENT**

**1.1 Recital Correct**

The Assignor confirms the validity and truth of the above-noted recital, which has the same force and effect as if repeated herein at length.

**1.2 Assignment**

As continuing and additional security for the payment to the Lender of all Indebtedness (as defined in the Mortgage) from time to time of the Assignor to the Lender, the Assignor hereby



assigns, sets over and transfers to the Lender all its rights, benefits, title and interest in and to, and all claims of whatsoever nature or kind which the Assignor now has or may hereafter have under or pursuant to:

- (a) the agreements described in Schedule "A" annexed hereto;
- (b) all agreements of purchase and sale entered into, by or on behalf of the Assignor (or an affiliate of the Assignor) with third party purchasers of condominium units or other portions of the Project, together with all amendments thereto and all deposits paid or payable thereunder;
- (c) all present and future approvals, licenses, permits, and other approvals, licenses and permits now or hereafter issued or required to be issued by any public authority in respect of the Project or its use or operation or any construction, renovation, refurbishment or development taking place or to take place on, in or under the Project or any part thereof;
- (d) the plans, specifications, working drawings, budgets and schedules now or hereafter in existence for the Project or any part thereof or any proposed expansion or renovation thereof or addition thereto or for any new building, structure, erection or improvement to be on, in or under the Project or any part thereof;
- (e) all present and future builder's risk, property, fire, hazard, boiler and machinery, damage, rental abatement, business interruption and income loss insurance policies now or hereafter obtained or maintained by the Assignor in respect of the Project, including without limitation the insurance policies described in Schedule "B" annexed hereto;
- (f) all construction and other contracts for the provision of materials, labour, equipment and services to the Project in connection with any construction on the Project;
- (g) all development and construction agreements, architect's agreements, site plan agreements and other agreements, documents and contracts now or hereafter entered into by the Assignor or anyone on its behalf relating to any construction, development, renovation or expansion of, on, in or under the Project or any portion thereof;
- (h) all service, management and maintenance contracts and all cost sharing, reciprocal, parking and other agreements, in each case relating to the Project or any part thereof;
- (i) all present and future undertakings, commitments and agreements entered into, assumed by or assigned to the Assignor and all moneys and proceeds payable thereunder to the Assignor or to anyone on its behalf in respect of a financing or refinancing of the Project or any part thereof or in respect of a mortgage, charge, security interest or other encumbrance to be granted upon the Project, any part thereof or any interest therein or in respect of the sale or other disposition by the

Assignor of the Project or any portion thereof or interest therein (provided that this section shall not be deemed to constitute the consent of the Lender to any such financing or refinancing); and

- (j) any other present and future undertakings, commitments and agreements entered into or assumed by the Assignor, whether written or oral, in respect of the Project or any part thereof or any right or interest of the Assignor therein or thereto,

and any amendments, extensions, renewals and replacements which have been made or may hereafter be made thereto, together with:

- (k) all benefits, proceeds and advantages which now are or may hereafter be derived therefrom;
- (l) all debts, demands, choses in action and claims which are now or may hereafter be or become due, owing or accruing due to the Assignor therefrom;
- (m) all books, accounts, invoices, letters, papers and documents in any way evidencing or relating thereto; and
- (n) all performance, labour and material, and maintenance bonds with respect to any work of maintenance to be performed on the Project;

all of the foregoing described in Subsections 1.2(a) to (n) above, inclusive, together with the proceeds therefrom being hereinafter collectively referred to as the "**Premises Hereby Assigned**".

### **1.3 Acknowledgment of Assignor**

The Assignor acknowledges that neither this Agreement nor the assignment set out herein:

- (a) shall in any way lessen or relieve the Assignor from:
  - (i) the obligation of the Assignor to observe, satisfy and perform each and every term, agreement, provision, condition, obligation and covenant set out in, or required to be observed by the Assignor in order to fulfil its obligations pursuant to, any of the Premises Hereby Assigned; and
  - (ii) any liability of the Assignor to the Lender or to any other person, firm or corporation;
- (b) imposes any obligation on the Lender to assume any liability or obligation under, or to observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant set out in, any of the Premises Hereby Assigned;
- (c) imposes any liability on the Lender for any act or omission on its part in connection with this Agreement or the assignments constituted hereby including, without limitation, the fulfilment or non-fulfilment by the Lender of the obligations, covenants and agreements of the Assignor set out in any of the Premises Hereby Assigned;

- (d) obligates the Lender to give notice of this Agreement and the assignments constituted hereby to any person, firm or corporation whatsoever; provided that the Lender may, in its absolute discretion, give any such notice at any time or from time to time without further notice to the Assignor;
- (e) shall cause the Lender to be or be deemed to be a mortgagee in possession;
- (f) shall delay, prejudice, impair, diminish or adversely affect the rights and remedies of the Lender pursuant to the Commitment and the Security (as defined in the Commitment); or
- (g) authorizes the Assignor to dispose of or transfer by way of conveyance, mortgage, lease, assignment or otherwise, the Project, the interest of the Assignor in the Project or any part of either, other than in accordance with the provisions of the Commitment.

## **ARTICLE 2** **COVENANTS**

### **2.1 Positive Covenants of Assignor**

The Assignor covenants and agrees:

- (a) to observe, perform and satisfy each and every term, agreement, provision, condition, obligation and covenant set out in, or required to be observed, performed and satisfied by it in order to fulfil its obligations under or pursuant to, the Premises Hereby Assigned;
- (b) to deliver to the Lender a copy of all written notices, demands or requests given under, in connection with or pursuant to the Premises Hereby Assigned that are:
  - (i) received by the Assignor, forthwith upon receipt of same; and
  - (ii) delivered by the Assignor, contemporaneously with the delivery of same;
- (c) to indemnify and save the Lender harmless from and against any liabilities, losses, costs, charges, expenses (including legal fees and disbursements on a solicitor and his own client basis), damages, claims, demands, actions, suits, proceedings, judgments and forfeitures (collectively referred to hereinafter as the "**Liabilities**") suffered, incurred or paid by the Lender in connection with, on account of or by reason of:
  - (i) the assignment to the Lender of the Premises Hereby Assigned or any part thereof;
  - (ii) any alleged obligation of the Lender to observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant set out in any of the Premises Hereby Assigned;

- (iii) any failure of the Assignor to observe, perform or satisfy their or its covenants, agreements, warranties and representations set out in this Agreement; and
  - (iv) the enforcement by the Lender of any of the assignments constituted by this Agreement or any of its rights and remedies hereunder;
- (d) to notify the Lender in writing, as soon as the Assignor becomes aware thereof, of any Dispute (as hereinafter defined), claim or litigation in respect of any of the Premises Hereby Assigned or of any breach or default by the Assignor or any other person, firm or corporation in the observance, performance or satisfaction of any of the terms, agreements, provisions, conditions, obligations or covenants set out in any of the Premises Hereby Assigned;
- (e) to obtain such consents from third parties as may be necessary or required pursuant to any of the Premises Hereby Assigned in connection with the assignments constituted by this Agreement and, in addition, such other consents and acknowledgments from third parties as the Lender may require or desire;
- (f) that each of its warranties and representations set out in this Agreement is now and will continue to be true and correct;
- (g) if requested to do so by the Lender, it will give notice of this Agreement to third parties under the Premises Hereby Assigned and will enforce any or all of the rights and remedies available to it pursuant to the Premises Hereby Assigned;
- (h) to furnish to the Lender from time to time, forthwith upon the request of the Lender, in writing all information requested by the Lender relating to the Premises Hereby Assigned;
- (i) to execute and deliver to the Lender, upon request of the Lender, from time to time, specific assignments of any of the Premises Hereby Assigned, such assignments to be in form and content satisfactory to the Lender; and
- (j) that it will pay or cause to be paid to the Lender or pursuant to the Lender's direction, upon demand, all Liabilities, costs, charges, fees and expenses, including, without limitation, legal fees and disbursements on a solicitor and his own client basis, court costs and any other out-of-pocket costs and expenses, incurred by the Lender in connection with or arising out of or with respect to this Agreement including, without limitation, any one or more of the following:
  - (i) the negotiation, preparation, execution and enforcement of this Agreement and all documents, agreements and other writings incidental or ancillary hereto;
  - (ii) any act done or taken pursuant to this Agreement including, without limitation, recovering the Indebtedness and registering, discharging and reassigning this Agreement;

- (iii) the preservation, protection, enforcement or realization of the Premises Hereby Assigned including, without limitation, retaking, holding, repairing, preparing for disposition and disposing of the Premises Hereby Assigned;
- (iv) any action or other proceeding instituted by the Assignor, the Lender or any other person, firm or corporation in connection with or in any way relating to:
  - (1) this Agreement or any part hereof;
  - (2) the preservation, protection, enforcement or realization of the Premises Hereby Assigned; or
  - (3) the recovery of the Indebtedness;
- (v) all Liabilities suffered, incurred or paid by the Lender as set out in Subsection 2.1(c); and
- (vi) all amounts incurred or paid by the Lender pursuant to Section 4.1;

together with interest thereon from the date of the payment thereof by the Lender (if the Lender paid the same) at the rate provided for in the Mortgage, calculated daily and compounded monthly. Whether or not any action or any judicial proceedings has been taken to enforce the obligation of the Assignor to pay or cause to be paid as set out in this Section 2.1, the amounts owing to the Lender under this Section 2.1 shall be added to the Indebtedness and secured by the Security.

## **2.2 Negative Covenants of Assignor**

The Assignor covenants and agrees that it shall not:

- (a) sell, assign, transfer, dispose of, collect, receive or accept the Premises Hereby Assigned or any of them nor do, nor permit to be done, any act or thing whereby the Lender may be prevented or hindered from so doing, in each case, without the prior written consent of the Lender;
- (b) pledge, charge, mortgage, hypothecate, create a security interest in or otherwise encumber the Premises Hereby Assigned or any of them, nor shall it subordinate any of its interest therein nor shall it perform any act or execute any agreement which might prevent the Lender from operating under, or exercising its rights under, any of the provisions of this Agreement or which would limit the Lender in any such operation or exercise, in each case without the prior written consent of the Lender;
- (c) enter into, cancel or terminate any of the Premises Hereby Assigned or any of them without the prior written consent of the Lender;

- (d) waive, amend, modify, or vary any of the terms, conditions or provisions of the any of the Premises Hereby Assigned, or any of them without the prior written consent of the Lender;
- (e) waive or agree to waive any failure of any party to any of the Premises Hereby Assigned to observe, perform or satisfy any of the terms, agreements, provisions, conditions, obligations or covenants set out in the Premises Hereby Assigned or any of them, without the prior written consent of the Lender;
- (f) give any consent or approval contemplated by, or required or permitted to be given pursuant to, any of the Premises Hereby Assigned without the prior written consent of the Lender; or
- (g) settle or resolve any Dispute (as that term is hereinafter defined) without the prior written consent of the Lender.

**ARTICLE 3**  
**REPRESENTATIONS AND WARRANTIES**

**3.1 Representations and Warranties of Assignor**

The Assignor represents and warrants to the Lender that:

- (a) each of the Premises Hereby Assigned is in full force and effect, unamended, and all of the parties thereto are in good standing thereunder and there are no defaults thereunder;
- (b) it has good, valid and legal right to absolutely assign and transfer to the Lender the Premises Hereby Assigned, free and clear of all assignments, mortgages, charges, pledges, security interests and other encumbrances;
- (c) it has not performed any act or executed any agreement which might prevent the Lender from operating under, or exercising its rights under, any of the provisions of this Agreement or which would limit the Lender in any such operation or exercise;
- (d) it has the corporate power, authority and capacity to enter into this Agreement, to make the assignments constituted hereby and to perform its obligations hereunder;
- (e) it has taken all necessary action, corporate or otherwise, to authorize the execution, delivery and performance of its obligations set out in each of the Premises Hereby Assigned and in this Agreement;
- (f) neither the execution nor the delivery of this Agreement by the Assignor, nor the consummation by it of the transactions herein contemplated, nor the compliance by it with the terms, conditions and provisions hereof will conflict with or result in a breach of any of the terms, conditions or provisions of:
  - (i) the constating documents of the Assignor;

- (ii) any agreement, instrument or arrangement to which the Assignor is a party or by which the Assignor or any of its property is, or may be, bound, or constitute a default thereunder, or result thereunder in the creation or imposition of any security interest, mortgage, lien, charge or encumbrance of any nature whatsoever upon the Project or any part thereof or upon any of the other properties or assets of the Assignor;
- (iii) any judgment, order, writ, injunction or decree of any court relating to the Assignor; or
- (iv) any applicable law or governmental regulation relating to the Project;
- (g) this Agreement has been duly executed and when delivered, will be in full force and effect and constitutes a legal, valid and binding obligation of the Assignor, enforceable in accordance with its terms, subject to applicable laws relating to bankruptcy and insolvency and other similar laws affecting creditor's rights generally and subject to the qualification that equitable remedies, including specific performance and injunction, may only be granted in the discretion of a court of competent jurisdiction;
- (h) there is no pending or, to the knowledge of the Assignor, threatened litigation, action, claim or fact known to the Assignor and not disclosed to the Lender in writing which adversely affects or could adversely affect any of the Premises Hereby Assigned or the rights of the Assignor thereunder or the rights of the Lender under this Agreement;
- (i) none of the Premises Hereby Assigned in existence on the date hereof is incapable of assignment to the Lender in accordance with the provisions of this Agreement, nor is any of the Premises Hereby Assigned incapable of further assignment by the Lender or by any receiver or receiver and manager, nor is the consent of any third party required for any assignment set out in this Agreement or in connection with any such further assignment; and
- (j) no payments, proceeds, receipts or other distributions due or to become due on any date subsequent to the date of this Agreement have been collected in advance of the time when the same became due under the terms of any of the Premises Hereby Assigned.

**ARTICLE 4**  
**DEFAULT AND ENFORCEMENT**

**4.1 Enforcement Upon Default**

Without limiting in any manner whatsoever the Lender's rights, remedies and recourses pursuant to this Agreement, by operation of law or otherwise, if: any Event of Default (as defined in the Mortgage) occurs (hereinafter called a "**Default**"), then the Lender and any receiver or receiver and manager appointed by or on the application of the Lender may, from time to time and at any time, in its own name or in the name of the Assignor and without notice to the Assignor, do any one or more of the following:

- (a) observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant which, pursuant to any of the Premises Hereby Assigned, could or should be observed, performed or satisfied by the Assignor;
- (b) enforce, realize, sell or otherwise deal with the Premises Hereby Assigned upon such terms and conditions and at such time or times as to the Lender seems advisable;
- (c) exercise any of the rights, powers, authority and discretion which, pursuant to any of the Premises Hereby Assigned, by operation of law or otherwise, could be exercised, observed, performed or satisfied by the Assignor, including, without limitation, entering into, terminating, amending, renewing and assigning the Premises Hereby Assigned and otherwise dealing with the third parties thereunder and others, making other agreements or granting waivers and consents and giving notices in respect of any of the Premises Hereby Assigned or any part or parts thereof for such consideration and on such terms as the Lender may deem appropriate, and participating in all settlement negotiations and arbitration proceedings resulting from a dispute (the "**Dispute**") arising out of, in connection with or pursuant to any of the Premises Hereby Assigned;
- (d) collect any rents, proceeds, receipts or income arising from or out of the Premises Hereby Assigned including, without limitation, demanding the same, instituting proceedings for the collection thereof, accepting reductions therein or compromises with respect thereto, and recovering, receiving and giving receipts therefor, whether in the name of the Assignor or the Lender or both;
- (e) manage generally the business and operations of the Assignor and deal with the Premises Hereby Assigned and the third parties thereunder to the same extent as the Assignor could do; and
- (f) by instrument in writing appoint any person to be a receiver (which term shall include a manager and a receiver and manager) in respect of the Premises Hereby Assigned or any part thereof and may remove any receiver so appointed and appoint another in its stead; and any receiver so appointed shall have the authority to do any of the acts specified in Subsections 4.1(a), (b), (c), (d) and (e) and further to take possession of and collect the moneys of all kinds payable to the Assignor in respect



of the Premises Hereby Assigned and pay therefrom all reasonable expenses in connection therewith and all charges, the payment of which may be necessary to preserve and protect the Premises Hereby Assigned. Any such receiver shall be deemed to be the agent of the Assignor for all purposes.

The Assignor agrees that the Lender shall be entitled to charge on its own behalf for services rendered, and retain such agents as the Lender wishes to assist the Lender, in doing, or to effect, any of the foregoing. The Assignor acknowledges and agrees that all costs, charges and expenses incurred or charged by the Lender in connection with doing anything permitted in this Section 4.1, including, without limitation, legal fees and disbursements on a solicitor and his own client basis, and the fees and disbursements of any agent as aforesaid, shall be added to the Indebtedness and be forthwith paid by the Assignor to the Lender.

#### **4.2 Lender Not Liable**

The Lender shall not be bound to exercise any of the rights afforded to it hereunder, nor to collect, dispose of, realize or enforce any of the Premises Hereby Assigned. The Lender shall not be liable or responsible to the Assignor or any other person for the fulfilment or non-fulfilment of this Agreement or the terms, obligations, covenants or agreements set out in the Premises Hereby Assigned or for any loss or damage incurred or suffered by the Assignor or any other person, firm or corporation as a result of:

- (a) any delay by, or any failure of, the Lender to:
  - (i) exercise any of the rights afforded to it under this Agreement; or
  - (ii) collect, dispose of, realize or enforce any of the Premises Hereby Assigned;  
or
- (b) the negligence of any receiver, receiver and manager, officer, servant, agent, counsel or other attorney employed or appointed by the Lender in the exercise of the rights afforded to the Lender hereunder, or in the collection, disposition, realization or enforcement of the Premises Hereby Assigned.

#### **4.3 Application of Funds**

The Lender shall be entitled (in the sole discretion of the Lender) to utilize any amount received by the Lender arising out of or from the collection, disposition, realization or enforcement of any of the Premises Hereby Assigned in any one or more of the following ways:

- (a) to pay all costs, charges and expenses incurred by the Lender in connection with the collection, disposition, realization or enforcement of the same, including without limitation the fees and disbursements of any agents retained by the Lender to assist or effect such collection, disposition, realization or enforcement;
- (b) to pay any prior mortgages, charges, assignments or encumbrances of or against the Premises Hereby Assigned or the Project or any part thereof;
- (c) to pay any costs, charges or expenses arising from the Project or any part thereof or the operation thereof, including without limitation realty and other taxes, utilities

costs and charges, ground rent (if any), repair, maintenance and replacement costs, management fees and costs and employees' salaries and costs; and

- (d) to apply such amount or any part thereof in reduction of the Indebtedness.

Notwithstanding the generality of Subsection 4.3(d) the Lender shall be entitled to apply all or any part of such amounts received by it on account of such part or parts of the Indebtedness, in such manner and at such times or from time to time, as the Lender deems best and the Lender may at any time and from time to time change any such application.

#### **4.4 Authority to Collect Monies and Exercise Rights**

The Assignor confirms and agrees that the Lender, as assignee hereunder, has the authority to exercise all of the rights, powers, authority and discretion of the Assignor pursuant to the Premises Hereby Assigned, including without limitation to collect any monies payable or arising out of or from the Premises Hereby Assigned. Notwithstanding the foregoing sentence, the Assignor shall have the authority:

- (a) to collect any monies payable or arising out of or from the Premises Hereby Assigned, except with respect to proceeds payable under any policy of insurance, which proceeds shall be payable to the Lender and dealt with in the manner set out in the Mortgage and other Loan Documents (as defined in the Mortgage); and
- (b) subject to Section 2.2, to exercise, in good faith, all of the rights, powers, authority and discretion of the Assignor pursuant to the Premises Hereby Assigned,

unless and until such authority is revoked in writing by the Lender; provided, however, that any such monies received by or on behalf of the Assignor shall be received and held in trust for the Lender and forthwith upon request by the Lender remitted to the Lender.

#### **4.5 Further Assurances**

The Assignor covenants and agrees to execute all such further assignments and other documents and to do all such further acts and things, including without limitation obtaining any consents, which are required by the Lender, from time to time, to more effectively assign, set over and transfer the Premises Hereby Assigned to the Lender (including, without limitation, execute and deliver one or more specific assignments of the Assignor's rights, benefits, title and interest in any of the agreements, documents, commitments and other writings that constitute the Premises Hereby Assigned in form, substance and execution satisfactory to the Lender), to perfect and keep perfected the security interest constituted hereby and to assist in the collection, disposition, realization or enforcement thereof, and the Lender is hereby irrevocably constituted the true and lawful attorney of the Assignor, with full power of substitution, to execute in the name of the Assignor any assignment or other document for such purposes. Without limiting the generality of the foregoing, the Assignor hereby irrevocably nominates, constitutes and appoints each officer of the Lender the true and lawful attorney of the Assignor, with full power of substitution, for and in the name of and on behalf of and at the expense of the Assignor to act in relation to the insurance policies described in Schedule "B" annexed hereto and in securing the enforcement of all the rights of the Assignor therein and thereunder as fully and effectually in all respects as the Assignor could do, and, without limiting the generality of the foregoing, to demand surrender of any cash value

and terminate such policies, as such attorney may deem advisable and to execute on behalf of the Assignor any documentation or correspondence as any insurer under such policies may require.

**ARTICLE 5**  
**GENERAL PROVISIONS**

**5.1 No Novation**

This assignment and transfer to the Lender of the Premises Hereby Assigned:

- (a) is continuing security granted to the Lender, without novation or impairment of any other existing or future security held by the Lender in order to secure payment to the Lender of the Indebtedness and the due performance of the obligations of the Assignor referred to in Subsections 1.2(a) and (b) hereof;
- (b) is in addition to and not in substitution for any other security now or hereafter granted to or held by the Lender in connection with the Indebtedness; and
- (c) shall remain in full force and effect without regard to and shall not be affected, or impaired by:
  - (i) any amendment or modification of or addition or supplement to the Commitment, this Agreement or any other Security now or hereafter held by or on behalf of the Lender in connection with the Indebtedness or any part thereof;
  - (ii) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement, the Commitment or the Security;
  - (iii) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement, the Commitment or the Security;
  - (iv) any default by the Assignor under, or any invalidity or unenforceability of, or any limitation on the liability of the Assignor or on the method or terms of payment under, or any irregularity or other defect in, this Agreement, the Commitment or the Security;
  - (v) any merger, consolidation or amalgamation of the Assignor into or with any other corporation or company; or
  - (vi) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor.

**5.2 Re-assignment**

Upon the Indebtedness being paid in full the Lender shall, within a reasonable time following its receipt of a written request from the Assignor and at the sole cost and expense of the Assignor, reassign the Premises Hereby Assigned to the Assignor.

**5.3 Enurement**

Subject to Section 2.2 and the other provisions hereof, this Agreement shall enure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

**5.4 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.

**5.5 Waiver**

No consent or waiver, express or implied, by the Lender to or of any breach or default by the Assignor in the performance of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by the Assignor of its obligations hereunder. Failure on the part of the Lender to complain of any act or failure to act of the Assignor or to declare the Assignor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Lender of its rights hereunder.

**5.6 Amendments**

This Agreement may not be modified or amended except with the written consent of the Lender and the Assignor.

**5.7 Entire Agreement**

This Agreement constitutes the entire agreement between the Lender and the Assignor pertaining to the assignment of the Premises Hereby Assigned and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, relating thereto.

**5.8 Assignment**

The Lender may assign, transfer, negotiate, pledge or otherwise hypothecate this Agreement, any of the Premises Hereby Assigned, any of its rights hereunder or any part thereof and all rights and remedies of the Lender in connection with the interest so assigned shall be enforceable against the Assignor as the same would have been by the Lender but for such assignment. The Assignor shall not assign this Agreement or any interest herein.

**5.9 No Agency, Joint Venture or Partnership**

The Lender is not the agent, representative, partner or joint-venturer with the Assignor, and the Assignor is not the agent or representative of the Lender, and this Agreement shall not be construed to make the Lender liable to any person or persons for goods or services furnished to, on behalf of or for the benefit of the Assignor nor for debts, liability or claims accruing therefrom against the Assignor.

**5.10 Rights, Powers and Remedies**

Each right, power and remedy of the Lender provided for herein or available at law or in equity or in any other agreement shall be separate and in addition to every other such right, power and remedy. Any one or more and/or any combination of such rights, remedies and powers may be exercised by the Lender from time to time and no such exercise shall exhaust the rights, remedies or powers of the Lender or preclude the Lender from exercising any one or more of such rights, remedies and powers or any combination thereof from time to time thereafter or simultaneously.

**5.11 Survival**

All covenants, undertakings, agreements, representations and warranties made by the Assignor in this Agreement and any certificates, reports, statements, information, data, documents or instruments delivered pursuant to or in connection herewith, shall survive the execution and delivery of this Agreement and any advances under the Commitment made by the Lender, and shall continue in full force and effect until the Indebtedness is paid in full. All representations and warranties made by the Assignor shall be deemed to have been relied upon by the Lender.

**5.12 Severability**

Any term, condition or provision of this Agreement which is or is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom, 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.

**5.13 Governing Law**

This Agreement, and the interpretation, construction, application and enforcement of this Agreement, shall be governed by and construed, in all respects, exclusively in accordance with the laws of the Province of Ontario.

**5.14 Headings**

The insertion in this Agreement of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.

**5.15 Number and Gender**

All nouns and personal pronouns relating thereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun.

**5.16 Extended Meanings**

The words "**the Agreement**", "**this Agreement**", "**hereby**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions used in any paragraph of this Agreement relate or refer to the whole of this Agreement and not to that paragraph only, unless otherwise expressly provided. The words "**Article**", "**Section**", "**Subsection**", "**Paragraph**" and similar words refer to the specified article, section, subsection, paragraph or other part of this Agreement.

**5.17 Registrations**

Neither the preparation, execution nor any registrations or filings with respect hereto, in and of itself, shall bind the Lender to make an advance under the Commitment. The Assignor acknowledges receipt of a copy of the financing statement registered by the Lender under the *Personal Property Security Act* (Ontario) against the Assignor pertaining to this Agreement.

**5.18 Receipt of Copy**

The Assignor acknowledges receipt of a copy of this Agreement.

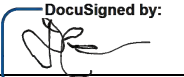
**5.19 Counterpart**

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 parties hereto have executed this Agreement as of the date first written above.

**STATEVIEW HOMES (MINU TOWNS) INC.**

Per:   
Name: Daniel Ciccone  
Title: Secretary-Treasurer

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

I/We have authority to bind the corporation.

**SCHEDULE "A"**

1. To be inserted if any.



**SCHEDULE "B"**

1. Policy No. CBC0651140 issued by Northbridge General Insurance Corp.

*This is Exhibit*..... **"I"** ..... *referred to in the*

*affidavit of* Daniel Pollack.....  
*sworn before me, this* 26<sup>th</sup>.....  
*day of* April, 2023.....

.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**

**ASSIGNMENT OF MONIES WHICH MAY  
BECOME PAYABLE UNDER INSURANCE POLICIES**

**TO: KINGSETT MORTGAGE CORPORATION (the “Lender”)**

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IN CONSIDERATION of the payment of the sum of Two Dollars (\$2.00) of lawful money of Canada to the undersigned by the Lender, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, all sums of money which may become payable to the undersigned by virtue of all insurance policies now or hereafter maintained by the undersigned with respect to the real property and personal property of the undersigned subject to security in favour of the Lender including, without limitation, the policy or policies listed in Schedule “A” attached hereto, subject to the rights of any loss payee or mortgagee as shown on such policies are hereby transferred and assigned to the Lender and the Lender is hereby authorized to receive and give effectual receipts and discharges therefor.

This assignment may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one document.

This assignment shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

And each of the said insurers is hereby notified of the foregoing transfer, assignment and authorization.

***[Signing Page Follows]***

DATED this 8<sup>th</sup> day of October, 2021.

**STATEVIEW HOMES (MINU TOWNS) INC.**

DocuSigned by:  


Per: \_\_\_\_\_  
Name: Daniel Ciccone  
Title: Secretary-Treasurer

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

I/We have authority to bind the corporation.

**SCHEDULE "A"**

**Insurance Policy(ies)**

1. Policy No. CBC0651140 issued by Northbridge General Insurance Corp.

*This is Exhibit*....."J".....*referred to in the*

*affidavit of* Daniel Pollack.....  
*sworn before me, this* 26<sup>th</sup>.....  
*day of* April, 2023.....

.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**

**GENERAL SECURITY AGREEMENT**

**THIS AGREEMENT** made this 8<sup>th</sup> day of October, 2021,

**B E T W E E N:**

**STATEVIEW HOMES (MINU TOWNS) INC.**

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

- and

**KINGSETT MORTGAGE 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 the 30<sup>th</sup> day of September, 2021, from the Secured Party to Stateview Homes Inc. and accepted by the Debtor (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 a first mortgage and charge (the “**Mortgage**”) of the Project (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.

**Section 1.2 Interpretation and Headings**

The terms “accessions”, “chattel paper”, “document of title”, “goods”, “instruments”, “intangibles”, “investment property”, “money”, “proceeds” and “security” whenever used herein shall, except as expressly defined herein or as the context may require otherwise, 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 which is located at or related to or used or acquired in connection with or arising from or out of the Charged Property (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 which is located at or related to or used or acquired in connection with or arising from or out of the Charged Property of the following kinds:

- (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, chooses 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 Charged Property, 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 Charged Property, 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 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 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 (MINU TOWNS) INC.**

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Daniel Ciccone  
Title: Secretary-Treasurer

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

I/We have authority to bind the corporation.

*This is Exhibit* ..... **"K"** ..... *referred to in the*

*affidavit of* Daniel Pollack-- .....

*sworn before me, this* 26<sup>th</sup> .....

*day of* April, 2023 .....

.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**

**Properties**

*PIN* 03061 - 4269 LT *Interest/Estate* Fee Simple  
*Description* PT LT 19 CON 8 (MKM), PTS 10 & 19, 65R30379 , MARKHAM ; S/T EASE OVER PT 10  
 65R30379, AS IN YR200734 .  
*Address* MARKHAM

**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 (MINU TOWNS) INC.  
*Address for Service* 16-410 Chrislea Road  
 Woodbridge, Ontario  
 L4L 8B5

I, DANIEL CICCONE, Secretary-Treasurer, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

**Chargee(s)***Capacity**Share*

*Name* KINGSETT MORTGAGE CORPORATION  
*Address for Service* Scotia Plaza, 40 King Street West  
 Suite 3700, P. O. Box 110  
 Toronto, Ontario M5H 3Y2

**Statements**

Schedule: See Schedules

**Provisions**

*Principal* \$100,000,000.00 *Currency* CDN  
*Calculation Period* See schedule  
*Balance Due Date* On demand  
*Interest Rate* See schedule  
*Payments*  
*Interest Adjustment Date* 2021 11 01  
*Payment Date* 1st of each month  
*First Payment Date* 2021 12 01  
*Last Payment Date* 2023 05 01  
*Standard Charge Terms*  
*Insurance Amount* Full insurable value  
*Guarantor*

**Signed By**

Gouri Indira Kumar 2 Queen Street East Suite 1500 acting for Signed 2021 10 08  
 Toronto  
 M5C 3G5  
 Chargee(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 2021 10 12  
 Toronto  
 M5C 3G5

Tel 416-593-1221

Fax 416-593-5437

**Fees/Taxes/Payment**

*Statutory Registration Fee* \$65.30

**Fees/Taxes/Payment**

Total Paid \$65.30

**File Number**

Chargee Client File Number : 1ST CHG/1028550077

## 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 of the Loan 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 of the Loan 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 or any other applicable

interest rate; and

(c) the principal amount of the Loan 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 provided for 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 of the Loan), 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 of the Loan. 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 of the Loan. The Chargor covenants to pay all Costs to the Chargee forthwith on demand whether or not all or any part of the Principal amount of the Loan 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, 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. Except to the extent sums sufficient to pay all Realty Taxes have been previously deposited with the Chargee as required in the Commitment, 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 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.

(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; and
  - (c) within 90 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, a detailed rent roll and a detailed operating statement stating operating revenues, operating expenses, operating income 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) any and all insurance policy renewals and/or amendments within 10 business days of the issuance thereof; The Chargee may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Borrower's expense;
- (e) updated financial statements and/or net worth statements annually for each Covenantor (as hereinafter defined); and
- (f) such other financial and supporting information set out in the Commitment or 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.

(w) **Condominium**

Upon registration of a Declaration and description under the Condominium Act against the Land or any part thereof:

- (i) The Chargor shall at all times and from time to time observe and perform all duties and obligations imposed on it by the Condominium Act, the Declaration, the by-laws and the rules of the condominium in effect from time to time. The Chargor agrees to transmit to the Chargee forthwith upon the demand of the Chargee, satisfactory proof that all Common Expenses assessed against the Units have been paid as assessed.
- (ii) Without limiting the generality of the preceding paragraph (i), the Chargor shall pay promptly when due any contributions to Common Expenses required of it as an owner of the Charged Property, including any amounts added to Common Expenses or otherwise payable by him to the Condominium Corporation and, in the event of his default in doing so, the Chargee shall be entitled but shall not be obliged to pay the same whether or not any payment in default has priority over the mortgage or any part of the moneys secured thereby, and the amount thereof shall be without demand, payable forthwith with interest at the Interest Rate and shall be secured by this Charge.
- (iii) The Chargor shall deliver by mailing to the Chargee, by prepaid registered mail, a copy of each and every:
  - (a) notice of any meeting of members of the Condominium Corporation called for the purpose of, or at which there may be the taking of, a vote of the members of the Condominium Corporation at least ten clear days prior to the date upon which such meeting is fixed to convene;

- (b) claim or demand for payment by the Chargor to the Condominium Corporation or to any person, firm or corporation duly authorized to receive monies otherwise payable to the Condominium Corporation at least five clear days prior to the date upon which such claim or demand is due and payable;
  - (c) notice of any breach of any of the provisions of the Condominium Act, or of the Declaration or any By-law or By-laws of the Condominium Corporation and made pursuant to the provisions of the Condominium Act, within five days of the date upon which such notice is received by the Chargor; and
  - (d) request or demand for the consent of the Chargor to any matter affecting the Units or the common elements included in the Condominium Corporation within five days of the date upon which such request or demand is received by or made of the Chargor; and
- (iv) The Chargor shall pay any and all monies due and payable by the Chargor in accordance with the provisions of the Condominium Act, or the Declaration or the by-law or by-laws of the Condominium Corporation from time to time on or before the dates for payment thereof.
  - (v) The Chargor hereby assigns to the Chargee the right of the Chargor as owner of the Units to vote at a meeting of owners in the place of the Chargor or to consent in the place of the Chargor in all matters relating to the affairs of the Condominium Corporation, and the Chargee is hereby irrevocably authorized and empowered to exercise such right, whether or not the Chargor is in default or in breach of any of the covenants or provisions contained in this Charge. The Chargee shall be entitled to give written notice of its rights provided for in this Paragraph to the Condominium Corporation in accordance with subsection 46.1(3)(c) of the Condominium Act.
  - (vi) Any exercise by the Chargee of the right of the Chargor to either vote or consent shall not have the effect of constituting the Chargee a mortgagee in possession in respect of the Charged Property or any part thereof.
  - (vii) The Chargee shall not be in any way responsible to protect the interest of the Chargor when exercising the right to vote or consent assigned herein, and the Chargee shall not be responsible for any exercise of the right to vote or consent assigned herein or any failure to exercise the right to vote or consent assigned herein.
  - (viii) If there is any charge or mortgage of the Units subsequent in priority to this Charge, the Chargor agrees to obtain a covenant from the holder of such charge or mortgage (the “**Subsequent Chargee**”), benefitting the Chargee, whereby the Subsequent Chargee agrees that, if the Chargee has not exercised its right to vote or consent under this Section, the Subsequent Chargee will not exercise its right (if any) to vote or consent.
  - (ix) The Chargor shall not amend the Declaration, the condominium plan or the description of the Units without first obtaining the Chargee’s written consent thereto, which consent may be arbitrarily withheld at the Chargee’s sole discretion.

### **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) Condominium Insurance Upon registration of a Declaration and description under the Condominium Act against the Land or any part thereof, the Chargor shall cause the Condominium Corporation to obtain and maintain insurance on the buildings and improvements forming part of the Charged Property, excluding improvements and betterments made or acquired by the Chargor or any tenant, against major perils as defined in the Condominium Act and the other perils that the Declaration or the by-laws of the Condominium Corporation specify, to the replacement cost of such property, and liability, boiler, machinery and pressure vessel, motor vehicle and other insurance as it may be required to be obtained and maintained by the Condominium Act, the Declaration or the by-laws of the Condominium Corporation.

- (b) Improvements Insurance Upon registration of a Declaration and description under the Condominium Act against the Land or any part thereof, the Chargor shall obtain and maintain insurance on improvements and betterments to the Units owned by the Chargor, or cause any tenants of such Units to obtain and maintain the same, and, in the event of termination of the government of the Charged Property by the Condominium Act, will to the extent the Charged Property is insurable, obtain insurance on the Chargor's interest therein for the full insurable value thereof or, if the Chargee so requires, the replacement cost thereof, in lawful money of Canada, against loss or damage by fire, lightning and tempest and such other risks as the Chargee may require, including risks and perils covered by an all risks policy. In the case of a Unit used for commercial purposes, this covenant shall in addition include boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee.
- (c) 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.
- (d) 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.
- (e) 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.

- (f) 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(f), however, shall require the Chargee to incur any expense or take any action hereunder.
- (g) 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 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 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 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;

- (n) if the Chargor fails to pay any Common Expenses that it is required to contribute with respect to the Units owned by it or the Condominium Corporation obtains a lien or registers a certificate of lien against the Chargor's Units or any of them;] or
- (o) any other Event of Default under any other Loan Document.

This Charge is cross-defaulted and cross-collateralized with the second mortgage granted by the Chargee to the Chargor, charging the Charged Property (the "**Second Charge**"). If an event of default occurs under the Second Charge, then a default and an event of default shall be deemed to have occurred under this Charge. It is acknowledged that the Indebtedness secured by this Charge includes all indebtedness and obligations owing to the Chargee under the Second Charge.

## **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 (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 Rd., Woodbridge, Ontario, L4L 8B5, Attention: President, Facsimile No.: (905) 851-1841; (ii) to the Chargee: Scotia Plaza, 40 King Street West, Suite 3700, PO Box 110, Toronto, Ontario M5H 3Y2, Attention: Scott Coates, Facsimile No.: (416) 687-6701, 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 as aforementioned, 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 provided that such holdback may be released in accordance with Applicable Laws; 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.

#### **7.17 Advances**

- (a) It is understood and agreed by the parties hereto that the monies to be advanced hereunder will be advanced in stages as the installation of services and the

construction of the buildings on the Charged Property proceeds or as the conditions as enumerated by the Commitment are complied with.

- (b) The Chargor agrees to pay to the Chargee on each occasion when an inspection of the Charged Property is required in order to confirm servicing and construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Chargee or its agents may charge from time to time for each such inspection and the Chargee's solicitors shall be paid their reasonable fees and disbursements for each subsearch and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Chargee shall be entitled to all rights and remedies with respect to the collection thereof as it would have with respect to collection of principal and interest hereunder or at law.
- (c) Prior to any advances, the Chargor agrees to provide the Chargee with copies of final construction plans and specifications and copies of all contracts entered into or to be entered into for the installation of services and/or construction of buildings on the Charged Property.

## 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 September 30, 2021, issued by the Chargee and accepted by the Chargor and others, as it may be amended, restated or reissued from time to time.

“**Common Expenses**” means the expense of the performance of the objects and duties of the Condominium Corporation and any expenses identified to be common expenses in either the Condominium Act or in the Declaration.

“**Condominium Act**” means the *Condominium Act, 1998*, S.O. 1998, ch. 19, as amended and supplemented from time to time.

“**Condominium Corporation**” means the condominium corporation to be incorporated with respect to the Charged Property.

“**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).

“**Declaration**” means the declaration to be registered under the Condominium Act or its predecessor in the Registry Office.

“**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 (a) the Principal amount of the Loan, (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 \$79,695,000.00 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; (e) the Second Charge; and (f) 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 York (No. 65).

“**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.

“**Units**” means the condominium unit or units and its or their appurtenant common interests which comprise part of the Charged Property.

**GENERAL ASSIGNMENT OF RENTS AND LEASES**

**THIS AGREEMENT** made as of the 22nd day of December, 2021.

B E T W E E N :

**STATEVIEW HOMES (NAO TOWNS) INC.**

(hereinafter called the “**Assignor**”)

- and -

**KINGSETT MORTGAGE CORPORATION**

(hereinafter called the “**Lender**”)

**WHEREAS** as additional security for the Assignor's covenants and obligations as set out in the Mortgage and set out in all other agreements, documents, instruments, undertakings and assignments entered into between the Assignor and the Lender, made by the Assignor in favour of the Lender or assigned by the Assignor to the Lender, the Assignor agreed to assign, to the Lender, the Rents and the Leases, together with all benefits, powers and advantages of the Assignor to be derived therefrom.

**NOW THEREFORE** in consideration of the sum of Ten Dollars (\$10.00) paid by the Lender to the Assignor (the receipt and sufficiency of which are hereby acknowledged), the parties covenant and agree with each other as follows:

1. **Recitals Correct:**

The Assignor confirms the validity and truth of the above-noted recital, which has the same force and effect as if repeated herein at length.

2. **Definitions:**

In this Agreement, the following capitalized terms have the respective meanings set out below:

- (a) **“Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “hereby”, “hereunder”** and similar expressions mean or refer to this entire agreement as amended from time to time and any agreement or instrument supplemental or ancillary hereto or in implementation hereof;
- (b) **“Buildings”** means all buildings, improvements, installations, facilities, erections or structures now or hereafter located on, made to, placed upon or erected in, under or on the Lands, any additions and alterations thereto, and any expansions, improvements and replacements thereof and all equipment, chattels and fixtures which may be owned by or on behalf of the Assignor and may now or hereafter be located on the Lands;
- (c) **“Commitment”** means the commitment letter from the Lender to Stateview Homes Inc. and accepted by the Assignor and others dated the 29<sup>th</sup> day of November, 2021, as it may be amended, modified, restated or consolidated from time to time;
- (d) **“Default”** has the meaning ascribed thereto in Section 8;
- (e) **“Dispute”** has the meaning ascribed thereto in Subsection 8(c);
- (f) **“Event of Default”** has the meaning ascribed thereto in the Mortgage;
- (g) **“Indebtedness”** has the meaning ascribed thereto in Section 3;
- (h) **“Lands”** means the lands described in Schedule “A” attached hereto;

- (i) **“Leases”** means all leases, subleases, agreements to lease or sublease, offers to lease or sublease, agreements to use or occupy and licenses in respect of the whole or any part or parts of the Project and all revisions, alterations, modifications, amendments and changes thereto, extensions, renewals and replacements thereof or substitutions therefor which have been or may hereafter be effected or entered into; and **“Lease”** means any one of the Leases;
- (j) **“Mortgage”** means the charge/mortgage of the Project granted by the Assignor in favour of the Lender and registered on the date of registration of this Agreement in the Land Registry Office for the Land Titles Division of York (No. 65), as it may be amended or supplemented from time to time;
- (k) **“Project”** means the Lands and Buildings;
- (l) **“Rents”** means all present and future income, rents, issues, profits and any other monies, including without limitation security deposits, rental deposits (including for rent for the last month or any other future period in the term of a Lease), rental insurance proceeds and expropriation awards, to be derived from, reserved or payable under the Leases; and
- (m) **“Tenant”** means any person (other than the Assignor) who is hereafter a party to a Lease; and **“Tenants”** means all such persons.

3. **Assignment:**

As continuing and additional security for:

- (a) the repayment to the Lender of all indebtedness and liability (the **“Indebtedness”**) from time to time of the Assignor to the Lender, under, in connection with or arising out of or from the Mortgage, the Commitment and all other agreements, documents, instruments, undertakings and assignments entered into by the Assignor with the Lender, made by the Assignor in favour of the Lender or assigned by the Assignor to the Lender; and
- (b) the due performance by the Assignor of the terms, agreements, provisions, conditions, obligations and covenants on the part of the Assignor to be performed under the Mortgage, the Commitment and all other agreements, documents, instruments, undertakings and assignments entered into by the Assignor with the Lender, made in favour of the Lender or assigned to the Lender;

the Assignor, upon and subject to the terms of this Agreement, assigns, sets over and transfers to the Lender all its rights, benefits, title and interest under, in and to, and all claims of whatsoever nature or kind which the Assignor now has or may hereafter have under or pursuant to:

- (c) the Leases;
- (d) the Rents;
- (e) the benefit of any and all present and future guarantees of and indemnities with respect to any Lease and the performance of any or all of the obligations of any Tenant thereunder;
- (f) the benefit of any and all present and future letters of credit and security documents provided to secure the obligations of any Tenant under any of the Leases;
- (g) the benefit of any and all present and existing assignments of Leases by the Tenants thereunder and agreements to assume the obligations of the Tenants thereunder; and
- (h) all books, accounts, invoices, letters, papers, drawings and documents in any way evidencing or relating to the Leases, the Rents and any guarantees or indemnities of any Lease;

all of the foregoing described in Subsections 3(c) to and including 3(h) together with all

agreements pertaining thereto and all proceeds therefrom being hereinafter collectively called the “**Premises Hereby Assigned**”.

4. **Acknowledgment of Assignor:**

The Assignor acknowledges that none of this Agreement, the assignment constituted hereby or the enforcement by the Lender of any of its rights and remedies hereunder:

- (a) shall in any way lessen or relieve the Assignor from:
  - (i) the obligation of the Assignor to observe, satisfy and perform each and every term, agreement, provision, condition, obligation and covenant set out in, or required to be observed by the Assignor in order to fulfil its obligations under, any of the Premises Hereby Assigned; and
  - (ii) any liability of the Assignor to each Tenant, the Lender or to any other person, firm or corporation;
- (b) imposes any obligation on the Lender to assume any liability or obligation under, or to observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant set out in any of the Premises Hereby Assigned;
- (c) imposes any liability on the Lender for any act or omission on its part in connection with this Agreement or the assignment constituted hereby including, without limitation, the fulfilment or non-fulfilment by the Lender of the obligations, covenants and agreements of the Assignor set out in the Premises Hereby Assigned;
- (d) obligates the Lender to give notice of this Agreement and the assignment constituted hereby to any Tenant or any other person, firm or corporation whatsoever; provided that the Lender may, in its absolute discretion, give any such notice at any time or from time to time without further notice to the Assignor;
- (e) shall cause the Lender to be or be deemed to be a mortgagee in possession;
- (f) shall delay, prejudice, impair, diminish or adversely affect the rights and remedies of the Lender pursuant to the Mortgage or any other agreement (including, without limitation, any loan agreement) entered into by the Assignor with the Lender, made by the Assignor in favour of the Lender or assigned by the Assignor to the Lender; or
- (g) authorizes the Assignor to dispose of or transfer by way of conveyance, mortgage, lease, assignment or otherwise, the Project, the interest of the Assignor in the Project or any part of either.

5. **Positive Covenants of Assignor:**

The Assignor covenants and agrees:

- (a) to observe, perform and satisfy each and every term, agreement, provision, condition, obligation and covenant set out in, or required to be observed, performed and satisfied by the Assignor pertaining to or under or pursuant to, the Premises Hereby Assigned;
- (b) to deliver to the Lender a copy of all written notices, demands or requests given under, in connection with or pursuant to the Premises Hereby Assigned that are:
  - (i) received by the Assignor, forthwith upon receipt of same; and
  - (ii) delivered by the Assignor, contemporaneously with the delivery of same;
- (c) to indemnify and save the Lender harmless from and against any liabilities, losses, costs, charges, expenses (including legal fees and disbursements on a solicitor and his own client basis), damages, claims, demands, actions, suits, proceedings, judgments and forfeitures (collectively referred to hereinafter as the “**Liabilities**”)

suffered, incurred or paid by the Lender in connection with, on account of or by reason of:

- (i) the assignment to the Lender of the Premises Hereby Assigned;
  - (ii) any alleged obligation of the Lender to observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant set out in any of the Premises Hereby Assigned;
  - (iii) any failure of the Assignor to observe, perform or satisfy its covenants, agreements, warranties and representations set out in this Agreement; and
  - (iv) the enforcement of the assignment constituted by this Agreement or any of its rights and remedies hereunder;
- (d) to notify the Lender in writing as soon as the Assignor becomes aware of any Dispute (as hereinafter defined), claim or litigation in respect of any of the Premises Hereby Assigned or of any breach of default by the Assignor or any other person, firm or corporation in the observance, performance or satisfaction of any of the terms, agreements, provisions, conditions, obligations or covenants set out in the Premises Hereby Assigned;
- (e) to keep, with regard to the Project, separate, up-to-date, detailed and accurate records of all revenues, including, without limitation, all Rents, and expenditures;
- (f) to obtain such consents from third parties including, without limitation, Tenants as may be necessary or required pursuant to any of the Premises Hereby Assigned in connection with the assignment constituted by this Agreement and, in addition, such other consents and acknowledgments from third parties as the Lender may require or desire;
- (g) upon the request of the Lender from time to time, to execute and deliver to the Lender specific assignments of any of the Leases duly acknowledged by the respective Tenants under such Leases, which specific assignments and acknowledgements shall be in form and substance acceptable to the Lender;
- (h) the Assignor will obtain in any new Lease a covenant of the respective Tenant whereby such Lease and all of the rights of the Tenant thereunder are subject and subordinate to this Agreement, the Mortgage and all other security agreements, mortgages, charges, assignments and security interests securing the Indebtedness or any part thereof and whereby such Tenant, at the request of the Lender, will attorn to and become the Tenant of the Lender for the then unexpired residue of the term of such Lease;
- (i) to deliver to the Lender, at the request of the Lender from time to time, a notarial copy of any Lease and of any guarantee or indemnity in respect of the obligations of any Tenant under a Lease;
- (j) to execute and deliver to each Tenant and the Lender, at the request of the Lender from time to time, a written notice to each Tenant directing such Tenants to pay the Rents and all other sums owing under the Leases to the Lender;
- (k) if requested to do so by the Lender, from time to time, it will enforce any or all of its rights and remedies under the Premises Hereby Assigned;
- (l) that each of its warranties and representations set out in this Agreement is now and will continue to be true and correct; and
- (m) that it will pay or cause to be paid to the Lender or pursuant to the Lender's direction, upon demand, all costs, charges, fees and expenses, including, without limitation, legal fees and disbursements on a solicitor and his own client basis, court costs and any other out-of-pocket costs and expenses, incurred by the Lender in connection with or arising out of or with respect to this Agreement including, without limitation, any one or more of the following:

- (i) the negotiation, preparation, execution and enforcement of this Agreement and all documents, agreements and other writings incidental or ancillary hereto;
- (ii) any act done or taken pursuant to this Agreement including, without limitation, recovering the Indebtedness and registering, discharging and reassigning this Agreement;
- (iii) the preservation, protection, enforcement or realization of the Premises Hereby Assigned including, without limitation, retaking, holding, repairing, preparing for disposition and disposing of the Premises Hereby Assigned;
- (iv) any action or other proceeding instituted by the Assignor, the Lender, any Tenant or any other person, firm or corporation in connection with or in any way relating to:
  - (1) this Agreement or any part hereof;
  - (2) the preservation, protection, enforcement or realization of the Premises Hereby Assigned; or
  - (3) the recovery of the Indebtedness;
- (v) all Liabilities suffered, incurred or paid by the Lender as set out in Subsection 5(c) hereof; and
- (vi) all amounts incurred or paid by the Lender pursuant to Section 8 hereof;

together with interest thereon from the date of the incurring of such expenses at the rate provided for in the Mortgage, calculated daily and compounded monthly. Whether any action or any judicial proceedings to enforce the aforesaid payments has been taken or not, the amount owing to the Lender under this Subsection shall be added to the Indebtedness and secured by the Mortgage, this Agreement and all other security agreements entered into by the Assignor in favour of the Lender and relating to the Project.

6. **Negative Covenants of Assignor:**

The Assignor covenants and agrees that it shall not:

- (a) sell, assign, transfer, dispose of, collect, receive or accept any of the Premises Hereby Assigned including, without limitation, the Rents, except as may be permitted in this Agreement, nor do, nor permit to be done, any act or thing whereby the Lender may be prevented or hindered from so doing, in each case, without the prior written consent of the Lender;
- (b) pledge, charge, mortgage, hypothecate, create a security interest in or otherwise encumber the Premises Hereby Assigned or any part thereof in any manner whatsoever other than to the Lender without the prior written consent of the Lender;
- (c) enter into, terminate, accept a surrender of, amend or vary any Lease other than with the Lender's prior written consent;
- (d) accept payment of any Rents under any Lease in advance except for the current monthly rental period and except for security deposits provided for in such Lease;
- (e) suffer or permit anything allowing any Tenant under any Lease to cancel, terminate, forfeit any of the Premises Hereby Assigned, or suffer or permit anything allowing the surrender of any of the Premises Hereby Assigned, in each case without the prior written approval of the Lender;
- (f) waive, amend, modify or vary any of the terms, agreements, provisions, conditions, obligations and covenants set out in the Premises Hereby Assigned, or otherwise agree or consent to any waiver, amendment, modification or variation of any of

them, whether by way of collateral agreement or otherwise, in each case without the prior written approval of the Lender;

- (g) waive or agree to waive any failure of any party to any of the Premises Hereby Assigned including, without limitation, any Tenants, to observe, perform or satisfy any of the terms, agreements, provisions, conditions, obligations or covenants set out in any of the Premises Hereby Assigned, in each case without the prior written approval of the Lender;
- (h) give any consent or approval contemplated by, or required or permitted to be given pursuant to, any of the Premises Hereby Assigned, without the prior written consent of the Lender; or
- (i) settle or resolve any Dispute, without the prior written consent of the Lender.

7. **Representations and Warranties of Assignor:**

The Assignor represents and warrants to the Lender that:

- (a) each of the Premises Hereby Assigned including, without limitation, each of the Leases in effect as of the date hereof, is valid and subsisting, is in full force and effect, unamended, in good standing and there are no defaults thereunder;
- (b) the Assignor has good, valid and legal right to absolutely assign and transfer to the Lender the Premises Hereby Assigned, free and clear of all assignments, mortgages, charges, pledges, security interest and other encumbrances;
- (c) the Assignor has not performed any act or executed any agreement that might prevent the Lender from operating under, or exercising its rights and remedies under, any of the provisions of this Agreement or that would limit the Lender in any such operation or exercise;
- (d) the Assignor has the corporate power, authority and capacity to enter into this Agreement, to make the assignment constituted hereby and to perform its obligations hereunder;
- (e) the Assignor has taken all necessary action, corporate or otherwise, to authorize the execution and delivery of this Agreement and the performance of its obligations set out in this Agreement and in each of the Leases;
- (f) neither the execution nor the delivery of this Agreement by the Assignor, nor the consummation by it of the transactions herein contemplated, nor the compliance by it with the terms, conditions and provisions hereof will conflict with or result in a breach of any terms, conditions or provisions of:
  - (i) the constating documents of the Assignor;
  - (ii) any agreement, instrument or arrangement to which the Assignor is a party or by which the Assignor or any of its property is, or may be bound, or constitute a default thereunder, or result thereunder in the creation or imposition of any security interest, mortgage, lien, charge or encumbrance of any nature whatsoever upon the Project or upon any of the other properties or assets of the Assignor;
  - (iii) any judgment, order, writ, injunction or decree of any court, relating to the Assignor; or
  - (iv) any applicable law or governmental regulation relating to the Project;
- (g) this Agreement has been duly executed and, when delivered, will be in full force and effect and constitutes a legal, valid and binding obligation of the Assignor, enforceable in accordance with its terms, subject to applicable laws relating to bankruptcy, insolvency and other similar laws affecting creditors' rights generally and subject to the qualification that equitable remedies, including specific



performance and injunction, may only be granted in the discretion of a court of competent jurisdiction;

- (h) there is no pending or threatened litigation, action, claim or fact known to the Assignor and not disclosed to the Lender in writing which adversely affect or could adversely affect any of the Premises Hereby Assigned or the rights of the Assignor or any other party thereunder or the rights of the Lender under this Agreement;
- (i) none of the Premises Hereby Assigned in existence on the date hereof is incapable of assignment to the Lender in accordance with the provisions of this Agreement, nor is any of the Premises Hereby Assigned incapable of further assignment by the Lender or by any receiver or receiver and manager, nor is the consent of any third party required for any assignment set out in this Agreement or in connection with any further assignment by the Lender; and
- (j) no Rents, payments, proceeds, receipts or other distributions due or to become due on any date subsequent to the date of this Agreement have been collected or paid in advance of the time when the same become due under the terms of any of the Premises Hereby Assigned.

8. **Enforcement Upon Default:**

Without limiting in any manner whatsoever the Lender's rights, remedies, and recourses pursuant to this Agreement, by operation of law or otherwise, upon a default by the Assignor in the observance or performance of any of its covenants and agreements hereunder or upon the occurrence of an Event of Default (hereinafter collectively called a “**Default**”), the Lender and any receiver or any receiver and manager appointed by the Lender, may from time to time and at any time, in its own name or in the name of the Assignor and without notice to the Assignor, do any one or more of the following:

- (a) observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant which, pursuant to any of the Premises Hereby Assigned, could or should be observed, performed or satisfied by the Assignor;
- (b) enforce, realize, sell or otherwise deal with the Premises Hereby Assigned upon such terms and conditions and at such time or times as to the Lender seems advisable;
- (c) exercise any of the rights, powers, authority and discretion which, pursuant to any of the Premises Hereby Assigned, by operation of law or otherwise, could be exercised, observed, performed or satisfied by the Assignor, including, without limitation, entering into, terminating, amending, renewing and assigning the Leases and otherwise dealing with the Tenants and others, making other agreements or granting waivers and consents and giving notices in respect of any of the Leases or any part or parts thereof for such consideration and on such terms as the Lender may deem appropriate, and participating in all settlement negotiations and arbitration proceedings resulting from a dispute (the “**Dispute**”) arising out of, in connection with or pursuant to any of the Premises Hereby Assigned;
- (d) collect any Rents, proceeds, receipts or income arising from or out of the Premises Hereby Assigned including, without limitation, demanding the same, instituting proceedings for the collection thereof, accepting reductions therein or compromises with respect thereto, and recovering, receiving and giving receipts therefor, whether in the name of the Assignor or the Lender or both;
- (e) manage generally the business and operations of the Assignor and deal with the Leases and the Tenants to the same extent as the Assignor could do; and
- (f) by instrument in writing appoint any person to be a receiver (which term shall include a manager and a receiver and manager) in respect of the Leases or any part thereof and may remove any receiver so appointed and appoint another in its stead; and any receiver so appointed shall have the authority to do any of the acts specified in Subsections 8(a), (b), (c), (d) and (e) hereof and further to take possession of and collect the Rents and other moneys of all kinds payable to the Assignor in respect

of the Leases and pay therefrom all reasonable expenses in connection therewith and all charges, the payment of which may be necessary to preserve and protect the Leases. Any such receiver shall be deemed to be the agent of the Assignor for all purposes.

The Assignor agrees that the Lender shall be entitled to charge on its own behalf for services rendered, and retain such agents as the Lender wishes to assist the Lender, in doing, or to effect, any of the foregoing. The Assignor acknowledges and agrees that all costs, charges and expenses incurred or charged by the Lender in connection with doing anything permitted in this Section 8, including, without limitation, legal fees and disbursements on a solicitor and his own client basis, and the fees and disbursements of any agent as aforesaid, shall be added to the Indebtedness and be forthwith paid by the Assignor to the Lender.

9. **Lender Not Liable:**

The Lender shall not be bound to exercise any of the rights afforded to it hereunder nor to collect, dispose of, realize, preserve or enforce any of the Premises Hereby Assigned. The Lender shall not be liable or responsible to the Assignor or any other person for the fulfilment or non-fulfilment of this Agreement or the terms, obligations, covenants or agreements set out in this Agreement or for any loss or damage incurred or suffered by the Assignor or any other person, firm or corporation as a result of:

- (a) any delay by, or any failure of, the Lender to:
  - (i) exercise any of the rights afforded to it under this Agreement; or
  - (ii) collect, dispose of, realize, preserve or enforce any of the Premises Hereby Assigned; or
- (b) the negligence of any receiver, receiver and manager, officer, servant, agent, counsel or other attorney employed or appointed by the Lender in the exercise of the rights afforded to the Lender hereunder, or in the collection, disposition, realization, entering into, terminating, preservation or enforcement of the Premises Hereby Assigned.

10. **Application of Funds:**

The Lender shall be entitled (in the sole discretion of the Lender) to utilize any amount received by the Lender arising out of or from the collection, disposition, realization or enforcement of any of the Premises Hereby Assigned in any one or more of the following ways:

- (a) to pay all costs, charges and expenses incurred by the Lender in connection with the collection, disposition, realization or enforcement of the same, including without limitation the fees and disbursements of any agents retained by the Lender to assist or effect such collection, disposition, realization or enforcement;
- (b) to pay any prior mortgages, charges, assignments or encumbrances of or against the Premises Hereby Assigned or the Project or any part thereof;
- (c) to pay any costs, charges or expenses arising from the Project or any part thereof or the operation thereof, including without limitation realty and other taxes, utilities costs and charges, ground rent (if any), repair, maintenance and replacement costs, management fees and costs and employees' salaries and costs; and
- (d) to apply such amount or any part thereof in reduction of the Indebtedness.

Notwithstanding the generality of the foregoing, the Lender shall be entitled to apply all or any part of such amounts received by it on account of such part or parts of the Indebtedness, in such manner and at such times or from time to time, as the Lender deems best and the Lender may at any time and from time to time change any such application.

11. **Further Assurances:**

The Assignor covenants and agrees to execute all such further assignments and other

documents and to do all such further acts and things including, without limitation, obtaining any consents which are required by the Lender, from time to time, to more effectively assign, set over and transfer the Premises Hereby Assigned to the Lender including, without limitation, execute and deliver one or more specific assignments of the Assignor's rights, benefits, title and interest in any of the agreements, documents, commitments and other writings that constitute the Premises Hereby Assigned in form, substance and execution satisfactory to the Lender, to perfect and keep perfected the security interest constituted hereby and to assist in the collection, disposition, realization or enforcement thereof, and the Lender is hereby irrevocably constituted the true and lawful attorney of the Assignor, with full power of substitution, to execute in the name of the Assignor any assignment or other document for such purposes.

12. **Information:**

The Assignor covenants and agrees that from time to time forthwith, upon the request of the Lender, it shall furnish to the Lender in writing all information requested by the Lender relating to the Premises Hereby Assigned.

13. **Dealing with Leases:**

The Assignor confirms and agrees that the Lender, as assignee hereunder, has the authority to exercise all of the rights, powers, authority and discretion of the Assignor pursuant to the Premises Hereby Assigned, including without limitation to collect any Rents and other monies payable or arising out of or from the Premises Hereby Assigned. Notwithstanding the foregoing sentence, the Assignor shall have the authority, subject to Section 6 hereof:

- (a) to collect any Rents and other monies properly payable or arising out of or from the Premises Hereby Assigned; and
- (b) to exercise in good faith all of the benefits, advantages and powers as landlord under the Premises Hereby Assigned,

unless and until such authority is revoked in writing by the Lender, provided, however, that any monies received by the Assignor arising out of or from any of the Premises Hereby Assigned shall be received and held in trust for the Lender and forthwith upon request by the Lender remitted to the Lender. The Lender may, at any time or times by notice to any Tenant, direct such Tenant to pay Rent and other monies to the Lender and such notice shall be good and sufficient authority for any Tenant so doing. Any payment of Rents and other monies by a Tenant to the Lender shall not constitute a default under such Tenant's Lease. The receipt by the Lender of Rent or other monies from a Tenant shall constitute and be deemed receipt thereof by the Assignor.

14. **No Novation:**

This Assignment and transfer to the Lender of the Premises Hereby Assigned:

- (a) is continuing security granted to the Lender without novation or impairment of any other existing or future security held by the Lender in order to secure payment to the Lender of the Indebtedness and the due performance of the Assignor's obligations under the Mortgage and all other agreements (including, without limitation, any loan agreement), documents, instruments, undertakings and commitments entered into between the Assignor and the Lender, made by the Assignor in favour of the Lender or assigned by the Assignor to the Lender;
- (b) is in addition to and not in substitution for any other security now or hereafter granted to or held by the Lender in connection with the Indebtedness; and
- (c) shall remain in full force and effect without regard to and shall not be affected or impaired by:
  - (i) any amendment or modification of or addition or supplement to the Mortgage, this Agreement or any other security or securities (the "Additional Securities") now or hereafter held by or on behalf of the Lender in connection with the Indebtedness or any part thereof;
  - (ii) any exercise or non-exercise of any right, remedy, power or privilege in

respect of the Mortgage, this Agreement or the Additional Securities;

- (iii) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of the Mortgage, this Agreement or the Additional Securities;
- (iv) any default by the Assignor under, or any invalidity or unenforceability of, or any limitation on the liability of the Assignor or on the method or terms of payment under, or any irregularity or other defect in, the Mortgage, this Agreement or the Additional Securities;
- (v) any merger, consolidation or amalgamation of the Assignor into or with any other company or corporation; or
- (vi) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor.

15. **Re-assignment:**

Upon the Indebtedness being paid in full, the Lender shall, within a reasonable time following its receipt of a written request from the Assignor and at the sole cost and expense of the Assignor, reassign the Premises Hereby Assigned to the Assignor.

16. **Enurement:**

Subject to Section 6 and the other provisions hereof, this Agreement shall enure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

17. **Notices:**

Any notice, demand, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if delivered to the party for whom it is intended, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail to the address of the addressee provided for in the Mortgage, and shall be deemed to have been received by such addressee after the time periods with respect thereto in the Mortgage.

18. **Waiver:**

No consent or waiver, express or implied, by the Lender to or of any breach or default by the Assignor in the performance of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by the Assignor of its obligations hereunder. Failure on the part of the Lender to complain of any act or failure to act of the Assignor or to declare the Assignor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Lender of its rights hereunder.

19. **Amendments:**

This Agreement may not be modified or amended except with the written consent of the Lender and the Assignor.

20. **Entire Agreement:**

This Agreement constitutes the entire agreement between the Lender and the Assignor pertaining to the assignment of the Premises Hereby Assigned and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, relating thereto.

21. **Assignment:**

The Lender may assign, transfer, negotiate, pledge or otherwise hypothecate this Agreement, any of the Premises Hereby Assigned, any of its rights hereunder or any part thereof and all rights and remedies of the Lender in connection with the interest so assigned shall be

enforceable against the Assignor as the same would have been by the Lender but for such assignment.

22. **No Agency, Joint Venture or Partnership:**

The Lender is not the agent, representative, partner of or joint-venturer with the Assignor, and the Assignor is not the agent, representative, partner of or joint-venturer with the Lender, and this Agreement shall not be construed to make the Lender liable to any person or persons for goods or services furnished to, on behalf of or for the benefit of the Assignor nor for debts, liability or claims accruing therefrom against the Assignor.

23. **Rights, Powers and Remedies:**

Each right, power and remedy of the Lender provided for herein or available at law or in equity or in any other agreement shall be separate and in addition to every other such right, power and remedy. Any one or more or any combination of such rights, remedies and powers may be exercised by the Lender from time to time and no such exercise shall exhaust the rights, remedies or powers of the Lender or preclude the Lender from exercising any one or more of such rights, remedies and powers or any combination thereof from time to time thereafter or simultaneously. Without limiting the foregoing provisions of this Section 23, the Lender in its discretion may exercise its rights, powers and remedies hereunder in respect of each of the Premises Hereby Assigned separately and whether or not the Lender exercises such rights, powers and remedies in respect of any or all of the other Premises Hereby Assigned.

24. **Survival:**

All covenants, undertakings, agreements, representations and warranties made by the Assignor in this Agreement and any instruments delivered pursuant to or in connection herewith, shall survive the execution and delivery of this Agreement and any advances made by the Lender to the Assignor, and shall continue in full force and effect until the Indebtedness is paid in full. All representations and warranties made by the Assignor shall be deemed to have been relied upon by the Lender.

25. **Severability:**

Any term, condition or provision of this Agreement which is or is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom, 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.

26. **Governing Law:**

This Agreement and the interpretation, construction, application and enforcement of this Agreement shall be governed by and construed in all respects, exclusively in accordance with the laws of the Province of Ontario.

27. **Headings:**

The insertion in this Agreement of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.

28. **Number and Gender:**

All nouns and personal pronouns relating thereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun.

29. **Registrations:**

Neither the preparation, execution nor any registrations or filings with respect hereto, in and of itself, shall bind the Lender to make an advance under the Mortgage.

30. **Receipt of Copy:**

The Assignor acknowledges receipt of a copy of this Agreement and of any financing statement registered under the *Personal Property Security Act* (Ontario) with respect hereto.

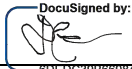
31. **Counterpart:**

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 Assignor has executed this Agreement as of the date and year first above-written.

**STATEVIEW HOMES (NAO TOWNS) INC.**

Per:   
Name: Daniel Ciccone  
Title: A.S.O.

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

I/We have authority to bind the corporation.

**SCHEDULE "A"**

**LEGAL DESCRIPTION OF LANDS**

**FIRSTLY:** "Pt Lt 6 Concession 6, as in MA39709 except MA51910, MA107810 and 64R5892; Town of Markham" and being ALL of PIN 02962-0542 (LT)

**SECONDLY:** "PT LT 6 Concession 6, as in MA51910; Markham" and being ALL of PIN 02962-0263 (LT)

**THIRDLY:** "Pt Lt 6, Concession 6, as in MA107810; Markham" and being ALL of PIN 02962-0264 (LT)

**FOURTHLY:** "Pt Lt 6, Concession 6, Part 3, 64R5892, except Part 1, 65R7816; Markham" and being ALL of PIN 02962-00265 (LT)

**FIFTHLY:** "Pt Lt 6, Concession 6, Part 1, 64R5892; Markham" and being ALL of PIN 02962-0266 (LT)

**SIXTHLY:** "Pt Lt 6, Concession 6, as in R264882; T/W MA55203; Markham" and being ALL of PIN 02962-0268

**SEVENTHLY:** "Pt Lt 6, Concession 6, as in R434475; Markham" and being ALL of PIN 02962-0267 (LT)

**EIGHTHLY:** "Pt Lt 6, Concession 6 as in R329719; T/W MA55276; Markham" and being ALL of PIN 02962-0269 (LT)



*This is Exhibit*....."L".....*referred to in the*  
*affidavit of* Daniel Pollack--  
*sworn before me, this* 26<sup>th</sup>  
*day of* April, 2023

.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**

PROPERTY DESCRIPTION: BLOCK 1, PLAN 65M4729; SUBJECT TO AN EASEMENT AS IN YR200734; CITY OF MARKHAM

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
ABSOLUTE

RECENTLY:  
SUBDIVISION FROM 03061-4269

PIN CREATION DATE:  
2022/04/28

OWNERS' NAMES  
STATEVIEW HOMES (MINU 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 2022/04/28 **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
YR200734	2002/09/05	TRANSFER EASEMENT	\$2	HUMBOLD PROPERTIES LIMITED	THE CORPORATION OF THE TOWN OF MARKHAM	C
YR691197	2005/08/29	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C
REMARKS: PURSUANT TO THE AERONAUTICS ACT AND THE PICKERING AIRPORT SITE ZONING REGULATIONS (SOR/10000-636)						
YR3325803	2021/10/12	CHARGE	\$100,000,000	STATEVIEW HOMES (MINU TOWNS) INC.	KINGSETT MORTGAGE CORPORATION	C
YR3325804	2021/10/12	NO ASSGN RENT GEN		STATEVIEW HOMES (MINU TOWNS) INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: YR3325803.						
YR3325805	2021/10/12	CHARGE	\$38,312,500	STATEVIEW HOMES (MINU TOWNS) INC.	KINGSETT MORTGAGE CORPORATION	C
YR3325806	2021/10/12	NO ASSGN RENT GEN		STATEVIEW HOMES (MINU TOWNS) INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: YR3325805.						
YR3375996	2022/02/02	NOTICE	\$2	STATEVIEW HOMES (MINU TOWNS) INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: YR3325805						
YR3394056	2022/03/14	CHARGE	\$6,250,000	STATEVIEW HOMES (MINU TOWNS) INC. STATEVIEW HOMES (NAO TOWNS) INC.	DORR CAPITAL CORPORATION	C
65M4729	2022/03/30	PLAN SUBDIVISION				C
YR3401412	2022/03/30	APL INH ORDER-LAND		THE CORPORATION OF THE CITY OF MARKHAM		C
YR3401620	2022/03/30	NO SUB AGREEMENT		THE CORPORATION OF THE CITY OF MARKHAM	STATEVIEW HOMES (MINU TOWNS) INC.	C
YR3401621	2022/03/30	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
REMARKS: YR3325803 TO YR3401620						

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 #65

03061-5685 (LT)

\* 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
YR3401623	2022/03/30	POSTPONEMENT <i>REMARKS: YR3394056 TO YR3401620</i>		DORR CAPITAL CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
YR3401637	2022/03/30	APL ANNEX REST COV		STATEVIEW HOMES (MINU TOWNS) INC.		C
YR3402467	2022/03/31	APL DEL INH ORDER <i>REMARKS: YR3401412.</i>		THE CORPORATION OF THE CITY OF MARKHAM		C
YR3403493	2022/04/01	POSTPONEMENT <i>REMARKS: YR3325805 TO YR3401620</i>		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	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.

PROPERTY DESCRIPTION: BLOCK 2, PLAN 65M4729; CITY OF MARKHAM

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
ABSOLUTE

RECENTLY:  
SUBDIVISION FROM 03061-4269

PIN CREATION DATE:  
2022/04/28

OWNERS' NAMES  
STATEVIEW HOMES (MINU 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 2022/04/28 **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
YR691197	2005/08/29	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C
REMARKS: PURSUANT TO THE AERONAUTICE ACT AND THE PICKERING AIRPORT SITE ZONING REGULATIONS (SOR/10000-636)						
YR3325803	2021/10/12	CHARGE	\$100,000,000	STATEVIEW HOMES (MINU TOWNS) INC.	KINGSETT MORTGAGE CORPORATION	C
YR3325804	2021/10/12	NO ASSGN RENT GEN		STATEVIEW HOMES (MINU TOWNS) INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: YR3325803.						
YR3325805	2021/10/12	CHARGE	\$38,312,500	STATEVIEW HOMES (MINU TOWNS) INC.	KINGSETT MORTGAGE CORPORATION	C
YR3325806	2021/10/12	NO ASSGN RENT GEN		STATEVIEW HOMES (MINU TOWNS) INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: YR3325805.						
YR3375996	2022/02/02	NOTICE	\$2	STATEVIEW HOMES (MINU TOWNS) INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: YR3325805						
YR3394056	2022/03/14	CHARGE	\$6,250,000	STATEVIEW HOMES (MINU TOWNS) INC. STATEVIEW HOMES (NAO TOWNS) INC.	DORR CAPITAL CORPORATION	C
65M4729	2022/03/30	PLAN SUBDIVISION				C
YR3401412	2022/03/30	APL INH ORDER-LAND		THE CORPORATION OF THE CITY OF MARKHAM		C
YR3401620	2022/03/30	NO SUB AGREEMENT		THE CORPORATION OF THE CITY OF MARKHAM	STATEVIEW HOMES (MINU TOWNS) INC.	C
YR3401621	2022/03/30	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
REMARKS: YR3325803 TO YR3401620						
YR3401623	2022/03/30	POSTPONEMENT		DORR CAPITAL CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
REMARKS: YR3394056 TO YR3401620						

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 #65

03061-5686 (LT)

PAGE 2 OF 2  
PREPARED FOR Nasim001  
ON 2023/04/24 AT 11:02:45

\* 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
YR3401637	2022/03/30	APL ANNEX REST COV		STATEVIEW HOMES (MINU TOWNS) INC.		C
YR3402467	2022/03/31	APL DEL INH ORDER <i>REMARKS: YR3401412.</i>		THE CORPORATION OF THE CITY OF MARKHAM		C
YR3403493	2022/04/01	POSTPONEMENT <i>REMARKS: YR3325805 TO YR3401620</i>		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	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* ..... "M" ..... *referred to in the*  
*affidavit of* Daniel Pollack-  
*sworn before me, this* 26<sup>th</sup>  
*day of* April, 2023  
.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**

MINISTRY OF CONSUMER AND BUSINESS SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE  
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT  
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Stateview Homes (Minu Towns) Inc.

FILE CURRENCY: April 13, 2023

RESPONSE CONTAINS: APPROXIMATELY 3 FAMILIES and 8 PAGES.

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS  
WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME  
IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE  
OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT  
ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY  
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER  
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS  
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE  
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Stateview Homes (Minu Towns) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 3 ENQUIRY PAGE : 1 OF 8

SEARCH : BD : STATEVIEW HOMES (MINU TOWNS) INC.

00 FILE NUMBER : 777128589 EXPIRY DATE : 07OCT 2025 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20211007 0938 1590 8924 REG TYP: P PPSA REG PERIOD: 4  
02 IND DOB : IND NAME:  
03 BUS NAME: STATEVIEW HOMES (MINU TOWNS) INC.  
OCN :  
04 ADDRESS : 410 CHRISLEA ROAD, SUITE #16  
CITY : WOODBRIDGE PROV: ON POSTAL CODE: L4L 8B5  
05 IND DOB : IND NAME:  
06 BUS NAME:  
OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
KINGSETT MORTGAGE CORPORATION  
09 ADDRESS : SCOTIA PLAZA, 40 KING STREET WEST, SUITE  
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3Y2  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X  
YEAR MAKE MODEL V.I.N.  
11  
12

GENERAL COLLATERAL DESCRIPTION

13 ALL PRESENTLY HELD AND HEREAFTER ACQUIRED PERSONAL PROPERTY SITUATED  
14 ON, USED IN CONNECTION WITH OR DERIVED FROM THE MINU TOWNHOMES  
15 PROJECT LOCATED ALONG DONALD COUSENS PARKWAY, MARKHAM, ONTARIO, BEING  
16 AGENT: BLANEY MCMURTRY LLP (R. HAWKINS)  
17 ADDRESS : 1500-2 QUEEN STREET EAST, MARITIME LIFE  
CITY : TORONTO PROV: ON POSTAL CODE: M5C 3G5

CONTINUED

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*



MINISTRY OF CONSUMER AND BUSINESS SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Stateview Homes (Minu Towns) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 3 ENQUIRY PAGE : 2 OF 8

SEARCH : BD : STATEVIEW HOMES (MINU TOWNS) INC.

00 FILE NUMBER : 777128589 EXPIRY DATE : 07OCT 2025 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20211007 0938 1590 8924 REG TYP: REG PERIOD:  
02 IND DOB : IND NAME:  
03 BUS NAME:  
OCN :  
04 ADDRESS :  
CITY : PROV: POSTAL CODE:  
05 IND DOB : IND NAME:  
06 BUS NAME:  
OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : 3700  
CITY : PROV: POSTAL CODE:  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10  
YEAR MAKE MODEL V.I.N.  
11  
12

GENERAL COLLATERAL DESCRIPTION

13 ALL THE LANDS DESCRIBED IN PIN 03061-4269 (LT).

14

15

16 AGENT:

17 ADDRESS :

CITY : PROV: POSTAL CODE:

END OF FAMILY

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

MINISTRY OF CONSUMER AND BUSINESS SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Stateview Homes (Minu Towns) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 3 ENQUIRY PAGE : 3 OF 8

SEARCH : BD : STATEVIEW HOMES (MINU TOWNS) INC.

00 FILE NUMBER : 777129219 EXPIRY DATE : 07OCT 2025 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20211007 0939 1590 8925 REG TYP: P PPSA REG PERIOD: 4  
02 IND DOB : IND NAME:  
03 BUS NAME: STATEVIEW HOMES (MINU TOWNS) INC.  
OCN :  
04 ADDRESS : 410 CHRISLEA ROAD, SUITE #16  
CITY : WOODBRIDGE PROV: ON POSTAL CODE: L4L 8B5  
05 IND DOB : IND NAME:  
06 BUS NAME:  
OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
KINGSETT MORTGAGE CORPORATION  
09 ADDRESS : SCOTIA PLAZA, 40 KING STREET WEST, SUITE  
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3Y2  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X  
YEAR MAKE MODEL V.I.N.  
11  
12

GENERAL COLLATERAL DESCRIPTION

13 ALL PRESENTLY HELD AND HEREAFTER ACQUIRED PERSONAL PROPERTY SITUATED  
14 ON, USED IN CONNECTION WITH OR DERIVED FROM THE MINU TOWNHOMES  
15 PROJECT LOCATED ALONG DONALD COUSENS PARKWAY, MARKHAM, ONTARIO, BEING  
16 AGENT: BLANEY MCMURTRY LLP (R. HAWKINS)  
17 ADDRESS : 1500-2 QUEEN STREET EAST, MARITIME LIFE  
CITY : TORONTO PROV: ON POSTAL CODE: M5C 3G5

CONTINUED

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

MINISTRY OF CONSUMER AND BUSINESS SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Stateview Homes (Minu Towns) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 3 ENQUIRY PAGE : 4 OF 8

SEARCH : BD : STATEVIEW HOMES (MINU TOWNS) INC.

00 FILE NUMBER : 777129219 EXPIRY DATE : 07OCT 2025 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20211007 0939 1590 8925 REG TYP: REG PERIOD:  
02 IND DOB : IND NAME:  
03 BUS NAME:  
OCN :  
04 ADDRESS :  
CITY : PROV: POSTAL CODE:  
05 IND DOB : IND NAME:  
06 BUS NAME:  
OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : 3700  
CITY : PROV: POSTAL CODE:  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10  
YEAR MAKE MODEL V.I.N.  
11  
12

GENERAL COLLATERAL DESCRIPTION

13 ALL THE LANDS DESCRIBED IN PIN 03061-4269 (LT).

14

15

16 AGENT:

17 ADDRESS :

CITY : PROV: POSTAL CODE:

CONTINUED

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

MINISTRY OF CONSUMER AND BUSINESS SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Stateview Homes (Minu Towns) Inc.

FILE CURRENCY: April 13, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 3 ENQUIRY PAGE : 5 OF 8

SEARCH : BD : STATEVIEW HOMES (MINU TOWNS) INC.  
FILE NUMBER 777129219

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 3 MV SCHED: 20211220 1141 1590 0470  
21 REFERENCE FILE NUMBER : 777129219  
22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: STATEVIEW HOMES (MINU TOWNS) INC.

25 OTHER CHANGE:

26 REASON: TO ADD ADDITIONAL DEBTORS AND TO AMEND THE GENERAL COLLATERAL  
27 /DESCR: DESCRIPTION.

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE: STATEVIEW HOMES (NAO TOWNS) INC.

OCN:

04/07 ADDRESS: 410 CHRISLEA ROAD, SUITE #16

CITY: WOODBRIDGE PROV: ON POSTAL CODE: L4L 8B5

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :  
CONS. MV DATE OF NO FIXED  
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

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13 ALL PRESENTLY HELD AND HEREAFTER ACQUIRED PERSONAL PROPERTY SITUATED

14 ON, USED IN CONNECTION WITH OR DERIVED FROM THE MINU TOWNHOMES

15 PROJECT LOCATED ALONG DONALD COUSENS PARKWAY, MARKHAM, ONTARIO, THE

16 NAME : BLANEY MCMURTRY LLP (R. HAWKINS)

17 ADDRESS : 1500-2 QUEEN STREET EAST, MARITIME LIFE

CITY : TORONTO PROV : ON POSTAL CODE : M5C 3G5

CONTINUED

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

MINISTRY OF CONSUMER AND BUSINESS SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Stateview Homes (Minu Towns) Inc.

FILE CURRENCY: April 13, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 3 ENQUIRY PAGE : 6 OF 8

SEARCH : BD : STATEVIEW HOMES (MINU TOWNS) INC.

FILE NUMBER 777129219

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 002 OF 3 MV SCHED: 20211220 1141 1590 0470

21 REFERENCE FILE NUMBER : 777129219

22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE: STATEVIEW HOMES (ON THE MARK) INC.

OCN:

04/07 ADDRESS: 410 CHRISLEA ROAD, SUITE #16

CITY: WOODBRIDGE PROV: ON POSTAL CODE: L4L 8B5

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

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13 NAO TOWNHOMES PROJECT LOCATED ON THE LANDS KNOWN MUNICIPALLY AS 7768,

14 7778, 7788, 7798 MCCOWAN ROAD & 5112, 5122, 5248 14TH AVE., MARKHAM,

15 ONTARIO AND THE ON THE MARK PROJECT LOCATED AT MARKLAND STREET AND

16 NAME :

17 ADDRESS :

CITY : PROV : POSTAL CODE :

CONTINUED

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

MINISTRY OF CONSUMER AND BUSINESS SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Stateview Homes (Minu Towns) Inc.

FILE CURRENCY: April 13, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 3 ENQUIRY PAGE : 7 OF 8

SEARCH : BD : STATEVIEW HOMES (MINU TOWNS) INC.

FILE NUMBER 777129219

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 003 OF 3 MV SCHED: 20211220 1141 1590 0470

21 REFERENCE FILE NUMBER : 777129219

22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

11

12

13 WOODBINE STREET, MARKHAM, ONTARIO.

14

15

16 NAME :

17 ADDRESS :

CITY : PROV : POSTAL CODE :

END OF FAMILY

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

MINISTRY OF CONSUMER AND BUSINESS SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Stateview Homes (Minu Towns) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 3 ENQUIRY PAGE : 8 OF 8

SEARCH : BD : STATEVIEW HOMES (MINU TOWNS) INC.

00 FILE NUMBER : 780445782 EXPIRY DATE : 16FEB 2027 STATUS :  
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :  
REG NUM : 20220216 1003 1462 9194 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: STATEVIEW HOMES (MINU TOWNS) INC.  
OCN : 002855700  
04 ADDRESS : 410 CHRISLEA ROAD, UNIT 16  
CITY : WOODBRIDGE PROV: ON POSTAL CODE: L4L8B5  
05 IND DOB : IND NAME:  
06 BUS NAME:  
OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
DORR CAPITAL CORPORATION  
09 ADDRESS : 41 SCARSDALE ROAD, UNIT 6  
CITY : TORONTO PROV: ON POSTAL CODE: M3B2R2  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X  
YEAR MAKE MODEL V.I.N.

11  
12

GENERAL COLLATERAL DESCRIPTION

13 SUBORDINATION AND ASSIGNMENT RE STATEVIEW HOMES (HIGH CROWN ESTATES)

14 INC. DEBT

15

16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CJC - 9339-028)

17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801

CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

LAST SCREEN

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

*This is Exhibit*....."N".....*referred to in the*  
*affidavit of* Daniel Pollack--  
*sworn before me, this* 26<sup>th</sup>  
*day of* April, 2023  
.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**





November 29, 2021

Stateview Homes Inc.  
c/o Dorr Capital

Attention: Riccardo Platti

Re: First mortgage construction financing of NAO Townhomes

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**A. LOAN TERMS**

The Lender is pleased to offer a 1<sup>st</sup> Mortgage, non-revolving demand loan (the "**Loan**") in connection with the above noted matter, subject to the terms and conditions as described herein and within the Schedules attached hereto (the "**Commitment Letter**").

1. **Project:** A 4.5-acre site to be developed with 96 townhomes located at 7768, 7778, 7788, 7798 McCowan Road and 5112, 5122, 5248 14th Avenue, Markham, Ontario ("**NAO Townhomes**" or the "**Project**")
2. **Lender:** KingSett Mortgage Corporation (the "**Lender**").
3. **Borrower:** Stateview Homes (Nao Towns) Inc. (the "**Borrower**").
4. **Guarantor:** Dino Taurasi and Carlo Taurasi (collectively, the "**Guarantor**").
5. **Loan Amount:**

First Mortgage	\$47,500,000
Letter of Credit (cash in lieu)	\$4,750,000
(Collectively, the " <b>Loan</b> " or " <b>Loan Amount</b> ")	
6. **Interest Rate:** Prime Rate + 2.80% (floor rate of 5.25%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to the Loan the each and every month of the Term (as such Term may be extended in accordance with this Commitment Letter), provided that "**Prime Rate**" shall mean, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada as the reference rate of interest for the determination of interest rates charged to its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans in Toronto, Ontario.
7. **Lender's Fee:** \$365,750 (0.70% of the Loan Amount) non-refundable lender's fee (the "**Lender's Fee**") earned by the Lender upon the Borrower's execution of this Commitment Letter and payable by the Borrower to the Lender at the time of the initial advance of the Loan. The Lender shall deduct the Lender's Fee, adjusted to reflect any credit for the remaining Good Faith Deposit, from the proceeds of the initial advance of the Loan.

8. **Term:** Any portion of the Loan Amount outstanding at any time is 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, 18 months (the "**Term**") after the first calendar day of the month next following the date of the initial advance of the Loan (the "**Interest Adjustment Date**"), as may be extended in accordance with this Commitment Letter (the "**Maturity Date**"). The principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security is repayable in full on the Maturity Date together with all accrued and unpaid interest, costs, fees and any other amount secured by the Security.
9. **Good Faith Deposit:** The Lender acknowledges prior receipt of a \$25,000 good faith deposit (the "**Good Faith Deposit**"). The Good Faith Deposit will be used for expenses that may be incurred by the Lender prior to the initial advance of the Loan with the remaining balance, if any, to be credited towards the Lender's Fee at the time of the initial advance of the Loan. The Borrower acknowledges that the Good Faith Deposit is 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 the same may be retained by the Lender should the Loan not be funded as a result of non-performance by the Borrower.
10. **Extension Option:** Provided that no Event of Default as defined in the Mortgage and referred to in this Commitment Letter as an "**Event of Default**" has occurred which is continuing and subject to the consent of the Lender, in its sole, absolute and unfettered discretion, the Lender shall permit an extension of the Term by two extensions of three months each to the Maturity Date (each an "**Extension Option**"). The exercise of each Extension Option is subject to delivery of a written request from the Borrower to the Lender at least 30 days prior to the Maturity Date and payment of the Extension Fee.
11. **Extension Fee:** \$65,000 (~0.12% of the Loan Amount) extension fee earned by the Lender upon the exercise of each Extension Option (the "**Extension Fee**") and payable on or before the date which is ten days prior to the Maturity Date. Should any Extension Option not be granted by the Lender, the Lender will return the applicable Extension Fee to the Borrower, if applicable.
12. **Monthly Payments:** Monthly payments of interest only are required to be made by the Borrower to the Lender in connection with the Loan at the Interest Rate and subject to the Interest Reserve provisions of this Commitment Letter (the "**Monthly Payments**"). Monthly Payments are to be made on the first calendar day of every month commencing on the Interest Adjustment Date until the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security is repaid in full. Non-Sufficient Fund payments will be subject to an administration fee of \$500.
13. **Interest Reserve:** Provided an Event of Default has not occurred which is continuing, monthly interest shall be capitalized to the outstanding principal balance of the Loan until the earlier of repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security in full or the capitalization of a total of \$2,210,000 (the "**Interest Reserve**"). Note that \$310,000 of the Interest Reserve is to be utilized for the Letter of Credit (cash in lieu) facility. The Project Monitor will evaluate, on a monthly basis, the capacity of the Interest Reserve to complete the Project. Any deemed shortfall in the Interest Reserve shall be funded from the Borrower's own financial resources prior to the next scheduled Monthly Payment. At such time as the Loan is in default or upon full utilization of the Interest Reserve, the Borrower shall be required to make Monthly Payments from its own financial resources and not from the Interest Reserve.

14. **Sources and Uses:**

Project Budget		Total	Sources of Funds		Total
Land Value		31,425,000	1st Mortgage	\$	47,500,000
Servicing Costs		2,970,000	2nd Mortgage - Tranche 2		15,150,000
Hard Costs		23,677,720	Purchaser Deposits		7,620,000
Soft Costs		4,086,380	Deferred Costs		736,000
DCs and Levies		9,972,272	Equity		5,388,523
Financing Costs		2,741,438			
Financing Costs - Mezzanine Loan		3,001,594			
Interim Occupancy Income		(1,568,714)			
Demo Credit (Contracted)		(514,416)			
Trade Credits (Contracted)		(542,400)			
Hard Cost Contingency		1,145,650			
<b>Total Uses of Funds</b>		<b>\$ 76,394,523</b>	<b>Total Sources of Funds</b>	<b>\$</b>	<b>76,394,523</b>

15. **Project Budget:** See Schedule G (the "**Project Budget**"). For greater certainty, the Lender approved Project Budget shall be no greater than \$76,394,523. The Project Budget may be amended or modified from time to time subject to the prior written consent of the Lender. Consent to increase the Project Budget may be unreasonably withheld, delayed and/or conditioned by the Lender unless 100% of the Project Budget increase is forthwith funded by additional cash equity injected into the Project by the Borrower.
16. **Project Monitor:** An independent project monitor acceptable to the Lender shall have been engaged to act on behalf of the Lender throughout the duration of the Project at the Borrower's expense. The Lender's project monitor shall be Altus Group (the "**Project Monitor**"). The scope of the Project Monitor's mandate is outlined in Schedule C. The Lender shall have the right to expand or vary the scope of the Project Monitor or to replace the Project Monitor at any time, in its discretion, acting reasonably.
17. **Minimum Project Equity:** The Borrower shall maintain a minimum cash equity position in the NAO Townhomes project of \$5,388,523 until the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security is repaid in full (the "**Minimum Project Equity**").
18. **Prepayment:** 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, this Loan is closed for prepayment, save and except for partial discharges, from the date of the initial advance of the Loan until the date which is 18 months after the Interest Adjustment Date.
19. **Approval of Sale Documents:** The Borrower shall provide the Lender with
- (a) **Approved Sales.** a spreadsheet, certified by a senior officer of the Borrower, setting out the details of each purchase approved by the Borrower in respect of a sale of a unit in the Project (each a "**Unit**"); and
  - (b) **Statements of Adjustment.** no later than five days prior to the closing date for the sale of a Unit, an executed copy of the final vendor's statement of adjustments for such Unit. Prior to the closing date for the sale of such Unit the Lender may provide the Borrower with written notice that it does not approve the vendor's statement of adjustments and setting out the Lender's determination of the amount of the Net Closing Proceeds that it requires to be paid by the Borrower in order for the Lender to deliver a partial discharge of the Security encumbering such Unit in accordance with Section A.20.

20. **Partial Discharge**: Provided that no Event of Default has occurred which is continuing, the Lender will provide the Borrower with partial real and personal property discharges of the Security on a per Unit basis upon receipt of the net closing proceeds for each Unit (the "**Net Closing Proceeds**") calculated as the greater of:

- (a) the actual gross unit selling price net of applicable sales tax including parking, storage, recoveries, or any associated upgrade revenue for such Unit; and
- (b) the Lender's minimum discharge amount as set forth on the Sales List in Schedule H attached hereto for such Unit,

Less the aggregate of

- (a) purchaser deposits used in the Project Budget allocated to such Unit;
- (b) reasonable closing costs, approved legal fees, reasonable arm's length realty commissions, and any other reasonable closing adjustments for the sale of a unit similar to such Unit, which aggregate amount shall not to exceed \$15,000 per unit.

A partial discharge fee of \$500 per discharged unit shall be deemed earned by the Lender and payable by the Borrower contemporaneously with the granting by the Lender of each partial discharge.

21. **Allocation of Net Closing Proceeds**: In order of priority, the Net Closing Proceeds will be applied to the permanent reduction of the Loan until repaid in full inclusive of cash securing any Letters of Credit outstanding.

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

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

- (a) **Approved MiNu/NAO Townhomes Second Mortgage**: A Second mortgage, in an amount not to exceed \$30,650,000, provided by KingSett Mortgage Corporation, at an interest rate of 12.50% on terms and conditions acceptable to the Lender (the "**MiNu/NAO Townhomes Second Mortgage**"); and

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

24. **No Further Encumbrances**: Additional financing (prior or subsequent) of the Project, secured or unsecured, or the registration of any other encumbrance save and except for Permitted Encumbrances is not permitted in connection with the Project without the prior written consent of the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.

25. **Costs and Expenses:** The Borrower shall bear all costs and expenses incurred by the Lender from time to time in connection with the Loan regardless of whether or not all or any portion of the Loan Amount is ever advanced and, such costs may include, but shall not be limited to, legal fees, payment of property taxes as a protective disbursement, environmental site assessment reports, appraisal reports, building condition reports, insurance consulting reviews, reliance letters, title insurance, Project Monitor mandates, out-of-pocket expenses for property inspections and any applicable sales tax related to all such costs and expenses.

## B. SECURITY

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

1. **Mortgage:** A \$65,300,000 first ranking mortgage/charge (~125% of the Loan Amount) granted by the Borrower, including, without limitation, an assignment of condominium voting rights and a negative pledge by the Nominee not to repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Project sponsors or other non-arm's length parties until such time as the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security has been repaid in full, save and except for those development, marketing and/or construction fees specifically approved in writing by the Lender and included in the Project Budget prepared by the Project Monitor.
2. **General Assignment of Rents:** A general assignment of leases and rents granted by the Borrower.
3. **General Security Agreement:** A general security agreement granted by the Borrower and/or the Nominee, as applicable, creating a first ranking security interest over all presently held and hereafter acquired personal property situated on, used in connection with or derived from the Project.
4. **General Assignment of Material Contracts:** A general assignment of all current and future material contracts for the Project including, without limitation, those relating to construction, supply, consulting, engineering specifications and drawings, architectural specifications and drawings, plans, licenses and permits for the Project granted by the Borrower and/or the Nominee, as applicable, provided that upon the request of the Lender the Borrower and/or the Nominee shall grant a specific assignment of any current or future material contract for the Project which shall be acknowledged and consented to in writing by all counterparties to such material contract.
5. **Specific Assignment of Construction Management Agreement:** A specific assignment of the construction management contract for the Project, or contracts if more than one, granted by the Borrower and/or the Nominee, as applicable, pursuant to which the Lender may assume or terminate, at its option, the rights of the Borrower under the same if the Lender has made demand for repayment of the Loan which specific assignment shall be acknowledged and consented to in writing by the construction manager.
6. **Specific Assignment of Property Management Agreement:** A specific assignment of the commercial and residential property management contracts granted by the Borrower and/or the Nominee, as applicable, pursuant to which the Lender may assume or terminate, at its option, the rights of the Borrower under the same if the Lender has made demand for repayment of the Loan

which specific assignment shall be acknowledged and consented to in writing by the property manager.

7. **Assignment of Agreements of Purchase and Sale and Purchaser Deposits:** A general assignment of individual agreements of purchase and sale, including purchaser deposits, pertaining to the Project granted by the Borrower and/or the Nominee, as applicable, provided that Purchaser deposits from the sale of units, parking units and storage lockers may be held in a solicitor's deposit trust account and/or used to repay the Loan in accordance with the provisions of applicable legislation, Condominium Act or otherwise, within the Province of Ontario.
8. **Assignment of Insurance:** An assignment of insurance granted by the Borrower and the Nominee, as applicable, with respect to any and all insurance proceeds arising in connection with all insurance for the Project as set forth on Schedule A.
9. **Fraud, Misrepresentation and Environmental Indemnity:** A fraud, misrepresentation and environmental indemnity granted by the Loan Parties.
10. **Beneficial Security Agreement:** An acknowledgement, direction and security agreement, if applicable, whereby the Borrower acknowledges, consents to and directs the Nominee to provide all of the Security to which the Nominee is a party to the Lender.
11. **Guarantee:** Unlimited personal joint and several guarantee granted by the Guarantors for 100% of the Borrower's indebtedness to the Lender, including, without limitation, all accrued but unpaid fees, interest, and expenses incurred by the Lender together with a postponement of creditor and shareholder claims against the Borrower and a negative pledge by the Guarantors to not repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Project sponsors and other non-arms length parties until such time as the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security has been repaid in full, save and except for those development, marketing and/or construction fees specifically approved in writing by the Lender and included in the Project Budget prepared by the Project Monitor.
12. **Cost Overrun and Completion Guarantee:** A guarantee re: project completion and cost overruns granted by the Guarantors for completion of the Project, to keep the Project free of all liens and to fund all costs to complete the Project including, without limitation, all interest costs, fees, insurance premiums and other payments associated with the Project.
13. **Pledge Agreement:** A hypothecation and pledge to the Lender of any and all issued and outstanding common shares, preferred shares and limited partnership units of the Borrower (and any and all shares of a general partner of the Borrower), as applicable, by the holders thereof provided that:
  - (a) the Lender's interest in such securities shall be perfected by possession and control by the Lender (or its legal counsel on behalf of the Lender) of the original share and/or unit certificates;
  - (b) if the registered owners of such shares and units are not providing a guarantee of the Borrower's obligations to the Lender hereunder, then such registered owners shall be required to provide a limited recourse guarantee with recourse against such registered owners limited in scope to the pledge of such shares and/or unit certificates; and
  - (c) if the registered owners are different than the beneficial owners of such shares and/or unit certificates then the beneficial owners shall be required to enter into an acknowledgement, direction and security agreement authorizing the registered owner to pledge the shares and/or unit certificates to the Lender.

14. **Subordination and Standstill Agreement:** The Subordination and Standstill Agreement contemplated in Section A.23.
15. **Other:** Such other Security as the Lender and/or its legal counsel may reasonably require.

### C. **CONDITIONS PRECEDENT TO LAND AND DEVELOPMENT ADVANCES**

The obligation of the Lender to make available the initial advance of the Loan shall be subject to the pre-funding conditions below (collectively, the "**Land and Development Conditions Precedent**") which shall be satisfied or waived by the Lender in its sole, absolute and unfettered discretion at least two business days prior to the initial advance of the Loan.

1. **Inspection:** The Lender shall have completed an inspection of the NAO Townhomes project.
2. **Financial Statements:** The Lender shall have received accountant prepared notice to reader statements for the Borrower and any corporate Guarantor, if applicable, for its last two fiscal year-ends.
3. **PNW Statements:** The Lender shall have received certified and current-dated net worth statements for any personal Guarantor, if applicable, with supporting documentation of asset values.
4. **NAO Townhomes Agreement of Purchase and Sale:** The Lender shall have received the agreement of purchase and sale for the acquisition of the lands upon which the NAO Townhomes project is to be constructed, any amendments thereto, and the statement of adjustments delivered on closing collectively confirming a minimum aggregate purchase price of \$31,425,000.
5. **Planning Approvals:** The Lender shall have received evidence confirming zoning approval, development permit availability to improve the lands as described under the NAO Townhomes project together with evidence satisfactory to the Lender that the full building permit will be issued in time to meet the NAO Townhomes project schedule.
6. **Services Capacity:** The Lender shall have received evidence confirming that physical and capacity allocation of all municipal services is immediately available for the NAO Townhomes project.
7. **Drawings and Plans:** The Lender shall have received architectural and engineering plans, drawings and specifications together with all related architectural and engineering fee-for-service soft cost contracts.
8. **Appraisal:** The Lender shall have received an appraisal report for the NAO Townhomes project from an acceptable appraisal firm reporting an "as is" minimum value of \$31,425,000 which appraisal report is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
9. **Environmental Site Assessment:** The Lender shall have received a phase I and, if applicable, a phase II environmental site assessment for the NAO Townhomes project from an acceptable environmental consultant which environmental site assessment is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
10. **Geotechnical Soil Report:** The Lender shall have received a geotechnical report confirming the feasibility of the NAO Townhomes project under existing soil conditions from an acceptable engineering firm which geotechnical report is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.

11. **New Home Warranty**: The Lender shall have received confirmation that the NAO Townhomes project and, if applicable, the Borrower and constructor are registered and enrolled with Tarion.
12. **Letters of Credit**: The Lender shall have received copies of all required letters of credit for the NAO Townhomes project.
13. **Cash Equity**: The Lender shall have received evidence that the Borrower has invested the minimum cash equity as per Section A.17 into the NAO Townhomes project.
14. **NAO Townhomes Project Report**: The Lender shall have received and reviewed an initial report on the NAO Townhomes project prepared by the Project Monitor in accordance with Schedule C.
15. **Condominium Documentation**: The Lender shall have received all condominium documentation including, without limitation, condominium disclosure documents; parking agreements; reciprocal agreements; the declaration, by-laws and amendments thereto, if applicable; and the standard form purchase and sale agreement for the sale of Units.
16. **Unit Sales List**: The Lender shall have received a sales list for all Units detailing, for each Unit, as applicable, Unit size, whether the Unit is sold and unsold, the sale price or list price, received deposits, purchaser name and address, and the NAO Townhomes projected closing date.
17. **Unit Purchase and Sale Agreements**: The Lender shall have received binding agreements evidencing not less than 96 Qualified Presales generating total gross sale proceeds of not less than \$89,220,927. "**Qualified Presales**" means a pending sale of a Unit:
  - (a) to an arms-length purchaser, not less than 75% of the sales must be supported by purchaser pre-approval for mortgage financing;
  - (b) for a gross unit selling price net of any applicable sales tax of not less than the respective Minimum Discharge Amount as set forth in Schedule H;
  - (c) with contracted deposits of not less than \$80,000 per unit (the Lender acknowledges that units 24 and 25 have contractual deposits of \$50,000);
  - (d) contractual recoveries of not less than \$15,000 per unit; and
  - (e) total contractual upgrade revenue of not less than \$406,800.
18. **Purchaser Deposits**: The Lender shall have received evidence that the Borrower has received not less than \$7,620,000 in purchase deposits for NAO Townhomes.
19. **Servicing Contract**: The Lender shall have received evidence that the NAO Townhomes servicing cost budget has been supported by a fixed price contract.
20. **Delivery of Loan Documents**: The Lender shall have received the following:
  - (a) the Loan Documents duly executed by the parties thereto;
  - (b) a request for borrowing delivered in accordance with the provisions of Section E.1 which shall include, without limitation, certification that all proceeds of the advance of the Loan are being used solely to pay all accounts payable of the NAO Townhomes project approved by the Lender and for no other purpose whatsoever;
  - (c) certificates of each corporate Loan Party dated the closing date and executed by an appropriate officer of each such person, as applicable, certifying, among other things, the



constating and organizational documents, an organizational chart, incumbency of signing officers and authorizing resolutions;

- (d) a favourable corporate and enforceability opinion from the Borrower's legal counsel, including, without limitation, existence, power and capacity, authorization, execution and delivery, enforceability, creation of security interest, registration, share capital, and perfection, as applicable; and
- (e) a favourable title opinion from the Borrower's legal counsel or a loan policy of title insurance in lieu thereof, respecting the ownership of the NAO Townhomes project and the ranking of the liens constituted by the Security thereon.

- 21. **Registration of Security**: All registrations, recordings and filings of or with respect to the Security which in the opinion of the Lender's counsel are necessary to render effective and perfected, or to give notice of, the security intended to be created thereby shall have been completed.
- 22. **Material Contracts**: The Lender shall have received copies, where applicable, of any and all agreement to which any of the Loan Parties are a party or by which any of them is bound which is material to the NAO Townhomes project or the business of the Loan Parties with respect to the Property having regard to its subject matter or the potential consequences of breach or termination, including, without limitation, any cost sharing, parking, maintenance, unregistered access or right-of-way, crane swing, or tieback agreement.
- 23. **Survey**: The Lender shall have received either (i) a real property report / survey for the NAO Townhomes project prepared by an accredited land surveyor confirming no encroachments, easements or rights of way, save those which the Lender may specifically accept, and setting out the relationship of the lands and proposed improvements thereon to public thoroughfares for access purposes, or (ii) survey coverage in a loan policy of title insurance.
- 24. **Searches**: The Lender shall have received either (i) all customary off-title searches for properties of similar nature to that of the NAO Townhomes project including, without limitation, searches for unregistered easements, rights-of way, property tax status, environmental notices, and executions against the Loan Parties, or (ii) satisfactory coverage in a loan policy of title insurance. If applicable, the off-title searches are to be obtained by the Borrower's legal counsel and forwarded to the Lender's legal counsel for review;
- 25. **Clean Title**: The Lender shall be satisfied with title to the lands upon which the NAO Townhomes project will be constructed including, without limitation, the absence of liens and other encumbrances other than the Permitted Encumbrances;
- 26. **No Litigation**: There shall exist no judicial, administrative or other proceeding, investigation or litigation affecting the NAO Townhomes project or any of the Loan Parties that has, or could reasonably be expected to have, a material adverse effect on (i) the business, operations, property or financial or other condition of any of the Loan Parties which would materially negatively affect the ability of the Loan Parties, taken as a whole, to perform and discharge their obligations under the Loan Documents, (ii) the NAO Townhomes project, the Lender's liens on the NAO Townhomes project and other collateral pursuant to the Security, or the priority of those liens, or (iii) the Lender's ability to enforce its rights or remedies under any of the Loan Documents.
- 27. **AML/KYC**: The Lender shall have received all documentation and information in respect of the Loan Parties including each corporate Loan Party's ownership structure, and its respective authorized signing officers, including addresses and verified personal identification, as the Lender may reasonably require in respect of Loan, including in respect of compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

28. **Insurance**: The Lender shall have received duly executed certificate(s) of insurance evidencing the insurance over the NAO Townhomes project in accordance with the requirements set out in Schedule A showing the Lender as mortgagee and loss payee as its interest may appear and showing the Lender as an additional insured under all liability policies relating to the NAO Townhomes project, all such insurance coverage and certificate(s) to be acceptable to the Lender's insurance consultant, as confirmed by a report to the Lender.
29. **Levies and Fees**: All levies, impost fees, local improvement charges, property taxes and other charges that are due and payable in connection with the NAO Townhomes project shall have been paid to the date of the advance of the Loan unless the same form part of the NAO Townhomes Project Budget and are to be included in ongoing advances under the Loan.
30. **Notice to Property Tax Authority**: The Borrower shall have executed and delivered the Lender's Notice to Property Tax Authority set forth on Schedule E, which shall permit the Lender to request information from the municipality from time to time regarding the NAO Townhomes property taxes.
31. **Pre-Authorized Debit**: The Borrower shall have executed and delivered the Lender's Pre Authorized Debit Form set forth on Schedule F, which shall permit the Lender to debit the Borrower's applicable current account each month for the Monthly Payment(s) should full utilization, suspension or cancellation of the Interest Reserve occur including, but not limited to any applicable Lender's Fees and Extension Fees.
32. **ESG Survey**: The Borrower shall have completed and delivered the Lender's ESG Survey set forth on Schedule I.
33. **Lender's Approvals**: The Lender shall have received the approval of its investment committee and any other approvals required by the Lender.
34. **Permitted Encumbrance Loan Documents**: The Lender shall have received the following documentation:
  - (a) Commitment letters, loan amendments and extensions (if any);
  - (b) Confirmation that all Permitted Encumbrance lender pre-funding conditions have been met, save and except for the full advance of the Loan; and
  - (c) If required, written acknowledgement and consent with respect to the subject Loan
35. **Due Diligence**: The Lender shall have completed its business, financial and legal due diligence, including without limitation property level due diligence with respect to the NAO Townhomes project.
36. **No Default**: No Event of Default shall exist, nor shall the advance of the Loan result in the occurrence of an Event of Default.

#### **D. CONDITIONS PRECEDENT TO CONSTRUCTION ADVANCES**

The obligation of the Lender to make available any subsequent advance of the Loan, shall be subject to the pre-funding conditions below (collectively, the "**Construction Conditions Precedent**" together with the Land and Development Conditions Precedent, collectively, the "**Conditions Precedent**") which Construction Conditions Precedent shall be satisfied or waived by the Lender in its sole, absolute and unfettered discretion at least two business days prior to any subsequent advance of the Loan.

1. **Land and Development Conditions Precedent**: The Land and Development Conditions Precedent shall have been satisfied or waived by the Lender.
2. **Fixed Price Contracts**: The Lender shall have received executed fixed price contracts for a minimum of 70% of the NAO Townhomes Project Budget construction hard costs prior to commencement of vertical construction.
3. **Insurance**: The Lender shall have received duly executed certificate(s) of insurance evidencing the insurance over the NAO Townhomes project in accordance with the requirements set out in Schedule A showing the Lender as mortgagee and loss payee as its interest may appear and showing the Lender as an additional insured under all liability policies relating to the NAO Townhomes project, all such insurance coverage and certificate(s) to be acceptable to the Lender's insurance consultant, as confirmed by a report to the Lender.
4. **No Default**: No Event of Default shall exist, nor shall the advance of the Loan result in the occurrence of an Event of Default.
5. **Representations Correct**: The representations and warranties contained in the Loan Documents shall be true and correct in all material respects on the date of each subsequent advance as if made on that date, except where any representation or warranty relates to a specified date, in which case that representation or warranty shall be made as of the date to which it relates.
6. **Request for Borrowing**: The Lender shall have received a request for borrowing delivered in accordance with the provisions of Section E.2 which shall include, without limitation, certification that all proceeds of the advance of the Loan are being used solely to pay all accounts payable of the Project approved by the Lender and for no other purpose whatsoever.
7. **Project Reports**: The Lender shall have received and reviewed a progress draw report on the Project prepared by the Project Monitor in accordance with Schedule C.
8. **Title Search**: The Lender shall have received on the date of each subsequent advance of the Loan a title subsearch of the NAO Townhomes project and report from the Lender's counsel confirming that no construction liens or other liens are registered against the NAO Townhomes project, other than Permitted Encumbrances.

## **E. FUNDING**

Each advance of the Loan shall, in addition to being subject to the applicable Conditions Precedent, be completed in accordance with the following:

1. **Initial Advance**: An initial advance of the Loan is to be determined by the Project Monitor.
2. **Subsequent Advances**: Subsequent advances under the Loan shall be permitted not more frequently than once per month and in minimum monthly increments of \$250,000 for the purpose of funding the applicable Project costs approved by the Lender with such advances to be made on a cost-in-place basis subject to the Lender's cost-to-complete formula. This dollar amount limit shall not apply to monthly advances of the Interest Reserve.
3. **Margin Calculation**: Accumulated advances under the Loan shall at no time exceed the cost of cost-in-place less the aggregate of (i) holdbacks required by the Project Monitor, (ii) Minimum Project Equity, (iii) any purchaser deposits used as source of funds within the applicable Project Budget, (iv) deferred costs and (v) any advances made under the Permitted Encumbrances, if applicable.

In the event that the amount of purchaser deposits used in the NAO Townhomes project exceeds \$7,620,000, the amount available under the NAO Townhomes Loan is to be permanently reduced dollar for dollar with the amount of the exceedance.

4. **Advances to Subtrades:** The Lender reserves the right to make advances of the Loan directly to the Project Monitor or trades (sub-trades or otherwise) and/or suppliers if an Event of Default has occurred which is continuing or if the Lender believes, in its sole, absolute and unfettered discretion, without the need to furnish evidence to the Borrower thereof, that advances of the Loan are being diverted from the Project and/or are being used to fund Project costs not provided for in the Project Budget.
5. **Advance Fee:** All advances of the Loan, save and except for advances under the Interest Reserve alone, shall be subject to a \$500 advance fee payable by the Borrower to the Lender which amount shall be deducted from the applicable advance of the Loan by the Lender.
6. **Outside Funding Date:** In the event that the initial advance of the Loan has not been made by January 31, 2022, at the exclusive option of the Lender, its obligations under this Commitment Letter shall cease and be at an end and the Lender shall be released from any and all of its present and/or future obligations under this Commitment Letter and the Security including, without limitation, the obligation to make any advances under the Loan. Notwithstanding the foregoing, the Lender shall remain entitled to earn and receive full payment of the Lender's Fee and to fully recover from the Borrower and any Guarantor any expenses incurred by the Lender in connection with this Commitment Letter.

#### **F. SPECIAL CONDITIONS**

The Loan shall be subject to the following special conditions which shall each have been received, reviewed and/or met, as the context implies, to the satisfaction of the Lender in its sole, absolute, and unfettered discretion prior to any advance of the Loan:

1. **Start of Construction:** The Loan shall have converted to a construction loan with an initial construction advance to occur on or before July 1, 2022.
2. **Bulk Unit Purchasers:** Any bulk sale of Units to a single purchaser, defined as 2 units or more, must be approved by the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.

#### **G. COUNSEL**

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

1. **Lender's Counsel:**

Blaney McMurtry LLP (Attention: Steven Jeffery)  
2 Queen Street East, Suite 1500  
Toronto, ON  
M5C 3G5

Phone: (416) 593-3939  
Fax: (416) 593-2966  
Email: [sjeffery@blaney.com](mailto:sjeffery@blaney.com)

2. **Loan Parties' Counsel:**

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If you are in agreement with the foregoing terms and conditions, please indicate this by signing and returning this Commitment Letter to the Lender by December 3, 2021, failing which this letter shall, at the Lender's option, be deemed null and void.

Yours truly,

**KINGSETT MORTGAGE CORPORATION**

Per: \_\_\_\_\_  
Jamie Dysart  
Managing Director, Mortgage  
Investments

Per: \_\_\_\_\_  
Bryan Salazar  
Managing Director, Mortgage  
Underwriting & Funding

**ACKNOWLEDGEMENT**

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

Accepted and agreed as of the \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**BORROWER:**

Stateview Homes (Nao Towns) Inc.

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

**GUARANTOR:**  
Dino Taurasi

**WITNESS**

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

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

**GUARANTOR:**  
Carlo Taurasi

**WITNESS**

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

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

**SCHEDULE A**  
**CONSTRUCTION INSURANCE REQUIREMENTS CHECKLIST**

1. All insurance policies must be forwarded to the Lender's insurance consultant for review. The cost of such review shall be for the account of the Borrower.
2. All insurance policies shall be in form and with insurers reasonably acceptable to the Lender and contain the original signatures of the insurers (which may include being signed by certified electronic signature).
3. The Lender must be shown as first mortgagee and loss payee under the builder's risk and, where applicable, the boiler and machinery insurance policies.
4. The Lender must be shown as an additional insured under all liability policies covering the Project with respect to claims arising out of the operations of the named insured.
5. The Borrower or the Nominee, as applicable, must be shown as a named insured or additional named insured under all policies of insurance in force with respect to the Project.
6. The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Project as an insured location must be shown on the insurance policies.
7. The builder's risk and, where applicable, the boiler and machinery policies shall contain a standard mortgage clause in favour of the Lender.
8. All policies of insurance must provide the Lender with at least 30 days' prior written notice of adverse material change or cancellation, except for the non-payment of premium, in which case the statutory conditions may apply.
9. There needs to be evidence of builders risk insurance written on an all risk or broad form basis and may or may not be subject to the latest CCDC policy wording.
10. The builders risk insurance needs to insure 100% of the projected hard costs of the Project and not less than 25% of all Project soft costs plus 100% of any finance charges, or 100% of recurring Project soft costs.
11. There needs to be evidence of full by-law extensions, including the increased cost of construction, cost of demolition of the undamaged portion of the property and resultant loss of income.
12. There needs to be evidence of earthquake, flood and sewer back-up insurance.
13. The builders risk policy needs to include a "permission to occupy" clause and coverage for the installation, testing and commissioning of machinery and equipment, and for all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical, and mechanical breakdown.
14. The builders risk policy needs to include delayed start up insurance to cover 100% of the anticipated loss of revenue for a minimum of one year, which may be incurred in the event of an insured loss, during construction.
15. The builders risk policy, where applicable, must contain a minimum DE4/LEG2 amended workmanship, design or materials exclusion working and confirmation of resulting damage is covered.



**Owners Liability:**

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

**Contractors Liability:**

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

**Wrap-up Liability:**

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

**Other:**

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

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

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

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

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



## SCHEDULE B OTHER CONDITIONS

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

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

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

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

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

16. **Time of the Essence:** Time is of the essence in this Commitment Letter.
17. **Non-Merger:** The representations, warranties, covenants and obligations herein set out in any of the Loan Documents shall not merge or be extinguished by the execution or registration of the Security but shall survive until the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other amounts secured by the Security are repaid in full.
18. **Representations and Warranties:** Each of the Loan Parties will, as applicable, provide the usual representations and warranties in the Loan Documents including, without limitation (a) the accuracy of any financial statements provided to the Lender, (b) that there has been no material adverse change in the financial condition or operations, as reflected in the financial statements used to evaluate this Loan, (c) title to the Project, (d) such Loan Party's power and authority to execute and deliver the Loan Documents to which it is a party, (e) the accuracy of any documentation delivered to the Lender, (f) the accuracy of all representations and warranties made to the Lender in the Loan Documents to which it is a party, (g) that there are no pending adverse claims, no outstanding judgments, no defaults under other agreements relating to the Project, and no undefended material actions, suits or proceedings with respect to such Loan Party or the Project, (h) that such Loan Party is attending to the preservation of its assets, (i) the payment of all taxes, (j) that no consents, approvals or authorizations are necessary in connection with such Loan Party's business including without limitation, the construction of the Project, (k) that the construction of the Project is proceeding in accordance with all applicable laws, (l) that there are no other encumbrances registered against title to the lands upon which the Project is to be constructed except for Permitted Encumbrances, (m) that all necessary services are available to the Project, and (n) that no hazardous substances used, stored, discharged or present on the Project other than in accordance with all applicable laws, and will represent and warrant such other reasonable matters as the Lender or its counsel may require.
19. **Interim Occupancy Fees and Revenues:** Interim occupancy fees/revenue must be used exclusively towards Project costs or to reduce the outstanding balance of any loan secured by a first ranking mortgage of the lands upon which the Project will be constructed. Save an except as set forth in this Section, interim occupancy fees may not be used by the Borrower for any other purpose nor may they be removed from the Project as a fee, equity repatriation, dividend, interest, premium or any other form of distribution.
20. **Payment of Sales Taxes:** The Borrower accepts full responsibility for remittance and payment of any and all applicable sales tax due and the periodic submission and collection of all applicable sales tax claims and credits. The Project Budget shall include a net difference of \$Nil for applicable sales tax paid less applicable sales tax recovered and shall also include a ceiling of \$750,000 at any point in time, prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, with respect to the permitted difference between applicable sales tax included in work-in-place less applicable sales tax recovered by the Borrower from government authorities. If the difference referred to in the previous sentence exceeds \$750,000 at any point in time prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, the portion of the difference in excess of \$750,000 be funded by the Borrower as additional equity.
21. **Lender's Sign:** The Lender shall have the right, but shall not be obligated, at the Lender's cost, to place a sign on the Project at any time after execution of this Commitment Letter by the Borrower but prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, which sign shall state that the Lender has assisted with the financing of the Project. The Lender, at the Lender's cost, shall be permitted to take down the sign at any time prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs

secured by the Security in full, after which time the Borrower shall be permitted to take down such sign at any time at the Borrower's cost.

22. **Governing Law:** The Loan and the Loan Documents shall be governed by and construed under laws of the Province of Ontario and the federal laws of Canada as applicable therein.
23. **Modification:** No term or requirement of any of the Loan Documents may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to any of the Loan Documents must be in writing and signed by a duly authorized officer of the Lender and accepted by a duly authorized officer of the Borrower.
24. **Language:** Any word importing the singular or plural shall include the plural and singular respectively. If any party is comprised of more than one entity, the obligations of each of such entities shall be joint and several. Any word importing persons of either gender or firms or corporations shall include persons of the other gender and firms or corporations were the context so requires.
25. **Headings:** The headings and section numbers appearing in any of the Loan Documents are included only for convenience of reference and in no way define, limit, construe or describe the scope or intent of any provision of any of the Loan Documents.
26. **Counterparts:** Any of the Loan Documents may be executed in several counterparts, each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument.
27. **Electronic Execution:** The words "execution," "execute", "signed," "signature," and words of like import in or related to any Loan Documents to be signed in connection with the Loan shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Electronic Commerce Act, 2000* (Ontario), or any other similar laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada.
28. **Calculations:** All interest calculated under this Commitment Letter shall be computed based on the actual number of days elapsed in a year consisting of 365 days.
29. **Paramountcy:** In the event of any inconsistency or conflict between any of the provisions of the Commitment Letter and any provision or provisions of the Security, the provisions of the Commitment Letter will prevail.



**SCHEDULE C  
PROJECT MONITOR MANDATE / REPORTING**

**LOW RISE CONSTRUCTION**

**GENERALLY ON THE ROLE OF THE PROJECT MONITOR:**

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

**PRELIMINARY REPORT PRIOR TO INITIAL FUNDING:**

The Project Monitor is to prepare a preliminary report inclusive of the following information:

**Project Description:**

1. The Preliminary report should include a brief description of the project. The description should outline major points such as:
  - (a) Overall GFA of the proposed project
  - (b) Whether the project consists of purpose built rental units or for sale housing units.
  - (c) The number of houses / townhomes etc being built; and if there are several blocks each should be summarized.
  - (d) If there are multiple phases - the number of phases included in the project, with a brief description of each phase.
  - (e) The type of construction, with a brief description of:
    - (i) Foundation system (eg Concrete footings)
    - (ii) Structure (eg Timber framed)
    - (iii) Envelope (eg Brick veneer & vinyl siding with punch windows)
    - (iv) Roofing system (eg Asphalt shingles)
    - (v) Finishes (eg. Interior walls with drywall finishes, tiling finishes in the washrooms, laminate flooring throughout, unfinished basement etc)
    - (vi) Services, including a brief description of the HVAC system being installed
    - (vii) Landscaping scope
    - (viii) Deferred scope – if there are items shown on the drawings which are being deferred / not included in the sources of funding, these should be identified.

**Budget & Schedule Commentary:**

1. Quantity Surveyor to review the drawing packages included and comment on whether or not the drawings are adequate for pricing. Commentary should clarify whether the drawings are approximately at:
  - (a) Class B stage / Detailed Design
  - (b) Class A stage – commentary should clarify if the drawings are ‘Issued for Construction’ or ‘Issued for Tender’
  - (c) Drawings are to be made available upon request
2. review the Borrower's proposed detailed Project Budget as revised and approved by the Lender, further to the Project Monitor's recommendations. The review of the soft costs should confirm
  - (a) Comment on the allowance for the Development Management fee and whether it is reasonable
  - (b) Review the development charges, building permits allowances and levies and confirm they are in line with the local city charges
3. review all material cost-items, contracts and change orders with trades; the review must include commentary with regards to the documentation included in the major trade contracts and any exclusions / qualifications. Requirements are further outlined in the section on Contracts below.
4. Request / confirm quantum of any contemplated trade contract change orders or extras not yet approved with the Borrower and / or Construction Manager.
5. confirm all funding sources including without limitation, equity, purchaser deposits, deferrals, mezzanine financing and construction loan, as applicable;
6. confirm that Minimum Project Equity has been injected into the Project on the agreed-upon land valuation contained in the Commitment Letter and costs incurred to date;
7. confirm that the Borrower has continually maintained the Minimum Project Equity at all times;
8. confirm the adequacy of the interest expense carried in the Project Budget including, without limitation, the preparation of independent Project cash flows.
9. confirm the adequacy of the contingency allowances carried in terms of construction risk and other soft costs;
10. confirm the costs incurred to date through a review of all invoices, the Borrower's trial balance, aged payables listing, cancelled cheques, etc. (backup to costs to be made available on request);
11. confirm applicable development charges and levies relating to the Project including, without limitation, parkland deduction, regional and municipal, education, Section 37 and any other applicable municipal fees;
12. confirm the expected timing of payments and prepare a cash flow;
13. Provide commentary on relative experience of major trade contractors and the construction manager, and any requirement for bonding. Commentary should briefly comment on the trade's capacity to complete low rise projects of this scale, and confirm whether they are arm's length / non arm's length.
14. review the Project construction time schedule (the "**Project Schedule**") to confirm overall reasonableness. The commentary must confirm whether the schedule is suitably detailed with all

key activities listed and has a clear critical path that the Quantity Surveyor can track. Key milestones to be summarized and incorporated in the report.

15. review allowance for appropriate HST and whether this is to be funded by the Lender or the Borrower and, where the Project includes residential rental units, validate the amount of self-assessed HST included in the Project Budget.
16. Confirm the approach being taken with regards to Holdback. If the Borrower is not taking a 10% Holdback in line with the requirements of the lien act this must be noted in the report and discussed with the KingSett team.
17. If the project includes any deferred items, these must be noted in the report.

**Management Contract & Trade contracts:**

1. Confirm whether the project is being self performed with the Borrower acting as the Construction manager; or whether a 3<sup>rd</sup> party Construction manager is being hired.
2. Confirm the Borrower's approach to procurement, clarifying whether the Borrower has a standard form of contract that they use with trades, inclusive of a detailed scope of work; or whether post award trade work proceeds on the basis of quotes received (without a contract being in place).
3. review the development management agreement to confirm the requirements and any other material agreements against the Project Budget;
4. review the budget as follows:
  - (a) all costs reported as committed should be reviewed in terms of reasonableness, conformity to the latest design documents, Project Schedule and for front end loading;
  - (b) confirmation of committed costs identifying contracts, awards, letters of intent and trade quotations together with a summary of major contracts still to be awarded and tendering schedule for all un-awarded scopes of work. Commentary must also advise of the approximate timeline to turn the Letters of Intent into firm contracts;
  - (c) Time sensitive LOIs / Quotes / Contracts should be identified. For example, if a quote is received for Lumber supply which is contingent on work commencing by certain dates, this should be noted.
  - (d) Any quotes / contracts / LOIs that do not cover the entire scope should be identified. For example, if there are 30 Blocks, and the lumber supply quote only covers the first 10 Blocks, this should be noted.
  - (e) for all costs noted as being uncommitted, an estimate should be completed (QS to confirm the reasonableness of the budget amounts);
  - (f) All information reviewed, including Bid Levelling, must be made available to the Lender upon request;

5. Please list all contracts / LOIs / Quotes using a format similar to the table below (examples given for reference purposes only)

Trade / Supplier	Sub-Contractor / Supplier	Drawings included	Status	Amount
Excavation	Trade A	Eg. Issued for Permit	Quote	\$500,000.00
Concrete Work	Trade B	Eg. Issued for Permit	Contract	\$1,000,000.00
Lumber Supply	Trade C	Eg. Issued for Construction	Unit rate contract	\$2,225,000.00
Carpentry - Framing	Trade D	Eg. Issued for Permit	LOI	\$3,000,000.00
Roofing	Trade E	Eg. Issued for Construction	Quote	\$600,000.00

**Presales:**

1. review the Borrower's schedule of presales and provide a summary of sold and unsold Units (including without limitation parking Units and locker Units) in terms of both Units and revenue;
2. review all agreements of purchase and sale to confirm presale requirements have been met in terms of sales;
3. review contracted deposits and the Borrower's ledger of deposits to confirm deposits as a source of funds have been met; and
4. review mortgage pre-approvals for qualified presales.

**Permits and Approvals:** Provide a list of all the permits and approvals required for the project, as well as the expected timing of receipt of the approvals and permits. Review all of the development agreements, site plan agreement, subdivision agreement, building permits, and other municipal / regional agreements and, in the case where not all permits are available, identify which permits have been received and any that have been applied for and anticipated timing of receipt.

**Letters of Credit:** confirm the amounts of any required letters of credit and whether any or all of the letters of credit are duplicates of Project costs included within the Project Budget.

**Insurance:** review the insurance provided in terms of period of coverage, insured parties, loss payable and the sum insured.

**Other Conditions:**

1. review all loan agreements and commitment letters including, without limitation, any deposit insurance agreement and amendments for the financing of the Project;
2. confirm the purchase price for the lands upon which the Project is to be constructed by reviewing the purchase and sale agreement and supporting documents;
3. review all available architectural and engineering plans and specifications for conformity with the Project Budget, along with all awarded contracts, letters of intent or tendered quotations;

4. review all environmental site assessments reports, geotechnical reports and hydrogeology reports, as applicable, and confirm that all recommendations are included within the Project Budget; any major risks / unknowns are to be highlighted.
5. review all design consultant contracts in conjunction with a review of costs incurred to date to confirm the adequacy of applicable budgets. The commentary should confirm whether there are adequate funds left in the cost to complete for the contract administration phase of the project of the design team; and
6. review all sales, legal and marketing agreements in conjunction with a review of costs incurred to date to confirm the adequacy of applicable budgets and the timing of commission payments with respect thereto.
7. If there are any off site storage items being claimed by the Borrower, the associated documentation should be enclosed, including the Bill of Sale and insurance documents. Please note that for off site amounts in excess of \$50,000 the QS needs to visit the site where the offsite storage materials are being retained.

**Other:**

1. identify any potential issues that may affect the completion of the Project in accordance with the Project Budget and the Project Schedule;
2. provide any additional recommendations as they become apparent during the Project Monitor's review and discussions with the Borrower and the Lender.
3. **List any outstanding documents that have been requested but not received.** For example, if backup to invoices have been requested but not received, this should be noted.

**Appendices required in the Preliminary report:**

The following are a list of the Appendices required in the Preliminary report

- (a) Borrower's cost ledger / Borrower's job cost report
- (b) Quantity Surveyor's Capital Cost Summary (CCS)
- (c) A reconciliation between the Quantity Surveyor's CCS and the Borrower's ledger
- (d) A construction cost report (CCR). [CCR must show Holdback on a trade by trade basis]
- (e) Draft Margin Calculation
- (f) A current project schedule
- (g) Cash flow
- (h) A site plan marked up showing what has been completed to date (example included as a separate attachment for reference)
- (i) Borrower's sales report
- (j) Deposit Trust summary
- (k) The Construction Manager's invoice / Contractor's invoice. If applicable, executed copies of change orders should be included [Full backup must be made available on request]

- (l) Consultant reports / Consultant Sign off / Municipal sign off (as available / applicable)
- (m) Site Photographs (minimum of 6 photos per Block once framing has commenced)
- (n) Project statistics, showing the GFA on a floor by floor basis
- (o) Project Monitor's Certificate for Payment
- (p) Project Monitor Certificate / Payment certifier's certificate (as available / applicable)
- (q) Statutory Declaration and WSIB / Worksafe statement
- (r) Off site Storage Agreements (if off site storage has been claimed, please enclose in a separate appendix)
- (s) Building Permits & Development agreements
- (t) Contracts / Backup to costs being reported as committed
- (u) Insurance Certificates
- (v) Legal Survey

## **PROGRESS DRAW REPORTS PRIOR TO SUBSEQUENT ADVANCES FOR WORK-IN-PLACE:**

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

### **Outstanding documents:**

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

### **Site Visit:**

1. conduct monthly site inspections prior to every draw request, including photographs and commentary on all work-in-place and the status of the Project;
2. confirm if there are any materials stored off-site and ensure that appropriate bill of sales and off-site material documentation is provided, including a thorough review of the documents to ensure the addresses, the names of the parties and the dollar amounts are correct and in line with contractual arrangements. Please note that for off site amounts in excess of \$50,000 the QS needs to visit the site where the offsite storage materials are being retained and;
3. provide commentary on the status of physical progress on-site and whether it is progressing in accordance with the Project Schedule. Commentary should:
  - (a) Provide an overall summary of the progress on site
  - (b) Outline what has been completed since the last report was issued
  - (c) Compare actual progress to the schedule, noting how progress compares to the critical path. If the schedule is slipping, QS is to clarify how the Borrower & Construction team are addressing this.
  - (d) The report should include a table with clear milestones, and the milestones should be no more than 6 months apart. **Milestone dates not to be changed without prior discussions with KingSett Capital.**
  - (e) Provide an updated progress matrix (sample one will be provided)

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

1. review the Borrower's draw request based on a Project cost report, invoices and aged payables listing, and update and confirm the cost of work completed to date including holdbacks;

2. Further to the above, the QS must do a review of all the hard cost invoices to ensure amounts claimed are in line with progress on site, including all costs tied to general requirements and trade invoices (full backup of hard costs to be made available on request).
3. update the Project Budget and comment on any amendments to the Project Budget based on a review of the latest information and discussions with the Borrower;
4. review and update the Project cash flow projections and advise on any necessary revisions. Cash flow should include a reasonable forecast of the construction hard costs, and all key milestones in the project per the baseline schedule should be shown in the legend;
5. comment on the adequacy of the remaining contingency allowances;
6. review cancelled cheques to confirm that all material costs claimed in the Borrower's last draw request have been paid; and
7. receive and review a standard Statutory Declaration of Progress Payment Distribution and WSIB certificate. The QS should check that the Statutory Declaration has been signed, stamped by the commissioner and is up to date. If the statutory Declaration isn't up to date this should be flagged in the executive summary of the report.

**Construction:**

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

**Loan Calculation/Monthly Draw:**

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

**Sales and Deposits:**

1. review and analyze the Borrower's updated presale and/or deposit schedule and provide comments on any material changes from the last draw report; and



2. where deposits are held in trust, obtain an updated confirmation from the trustee as to the amounts held.

**Permits and Approvals:**

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

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

**Other:**

1. identify any potential issues that may affect the completion of the Project in accordance with the Project Budget and the Project Schedule;
2. provide any additional recommendations as they become apparent during the Project Monitor's review and discussions with the Borrower and the Lender;
3. All Monitoring reports should include the following Appendices:
  - (a) Borrower's cost ledger / Borrower's job cost report
  - (b) Quantity Surveyor's Capital Cost Summary (CCS)
  - (c) A reconciliation between the Quantity Surveyor's CCS and the Borrower's ledger
  - (d) A construction cost report (CCR)
  - (e) Draft Margin Calculation
  - (f) A current project schedule
  - (g) Cash flow (must be kept up to date)
  - (h) A site plan marked up showing what has been completed to date (example included as a separate attachment for reference)
  - (i) Borrower's sales report
  - (j) Deposit Trust summary
  - (k) The Construction Manager's invoice / Contractor's invoice. If applicable, executed copies of change orders should be included
  - (l) Consultant reports (including structural, mechanical, electrical, geotechnical reports as available)
  - (m) Site Photographs. Location at which site photos were taken to be clearly identified (minimum of 6 photos per phase once framing has started)

- (n) Project Monitor's Certificate for Payment
- (o) Project Monitor Certificate / Payment Certifier's Certificate (as applicable)
- (p) Statutory Declaration and WSIB / Worksafe statement
- (q) Off site Storage Agreements (if off site storage has been claimed, please enclose in a separate appendix)
- (r) Building Permits & Development agreements (as they are received)
- (s) Contracts / Backup to costs being reported as committed (as they are received)
- (t) Insurance certificates (when updated / renewed)

## **SCHEDULE D REPORTING**

The Borrower shall provide the Lender with copies of the following regarding the Loan Parties and the Project:

1. any and all insurance policy renewals and/or amendments within ten business days of the issuance thereof. The Lender may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Borrower's expense;
2. ongoing Project information including, but not limited to, strata plan documentation, working and final architects' / engineers' drawings, construction budgets, artist's renderings, and floor plans for the proposed Units;
3. annually or as otherwise requested from time to time by the Lender evidence of the payment of all property taxes, local improvement rates and charges with respect to the Project;
4. within 90 days of the end of each of its fiscal years, or if the Borrower is an individual, each calendar year, or more often if requested by the Lender, the Borrower shall provide to the Lender:
  - (a) notice to reader financial statements of the Borrower and of any corporate Guarantor, including a balance sheet and supporting schedules, a detailed statement of income and expenditures and supporting schedules, and a statement of change in cash flow; and
  - (b) in the case of an individual Borrower or personal Guarantor, net worth statements may be supplied in lieu of financial statements;
5. on a monthly basis, Project sales list updates and all newly executed firm and binding purchase and sale agreements with respect to the sale of Units; and
6. at the Lender's request from time to time, the Borrower shall provide the Lender with any other relevant updates regarding the Project.

**SCHEDULE E  
NOTICE TO PROPERTY TAX AUTHORITY**

**Re:**            **Project:** \_\_\_\_\_

To Whom It May Concern:

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

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**BORROWER:**  
Stateview Homes (Nao Towns) Inc.

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

**GUARANTOR:**  
Dino Taurasi

**GUARANTOR:**  
Carlo Taurasi

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

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

**Project Civic Address:**

**Roll Number:**

(Please complete in full)

**SCHEDULE F  
PRE-AUTHORIZED DEBIT ("PAD") FORM**

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

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

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

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

<b>Borrower Name</b>	
<b>Address</b>	<b>Province</b>
<b>City</b>	<b>Postal Code</b>
<b>Phone #</b>	

<b>FI Name</b>	<b>Institution #</b>
<b>Account #</b>	<b>Transit #</b>
<b>Address</b>	<b>Province</b>
<b>City</b>	<b>Postal Code</b>

<b>Authorized Signature(s)</b>	
<b>Name(s)</b>	

**SCHEDULE G  
PROJECT BUDGET**

The total Project Budget has been represented by the Borrower to be \$76,394,523 as set out below.

<b>Project Budget</b>	<b>Total</b>
<b>Land Value</b>	<b>31,425,000</b>
Servicing Costs	2,970,000
Hard Costs	23,677,720
Soft Costs	4,086,380
DCs and Levies	9,972,272
Financing Costs	2,741,438
Financing Costs - Mezzanine Loan	3,001,594
Interim Occupancy Income	(1,568,714)
Demo Credit (Contracted)	(514,416)
Trade Credits (Contracted)	(542,400)
Hard Cost Contingency	1,145,650
<b>Total Uses of Funds</b>	<b>\$ 76,394,523</b>

**SCHEDULE H  
SALES LIST**

Unit	Purchase Price	Upgrade	Revenue	HST	Minimum Discharge Amount Price (net of HST)	Deposits
1	\$ 958,000		-	\$ 88,973	\$ 869,027	\$ 80,000
2	\$ 889,990		-	\$ 81,149	\$ 808,841	\$ 80,000
3	\$ 889,990		-	\$ 81,149	\$ 808,841	\$ 80,000
4	\$ 881,990		-	\$ 80,229	\$ 801,761	\$ 80,000
5	\$ 889,990		-	\$ 81,149	\$ 808,841	\$ 80,000
6	\$ 889,990		-	\$ 81,149	\$ 808,841	\$ 80,000
7	\$ 909,990		-	\$ 83,450	\$ 826,540	\$ 80,000
8	\$ 918,990		-	\$ 84,486	\$ 834,504	\$ 80,000
9	\$ 918,990	\$	16,950	\$ 86,436	\$ 849,504	\$ 80,000
10	\$ 909,990		-	\$ 83,450	\$ 826,540	\$ 80,000
11	\$ 929,990		-	\$ 85,751	\$ 844,239	\$ 80,000
12	\$ 919,990		-	\$ 84,601	\$ 835,389	\$ 80,000
13	\$ 889,990		-	\$ 81,149	\$ 808,841	\$ 80,000
14	\$ 889,990	\$	16,950	\$ 83,099	\$ 823,841	\$ 80,000
15	\$ 919,990		-	\$ 84,601	\$ 835,389	\$ 80,000
16	\$ 939,990	\$	16,950	\$ 88,852	\$ 868,088	\$ 80,000
17	\$ 918,990		-	\$ 84,486	\$ 834,504	\$ 80,000
18	\$ 919,990		-	\$ 84,601	\$ 835,389	\$ 80,000
19	\$ 904,990		-	\$ 82,875	\$ 822,115	\$ 80,000
20	\$ 909,990		-	\$ 83,450	\$ 826,540	\$ 80,000
21	\$ 899,990		-	\$ 82,300	\$ 817,690	\$ 80,000
22	\$ 933,990		-	\$ 86,211	\$ 847,779	\$ 80,000
23	\$ 958,990		-	\$ 89,087	\$ 869,903	\$ 80,000
24	\$ 888,990		-	\$ 81,034	\$ 807,956	\$ 50,000
25	\$ 888,990		-	\$ 81,034	\$ 807,956	\$ 50,000
26	\$ 982,000		-	\$ 91,735	\$ 890,265	\$ 80,000
27	\$ 928,990		-	\$ 85,636	\$ 843,354	\$ 80,000
28	\$ 929,990		-	\$ 85,751	\$ 844,239	\$ 80,000
29	\$ 899,990	\$	16,950	\$ 84,250	\$ 832,690	\$ 80,000
30	\$ 928,990	\$	33,900	\$ 89,536	\$ 873,354	\$ 80,000
31	\$ 928,990		-	\$ 85,636	\$ 843,354	\$ 80,000
32	\$ 899,990		-	\$ 82,300	\$ 817,690	\$ 80,000
33	\$ 899,990		-	\$ 82,300	\$ 817,690	\$ 80,000
34	\$ 899,990		-	\$ 82,300	\$ 817,690	\$ 80,000
35	\$ 899,990		-	\$ 82,300	\$ 817,690	\$ 80,000
36	\$ 943,990		-	\$ 87,362	\$ 856,628	\$ 80,000
37	\$ 968,990		-	\$ 90,238	\$ 878,752	\$ 80,000
38	\$ 958,990		-	\$ 89,087	\$ 869,903	\$ 80,000
39	\$ 928,990	\$	33,900	\$ 89,536	\$ 873,354	\$ 80,000
40	\$ 958,990		-	\$ 89,087	\$ 869,903	\$ 80,000
41	\$ 928,990	\$	33,900	\$ 89,536	\$ 873,354	\$ 80,000
42	\$ 968,990		-	\$ 90,238	\$ 878,752	\$ 80,000
43	\$ 968,990		-	\$ 90,238	\$ 878,752	\$ 80,000
44	\$ 928,990		-	\$ 85,636	\$ 843,354	\$ 80,000
45	\$ 958,990	\$	33,900	\$ 92,987	\$ 899,903	\$ 80,000
46	\$ 928,990		-	\$ 85,636	\$ 843,354	\$ 80,000
47	\$ 998,990		-	\$ 93,689	\$ 905,301	\$ 80,000
48	\$ 998,990	\$	33,900	\$ 97,589	\$ 935,301	\$ 80,000

49	\$	928,990	\$	33,900	\$	89,536	\$	873,354	\$	80,000
50	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
51	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
52	\$	984,990	\$	33,900	\$	95,978	\$	922,912	\$	80,000
53	\$	998,990	\$	33,900	\$	97,589	\$	935,301	\$	80,000
54	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
55	\$	958,990		-	\$	89,087	\$	869,903	\$	80,000
56	\$	968,990		-	\$	90,238	\$	878,752	\$	80,000
57	\$	928,990	\$	16,950	\$	87,586	\$	858,354	\$	80,000
58	\$	939,990		-	\$	86,902	\$	853,088	\$	80,000
59	\$	929,990		-	\$	85,751	\$	844,239	\$	80,000
60	\$	919,990		-	\$	84,601	\$	835,389	\$	80,000
61	\$	899,990		-	\$	82,300	\$	817,690	\$	80,000
62	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
63	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
64	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
65	\$	899,990		-	\$	82,300	\$	817,690	\$	80,000
66	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
67	\$	958,999		-	\$	89,088	\$	869,911	\$	80,000
68	\$	899,990		-	\$	82,300	\$	817,690	\$	80,000
69	\$	899,990		-	\$	82,300	\$	817,690	\$	80,000
70	\$	909,990		-	\$	83,450	\$	826,540	\$	80,000
71	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
72	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
73	\$	919,990		-	\$	84,601	\$	835,389	\$	80,000
74	\$	919,990		-	\$	84,601	\$	835,389	\$	80,000
75	\$	919,990		-	\$	84,601	\$	835,389	\$	80,000
76	\$	918,990		-	\$	84,486	\$	834,504	\$	80,000
77	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
78	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
79	\$	899,000		-	\$	82,186	\$	816,814	\$	80,000
80	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
81	\$	929,990		-	\$	85,751	\$	844,239	\$	80,000
82	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
83	\$	958,990		-	\$	89,087	\$	869,903	\$	80,000
84	\$	899,999		-	\$	82,301	\$	817,698	\$	80,000
85	\$	899,999		-	\$	82,301	\$	817,698	\$	80,000
86	\$	958,990		-	\$	89,087	\$	869,903	\$	80,000
87	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
88	\$	899,990		-	\$	82,300	\$	817,690	\$	80,000
89	\$	979,990		-	\$	91,503	\$	888,487	\$	80,000
90	\$	928,990		-	\$	85,636	\$	843,354	\$	80,000
91	\$	989,990	\$	16,950	\$	94,604	\$	912,336	\$	80,000
92	\$	989,990	\$	16,950	\$	94,604	\$	912,336	\$	80,000
93	\$	918,990		-	\$	84,486	\$	834,504	\$	80,000
94	\$	929,000		-	\$	85,637	\$	843,363	\$	80,000
95	\$	919,990		-	\$	84,601	\$	835,389	\$	80,000
96	\$	989,990	\$	16,950	\$	94,604	\$	912,336	\$	80,000
<b>Total</b>	<b>\$</b>	<b>89,221,107</b>	<b>\$</b>	<b>406,800</b>	<b>\$</b>	<b>8,272,237</b>	<b>\$</b>	<b>81,355,670</b>	<b>\$</b>	<b>7,620,000</b>



## SCHEDULE I ESG SURVEY

### KingSett Mortgage Investments - ESG SURVEY

KingSett Capital is committed to integrating best-in-class ESG practices throughout all its investment vehicles. We kindly ask that you complete this questionnaire so that we can track the Environmental, Social and Governance performance of the mortgage investments managed by KingSett Mortgage Corporation.

**Date:** \_\_\_\_\_  
**Borrower:** \_\_\_\_\_  
**Property:** \_\_\_\_\_  
**Completed By:** \_\_\_\_\_

Please identify any of the following ESG initiatives that apply to your organization and/or the property being financed.

<b>General</b>	Does your organization have an ESG strategy or annual report? If yes, where can we find more information?
<b>Environmental Initiatives</b> (please select all that apply to the property being financed)	<input type="checkbox"/> Water & energy consumption tracking <input type="checkbox"/> Waste volume tracking <input type="checkbox"/> On-site clean or renewable energy generation or storage (ex. solar, geothermal) <input type="checkbox"/> Retrofits to improve the energy-efficiency of the property (ex. lighting, HVAC, windows) <input type="checkbox"/> Stormwater management system <input type="checkbox"/> Green roof or green wall <input type="checkbox"/> Electric vehicle chargers on site <input type="checkbox"/> High performance envelope (ex. triple glazing) <input type="checkbox"/> Air tightness testing <input type="checkbox"/> High-efficiency appliances or fixtures <input type="checkbox"/> Green building certifications (ex. LEED, BOMA, WELL) _____ <input type="checkbox"/> Is the property's carbon footprint tracked? <input type="checkbox"/> Are carbon offsets purchased to offset embodied or operational carbon? <input type="checkbox"/> Other _____
<b>Social Impact</b>	<input type="checkbox"/> Does the project create or preserve any affordable housing units? Number of units _____ <input type="checkbox"/> Is there any community space (ex. daycare, arts & culture) in the property? Sq. ft. _____ <input type="checkbox"/> Tenant wellness or community focused programs <input type="checkbox"/> Other _____
<b>Governance</b>	<input type="checkbox"/> Does your organization have an ESG strategy or annual report? <input type="checkbox"/> Does your organization have a code of ethics? <input type="checkbox"/> Does your organization have ESG performance targets (ex. emissions reduction, diversity targets)? <input type="checkbox"/> Does your organization have any responsible hiring or contracting policies in place? <input type="checkbox"/> Other _____

Please tell us about any other ESG initiatives not highlighted above:

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

*This is Exhibit*....."O".....*referred to in the*  
*affidavit of* Daniel Pollack--  
*sworn before me, this* 26<sup>th</sup>  
*day of* April, 2023  
.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**



**November 16, 2022**

**Stateview Homes Inc.  
c/o Dorr Capital**

Attention: **Riccardo Platti**

**Re: First mortgage construction financing of NAO Townhomes.**

---

We are pleased to advise that KingSett Mortgage Corporation has approved the following First amendment (the "**First Amendment**") to the commitment letter dated November 29, 2021 (collectively, the "**Commitment**"), which Commitment sets out the terms and conditions of the Loan granted by the Lender to the Borrower and is incorporated herein by reference.

All capitalized terms contained in this First Amendment shall have the respective meanings ascribed thereto in the Commitment unless expressly defined in this First Amendment.

**AMENDED LOAN TERMS**

**A. LOAN TERMS**

1. Section A. 5 is deleted in its entirety and replaced with the following:

<b><u>Loan Amount:</u></b>	First Mortgage	\$47,500,000
	Letter of Credit (cash in lieu)	\$7,150,000
	(Collectively, the " <b>Loan</b> " or " <b>Loan Amount</b> ")	

For greater clarity, the First Mortgage amount is inclusive of a \$1,900,000 interest reserve and the Letter of Credit (cash in lieu) amount is inclusive of a \$310,000 interest reserve.

**Amendment Fee** - \$16,800 fee, equivalent to 0.70% of the \$2,400,000 increase to the Letter of Credit (cash in Lieu) facility, (the "**First Amendment Fee**") earned by and payable to the Lender upon receipt of the executed First Amendment. The First Amendment Fee will be deducted from the next loan draw under the Letter of Credit (cash in lieu) facility.

**B. CONDITIONS PRECEDENT**

This **First** Amendment shall be subject to the following additional conditions precedent which shall each have been received, reviewed and/or met to the satisfaction of the Lender in its sole, absolute and unfettered discretion (collectively, the "**First Amendment Conditions Precedent**").

1. Updated Subordination and Standstill Agreement for each Permitted Encumbrance

**GENERAL MATTERS**

1. **Entire Agreement** – No alteration, modification, amendment, change or addition to this First Amendment (nor further alteration, modification, amendment, change or addition to the Commitment) shall be effective unless the same is in writing and signed by all of the parties hereto.



2. Not a Novation – It is the intent of the Borrower and Lender that this First Amendment shall not constitute a novation or in any way adversely affect the Commitment or the Security for the Loan, including, without limitation, the mortgage/charge in favour of the Lender.
3. Captions – The captions and headings herein shall be solely for convenience of reference and in no way define, limit or describe the scope or intent of any provisions or sections of this First Amendment.
4. Successors and Assigns – The First Amendment shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, successors and assigns but may not be assigned by the Borrower under any circumstances and the parties hereto agree that any such attempted assignment by the Borrower shall be null and void and of no force and effect.
5. Limited Modification – The Commitment, as amended by this First Amendment, and the Security shall remain in full force and effect and all parties liable or obligated with respect thereto shall remain so liable or obligated with respect to the Commitment, as amended by this First Amendment, and the Security. The Property shall remain in all respects subject to the liens, charges and encumbrances as set out in the Commitment, as amended by this First Amendment, and the Security and nothing herein and nothing done pursuant hereto shall affect or be construed to affect the liens, charges and encumbrances of, or warranties of title in, any of the loan documents including, without limitation, the Commitment and the Security (the “**Loan Documents**”), nor the priority thereof over other liens, charges, encumbrances or conveyances. This First Amendment shall not release or affect the liability of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents.

If any obligation of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents is determined to be void or unenforceable on account of this First Amendment and/or the modification of the Loan Documents as contemplated by this First Amendment, the Borrower, as an additional and independent obligation, hereby agrees to indemnify and hold harmless the Lender against and from all loss, cost, damage or expense (including attorney’s fees, whether or not litigation has been commenced, and any and all costs for trial, bankruptcy and appellate proceedings) suffered or incurred by the Lender as the result of any such obligation being void or unenforceable.

6. Commitment References – This First Amendment shall form a part of the Commitment and shall be read as such and reference in the Commitment to the Commitment or similar expressions shall be deemed, as of the date hereof, to include this First Amendment.
7. Time is of the Essence - Time is of the essence in this First Amendment.
8. Conflict - In the event of any inconsistency between the terms and conditions of any one or more of the Loan Documents and this First Amendment, the terms and conditions and provisions of this First Amendment shall prevail. Whenever possible, this First Amendment shall be read to harmonize, rather than conflict, with any term or provision contained in the Loan Documents which is not specifically modified by this First Amendment.
9. Appointment of a Receiver - In the event of a default of the Borrower on the Property, beyond the applicable cure period, in addition to any other rights which it may have, the Borrower consents to the Lender’s appointment of a receiver manager or receiver, either privately or court appointed, to manage the Property and do all things necessary as an owner would be entitled to do, including sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation.
10. Facsimile Transmission - The parties hereto acknowledge that this First Amendment may be transmitted by facsimile transmission and that, if signed by each party hereto, such facsimile transmission will constitute a legally binding agreement between the parties.



11. Privacy Act Consent - The parties hereto acknowledge that this First Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.




**PRIVACY ACT CONSENT**


The parties hereto acknowledge that this First Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.

Please execute and return one copy of this First Amendment to the attention of the undersigned no later than November 18, 2022, failing which, at the Lender's exclusive option, this First Amendment shall be null and void and of no force nor effect and the Lender shall be entitled to all of its rights and remedies under the Commitment and the Security.

Yours truly,

**KINGSETT MORTGAGE CORPORATION**

Per:   
Jamie Dysart (Nov 17, 2022 16:16 EST)  
\_\_\_\_\_  
Jamie Dysart  
Managing Director, Mortgage Investments

Per:   
Bryan Salazar (Nov 17, 2022 14:50 EST)  
\_\_\_\_\_  
Bryan Salazar  
Managing Director, Mortgage Underwriting &  
Funding

*\*\*Borrower and Guarantor acknowledgement on following page\*\**

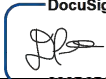


**ACKNOWLEDGEMENT**

The terms and conditions of this Commitment are hereby acknowledged and agreed to by the Borrower and Guarantors at woodbridge this 17<sup>th</sup> day of November, 2022.

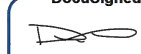
**BORROWER:**

Stateview Homes (Nao Towns) Inc.

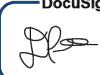
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Name:  
Title:

**GUARANTOR:**

Dino Taurasi

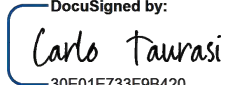
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**WITNESS**


DocuSigned by:  
  
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Name:

**GUARANTOR:**

Carlo Taurasi

DocuSigned by:  
  
30E01E733F9B420...  
Name:  
Title:

**WITNESS**

DocuSigned by:  
  
226D8B82B399415...  
Name:

*This is Exhibit*....."P".....*referred to in the*  
*affidavit of* Daniel Pollack--  
*sworn before me, this* 26<sup>th</sup>  
*day of* April, 2023  
.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**



**ASSIGNMENT OF MATERIAL AGREEMENTS**

**THIS AGREEMENT** made as of the 22nd day of December, 2021.

**B E T W E E N:**

**STATEVIEW HOMES (NAO TOWNS) INC.**

(hereinafter referred to as the "**Assignor**"),

- and -

**KINGSETT MORTGAGE CORPORATION**

(hereinafter referred to as the "**Lender**")

**WHEREAS** by a commitment letter dated the 29<sup>th</sup> day of November, 2021, from the Lender to Stateview Homes Inc. and accepted by the Assignor and others (which commitment letter, as it may be amended, modified, restated or consolidated from time to time, is hereinafter referred to as the "**Commitment**"), the Assignor agreed to assign, as security, to the Lender, inter alia, its rights, benefits, title and interest in, to and under certain material agreements and documents;

**AND WHEREAS** as security for the obligations of the Assignor to the Lender pursuant to the Commitment, the Assignor delivered to the Lender on the date hereof a charge/mortgage (which charge/mortgage, as it may be amended, renewed, extended or substituted for, is hereafter referred to as the "**Mortgage**") charging to the Lender the Project (as defined in the Commitment).

**NOW THEREFORE**, in consideration of the Lender agreeing to make advances to the Assignor under and subject to the Commitment and the sum of Ten Dollars (\$10.00) now paid by the Lender to the Assignor and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Assignor) the parties hereto covenant and agree with each other as follows:

**ARTICLE 1**  
**ASSIGNMENT**

**1.1 Recital Correct**

The Assignor confirms the validity and truth of the above-noted recital, which has the same force and effect as if repeated herein at length.

## 1.2 Assignment

As continuing and additional security for the payment to the Lender of all Indebtedness (as defined in the Mortgage) from time to time of the Assignor to the Lender, the Assignor hereby assigns, sets over and transfers to the Lender all its rights, benefits, title and interest in and to, and all claims of whatsoever nature or kind which the Assignor now has or may hereafter have under or pursuant to:

- (a) the agreements described in Schedule "A" annexed hereto;
- (b) all agreements of purchase and sale entered into, by or on behalf of the Assignor (or an affiliate of the Assignor) with third party purchasers of condominium units or other portions of the Project, together with all amendments thereto and all deposits paid or payable thereunder;
- (c) all present and future approvals, licenses, permits, and other approvals, licenses and permits now or hereafter issued or required to be issued by any public authority in respect of the Project or its use or operation or any construction, renovation, refurbishment or development taking place or to take place on, in or under the Project or any part thereof;
- (d) the plans, specifications, working drawings, budgets and schedules now or hereafter in existence for the Project or any part thereof or any proposed expansion or renovation thereof or addition thereto or for any new building, structure, erection or improvement to be on, in or under the Project or any part thereof;
- (e) all present and future builder's risk, property, fire, hazard, boiler and machinery, damage, rental abatement, business interruption and income loss insurance policies now or hereafter obtained or maintained by the Assignor in respect of the Project, including without limitation the insurance policies described in Schedule "B" annexed hereto;
- (f) all construction and other contracts for the provision of materials, labour, equipment and services to the Project in connection with any construction on the Project;
- (g) all development and construction agreements, architect's agreements, site plan agreements and other agreements, documents and contracts now or hereafter entered into by the Assignor or anyone on its behalf relating to any construction, development, renovation or expansion of, on, in or under the Project or any portion thereof;
- (h) all service, management and maintenance contracts and all cost sharing, reciprocal, parking and other agreements, in each case relating to the Project or any part thereof;
- (i) all present and future undertakings, commitments and agreements entered into, assumed by or assigned to the Assignor and all moneys and proceeds payable thereunder to the Assignor or to anyone on its behalf in respect of a financing or

refinancing of the Project or any part thereof or in respect of a mortgage, charge, security interest or other encumbrance to be granted upon the Project, any part thereof or any interest therein or in respect of the sale or other disposition by the Assignor of the Project or any portion thereof or interest therein (provided that this section shall not be deemed to constitute the consent of the Lender to any such financing or refinancing); and

- (j) any other present and future undertakings, commitments and agreements entered into or assumed by the Assignor, whether written or oral, in respect of the Project or any part thereof or any right or interest of the Assignor therein or thereto,

and any amendments, extensions, renewals and replacements which have been made or may hereafter be made thereto, together with:

- (k) all benefits, proceeds and advantages which now are or may hereafter be derived therefrom;
- (l) all debts, demands, choses in action and claims which are now or may hereafter be or become due, owing or accruing due to the Assignor therefrom;
- (m) all books, accounts, invoices, letters, papers and documents in any way evidencing or relating thereto; and
- (n) all performance, labour and material, and maintenance bonds with respect to any work of maintenance to be performed on the Project;

all of the foregoing described in Subsections 1.2(a) to (n) above, inclusive, together with the proceeds therefrom being hereinafter collectively referred to as the "**Premises Hereby Assigned**".

### **1.3 Acknowledgment of Assignor**

The Assignor acknowledges that neither this Agreement nor the assignment set out herein:

- (a) shall in any way lessen or relieve the Assignor from:
  - (i) the obligation of the Assignor to observe, satisfy and perform each and every term, agreement, provision, condition, obligation and covenant set out in, or required to be observed by the Assignor in order to fulfil its obligations pursuant to, any of the Premises Hereby Assigned; and
  - (ii) any liability of the Assignor to the Lender or to any other person, firm or corporation;
- (b) imposes any obligation on the Lender to assume any liability or obligation under, or to observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant set out in, any of the Premises Hereby Assigned;
- (c) imposes any liability on the Lender for any act or omission on its part in connection with this Agreement or the assignments constituted hereby including, without

limitation, the fulfilment or non-fulfilment by the Lender of the obligations, covenants and agreements of the Assignor set out in any of the Premises Hereby Assigned;

- (d) obligates the Lender to give notice of this Agreement and the assignments constituted hereby to any person, firm or corporation whatsoever; provided that the Lender may, in its absolute discretion, give any such notice at any time or from time to time without further notice to the Assignor;
- (e) shall cause the Lender to be or be deemed to be a mortgagee in possession;
- (f) shall delay, prejudice, impair, diminish or adversely affect the rights and remedies of the Lender pursuant to the Commitment and the Security (as defined in the Commitment); or
- (g) authorizes the Assignor to dispose of or transfer by way of conveyance, mortgage, lease, assignment or otherwise, the Project, the interest of the Assignor in the Project or any part of either, other than in accordance with the provisions of the Commitment.

## **ARTICLE 2** **COVENANTS**

### **2.1 Positive Covenants of Assignor**

The Assignor covenants and agrees:

- (a) to observe, perform and satisfy each and every term, agreement, provision, condition, obligation and covenant set out in, or required to be observed, performed and satisfied by it in order to fulfil its obligations under or pursuant to, the Premises Hereby Assigned;
- (b) to deliver to the Lender a copy of all written notices, demands or requests given under, in connection with or pursuant to the Premises Hereby Assigned that are:
  - (i) received by the Assignor, forthwith upon receipt of same; and
  - (ii) delivered by the Assignor, contemporaneously with the delivery of same;
- (c) to indemnify and save the Lender harmless from and against any liabilities, losses, costs, charges, expenses (including legal fees and disbursements on a solicitor and his own client basis), damages, claims, demands, actions, suits, proceedings, judgments and forfeitures (collectively referred to hereinafter as the "**Liabilities**") suffered, incurred or paid by the Lender in connection with, on account of or by reason of:
  - (i) the assignment to the Lender of the Premises Hereby Assigned or any part thereof;

- (ii) any alleged obligation of the Lender to observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant set out in any of the Premises Hereby Assigned;
  - (iii) any failure of the Assignor to observe, perform or satisfy their or its covenants, agreements, warranties and representations set out in this Agreement; and
  - (iv) the enforcement by the Lender of any of the assignments constituted by this Agreement or any of its rights and remedies hereunder;
- (d) to notify the Lender in writing, as soon as the Assignor becomes aware thereof, of any Dispute (as hereinafter defined), claim or litigation in respect of any of the Premises Hereby Assigned or of any breach or default by the Assignor or any other person, firm or corporation in the observance, performance or satisfaction of any of the terms, agreements, provisions, conditions, obligations or covenants set out in any of the Premises Hereby Assigned;
  - (e) to obtain such consents from third parties as may be necessary or required pursuant to any of the Premises Hereby Assigned in connection with the assignments constituted by this Agreement and, in addition, such other consents and acknowledgments from third parties as the Lender may require or desire;
  - (f) that each of its warranties and representations set out in this Agreement is now and will continue to be true and correct;
  - (g) if requested to do so by the Lender, it will give notice of this Agreement to third parties under the Premises Hereby Assigned and will enforce any or all of the rights and remedies available to it pursuant to the Premises Hereby Assigned;
  - (h) to furnish to the Lender from time to time, forthwith upon the request of the Lender, in writing all information requested by the Lender relating to the Premises Hereby Assigned;
  - (i) to execute and deliver to the Lender, upon request of the Lender, from time to time, specific assignments of any of the Premises Hereby Assigned, such assignments to be in form and content satisfactory to the Lender; and
  - (j) that it will pay or cause to be paid to the Lender or pursuant to the Lender's direction, upon demand, all Liabilities, costs, charges, fees and expenses, including, without limitation, legal fees and disbursements on a solicitor and his own client basis, court costs and any other out-of-pocket costs and expenses, incurred by the Lender in connection with or arising out of or with respect to this Agreement including, without limitation, any one or more of the following:
    - (i) the negotiation, preparation, execution and enforcement of this Agreement and all documents, agreements and other writings incidental or ancillary hereto;

- (ii) any act done or taken pursuant to this Agreement including, without limitation, recovering the Indebtedness and registering, discharging and reassigning this Agreement;
- (iii) the preservation, protection, enforcement or realization of the Premises Hereby Assigned including, without limitation, retaking, holding, repairing, preparing for disposition and disposing of the Premises Hereby Assigned;
- (iv) any action or other proceeding instituted by the Assignor, the Lender or any other person, firm or corporation in connection with or in any way relating to:
  - (1) this Agreement or any part hereof;
  - (2) the preservation, protection, enforcement or realization of the Premises Hereby Assigned; or
  - (3) the recovery of the Indebtedness;
- (v) all Liabilities suffered, incurred or paid by the Lender as set out in Subsection 2.1(c); and
- (vi) all amounts incurred or paid by the Lender pursuant to Section 4.1;

together with interest thereon from the date of the payment thereof by the Lender (if the Lender paid the same) at the rate provided for in the Mortgage, calculated daily and compounded monthly. Whether or not any action or any judicial proceedings has been taken to enforce the obligation of the Assignor to pay or cause to be paid as set out in this Section 2.1, the amounts owing to the Lender under this Section 2.1 shall be added to the Indebtedness and secured by the Security.

## **2.2 Negative Covenants of Assignor**

The Assignor covenants and agrees that it shall not:

- (a) sell, assign, transfer, dispose of, collect, receive or accept the Premises Hereby Assigned or any of them nor do, nor permit to be done, any act or thing whereby the Lender may be prevented or hindered from so doing, in each case, without the prior written consent of the Lender;
- (b) pledge, charge, mortgage, hypothecate, create a security interest in or otherwise encumber the Premises Hereby Assigned or any of them, nor shall it subordinate any of its interest therein nor shall it perform any act or execute any agreement which might prevent the Lender from operating under, or exercising its rights under, any of the provisions of this Agreement or which would limit the Lender in any such operation or exercise, in each case without the prior written consent of the Lender;

- (c) enter into, cancel or terminate any of the Premises Hereby Assigned or any of them without the prior written consent of the Lender;
- (d) waive, amend, modify, or vary any of the terms, conditions or provisions of the any of the Premises Hereby Assigned, or any of them without the prior written consent of the Lender;
- (e) waive or agree to waive any failure of any party to any of the Premises Hereby Assigned to observe, perform or satisfy any of the terms, agreements, provisions, conditions, obligations or covenants set out in the Premises Hereby Assigned or any of them, without the prior written consent of the Lender;
- (f) give any consent or approval contemplated by, or required or permitted to be given pursuant to, any of the Premises Hereby Assigned without the prior written consent of the Lender; or
- (g) settle or resolve any Dispute (as that term is hereinafter defined) without the prior written consent of the Lender.

**ARTICLE 3**  
**REPRESENTATIONS AND WARRANTIES**

**3.1 Representations and Warranties of Assignor**

The Assignor represents and warrants to the Lender that:

- (a) each of the Premises Hereby Assigned is in full force and effect, unamended, and all of the parties thereto are in good standing thereunder and there are no defaults thereunder;
- (b) it has good, valid and legal right to absolutely assign and transfer to the Lender the Premises Hereby Assigned, free and clear of all assignments, mortgages, charges, pledges, security interests and other encumbrances;
- (c) it has not performed any act or executed any agreement which might prevent the Lender from operating under, or exercising its rights under, any of the provisions of this Agreement or which would limit the Lender in any such operation or exercise;
- (d) it has the corporate power, authority and capacity to enter into this Agreement, to make the assignments constituted hereby and to perform its obligations hereunder;
- (e) it has taken all necessary action, corporate or otherwise, to authorize the execution, delivery and performance of its obligations set out in each of the Premises Hereby Assigned and in this Agreement;
- (f) neither the execution nor the delivery of this Agreement by the Assignor, nor the consummation by it of the transactions herein contemplated, nor the compliance by

it with the terms, conditions and provisions hereof will conflict with or result in a breach of any of the terms, conditions or provisions of:

- (i) the constating documents of the Assignor;
- (ii) any agreement, instrument or arrangement to which the Assignor is a party or by which the Assignor or any of its property is, or may be, bound, or constitute a default thereunder, or result thereunder in the creation or imposition of any security interest, mortgage, lien, charge or encumbrance of any nature whatsoever upon the Project or any part thereof or upon any of the other properties or assets of the Assignor;
- (iii) any judgment, order, writ, injunction or decree of any court relating to the Assignor; or
- (iv) any applicable law or governmental regulation relating to the Project;
- (g) this Agreement has been duly executed and when delivered, will be in full force and effect and constitutes a legal, valid and binding obligation of the Assignor, enforceable in accordance with its terms, subject to applicable laws relating to bankruptcy and insolvency and other similar laws affecting creditor's rights generally and subject to the qualification that equitable remedies, including specific performance and injunction, may only be granted in the discretion of a court of competent jurisdiction;
- (h) there is no pending or, to the knowledge of the Assignor, threatened litigation, action, claim or fact known to the Assignor and not disclosed to the Lender in writing which adversely affects or could adversely affect any of the Premises Hereby Assigned or the rights of the Assignor thereunder or the rights of the Lender under this Agreement;
- (i) none of the Premises Hereby Assigned in existence on the date hereof is incapable of assignment to the Lender in accordance with the provisions of this Agreement, nor is any of the Premises Hereby Assigned incapable of further assignment by the Lender or by any receiver or receiver and manager, nor is the consent of any third party required for any assignment set out in this Agreement or in connection with any such further assignment; and
- (j) no payments, proceeds, receipts or other distributions due or to become due on any date subsequent to the date of this Agreement have been collected in advance of the time when the same became due under the terms of any of the Premises Hereby Assigned.



**ARTICLE 4**  
**DEFAULT AND ENFORCEMENT**

**4.1 Enforcement Upon Default**

Without limiting in any manner whatsoever the Lender's rights, remedies and recourses pursuant to this Agreement, by operation of law or otherwise, if: any Event of Default (as defined in the Mortgage) occurs (hereinafter called a "**Default**"), then the Lender and any receiver or receiver and manager appointed by or on the application of the Lender may, from time to time and at any time, in its own name or in the name of the Assignor and without notice to the Assignor, do any one or more of the following:

- (a) observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant which, pursuant to any of the Premises Hereby Assigned, could or should be observed, performed or satisfied by the Assignor;
- (b) enforce, realize, sell or otherwise deal with the Premises Hereby Assigned upon such terms and conditions and at such time or times as to the Lender seems advisable;
- (c) exercise any of the rights, powers, authority and discretion which, pursuant to any of the Premises Hereby Assigned, by operation of law or otherwise, could be exercised, observed, performed or satisfied by the Assignor, including, without limitation, entering into, terminating, amending, renewing and assigning the Premises Hereby Assigned and otherwise dealing with the third parties thereunder and others, making other agreements or granting waivers and consents and giving notices in respect of any of the Premises Hereby Assigned or any part or parts thereof for such consideration and on such terms as the Lender may deem appropriate, and participating in all settlement negotiations and arbitration proceedings resulting from a dispute (the "**Dispute**") arising out of, in connection with or pursuant to any of the Premises Hereby Assigned;
- (d) collect any rents, proceeds, receipts or income arising from or out of the Premises Hereby Assigned including, without limitation, demanding the same, instituting proceedings for the collection thereof, accepting reductions therein or compromises with respect thereto, and recovering, receiving and giving receipts therefor, whether in the name of the Assignor or the Lender or both;
- (e) manage generally the business and operations of the Assignor and deal with the Premises Hereby Assigned and the third parties thereunder to the same extent as the Assignor could do; and
- (f) by instrument in writing appoint any person to be a receiver (which term shall include a manager and a receiver and manager) in respect of the Premises Hereby Assigned or any part thereof and may remove any receiver so appointed and appoint another in its stead; and any receiver so appointed shall have the authority to do any of the acts specified in Subsections 4.1(a), (b), (c), (d) and (e) and further to take possession of and collect the moneys of all kinds payable to the Assignor in respect

of the Premises Hereby Assigned and pay therefrom all reasonable expenses in connection therewith and all charges, the payment of which may be necessary to preserve and protect the Premises Hereby Assigned. Any such receiver shall be deemed to be the agent of the Assignor for all purposes.

The Assignor agrees that the Lender shall be entitled to charge on its own behalf for services rendered, and retain such agents as the Lender wishes to assist the Lender, in doing, or to effect, any of the foregoing. The Assignor acknowledges and agrees that all costs, charges and expenses incurred or charged by the Lender in connection with doing anything permitted in this Section 4.1, including, without limitation, legal fees and disbursements on a solicitor and his own client basis, and the fees and disbursements of any agent as aforesaid, shall be added to the Indebtedness and be forthwith paid by the Assignor to the Lender.

#### **4.2 Lender Not Liable**

The Lender shall not be bound to exercise any of the rights afforded to it hereunder, nor to collect, dispose of, realize or enforce any of the Premises Hereby Assigned. The Lender shall not be liable or responsible to the Assignor or any other person for the fulfilment or non-fulfilment of this Agreement or the terms, obligations, covenants or agreements set out in the Premises Hereby Assigned or for any loss or damage incurred or suffered by the Assignor or any other person, firm or corporation as a result of:

- (a) any delay by, or any failure of, the Lender to:
  - (i) exercise any of the rights afforded to it under this Agreement; or
  - (ii) collect, dispose of, realize or enforce any of the Premises Hereby Assigned; or
- (b) the negligence of any receiver, receiver and manager, officer, servant, agent, counsel or other attorney employed or appointed by the Lender in the exercise of the rights afforded to the Lender hereunder, or in the collection, disposition, realization or enforcement of the Premises Hereby Assigned.

#### **4.3 Application of Funds**

The Lender shall be entitled (in the sole discretion of the Lender) to utilize any amount received by the Lender arising out of or from the collection, disposition, realization or enforcement of any of the Premises Hereby Assigned in any one or more of the following ways:

- (a) to pay all costs, charges and expenses incurred by the Lender in connection with the collection, disposition, realization or enforcement of the same, including without limitation the fees and disbursements of any agents retained by the Lender to assist or effect such collection, disposition, realization or enforcement;
- (b) to pay any prior mortgages, charges, assignments or encumbrances of or against the Premises Hereby Assigned or the Project or any part thereof;
- (c) to pay any costs, charges or expenses arising from the Project or any part thereof or the operation thereof, including without limitation realty and other taxes, utilities

costs and charges, ground rent (if any), repair, maintenance and replacement costs, management fees and costs and employees' salaries and costs; and

- (d) to apply such amount or any part thereof in reduction of the Indebtedness.

Notwithstanding the generality of Subsection 4.3(d) the Lender shall be entitled to apply all or any part of such amounts received by it on account of such part or parts of the Indebtedness, in such manner and at such times or from time to time, as the Lender deems best and the Lender may at any time and from time to time change any such application.

#### **4.4 Authority to Collect Monies and Exercise Rights**

The Assignor confirms and agrees that the Lender, as assignee hereunder, has the authority to exercise all of the rights, powers, authority and discretion of the Assignor pursuant to the Premises Hereby Assigned, including without limitation to collect any monies payable or arising out of or from the Premises Hereby Assigned. Notwithstanding the foregoing sentence, the Assignor shall have the authority:

- (a) to collect any monies payable or arising out of or from the Premises Hereby Assigned, except with respect to proceeds payable under any policy of insurance, which proceeds shall be payable to the Lender and dealt with in the manner set out in the Mortgage and other Loan Documents (as defined in the Mortgage); and
- (b) subject to Section 2.2, to exercise, in good faith, all of the rights, powers, authority and discretion of the Assignor pursuant to the Premises Hereby Assigned,

unless and until such authority is revoked in writing by the Lender; provided, however, that any such monies received by or on behalf of the Assignor shall be received and held in trust for the Lender and forthwith upon request by the Lender remitted to the Lender.

#### **4.5 Further Assurances**

The Assignor covenants and agrees to execute all such further assignments and other documents and to do all such further acts and things, including without limitation obtaining any consents, which are required by the Lender, from time to time, to more effectively assign, set over and transfer the Premises Hereby Assigned to the Lender (including, without limitation, execute and deliver one or more specific assignments of the Assignor's rights, benefits, title and interest in any of the agreements, documents, commitments and other writings that constitute the Premises Hereby Assigned in form, substance and execution satisfactory to the Lender), to perfect and keep perfected the security interest constituted hereby and to assist in the collection, disposition, realization or enforcement thereof, and the Lender is hereby irrevocably constituted the true and lawful attorney of the Assignor, with full power of substitution, to execute in the name of the Assignor any assignment or other document for such purposes. Without limiting the generality of the foregoing, the Assignor hereby irrevocably nominates, constitutes and appoints each officer of the Lender the true and lawful attorney of the Assignor, with full power of substitution, for and in the name of and on behalf of and at the expense of the Assignor to act in relation to the insurance policies described in Schedule "B" annexed hereto and in securing the enforcement of all the rights of the Assignor therein and thereunder as fully and effectually in all respects as the Assignor could do, and, without limiting the generality of the foregoing, to demand surrender of any cash value

and terminate such policies, as such attorney may deem advisable and to execute on behalf of the Assignor any documentation or correspondence as any insurer under such policies may require.

**ARTICLE 5**  
**GENERAL PROVISIONS**

**5.1 No Novation**

This assignment and transfer to the Lender of the Premises Hereby Assigned:

- (a) is continuing security granted to the Lender, without novation or impairment of any other existing or future security held by the Lender in order to secure payment to the Lender of the Indebtedness and the due performance of the obligations of the Assignor referred to in Subsections 1.2(a) and (b) hereof;
- (b) is in addition to and not in substitution for any other security now or hereafter granted to or held by the Lender in connection with the Indebtedness; and
- (c) shall remain in full force and effect without regard to and shall not be affected, or impaired by:
  - (i) any amendment or modification of or addition or supplement to the Commitment, this Agreement or any other Security now or hereafter held by or on behalf of the Lender in connection with the Indebtedness or any part thereof;
  - (ii) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement, the Commitment or the Security;
  - (iii) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement, the Commitment or the Security;
  - (iv) any default by the Assignor under, or any invalidity or unenforceability of, or any limitation on the liability of the Assignor or on the method or terms of payment under, or any irregularity or other defect in, this Agreement, the Commitment or the Security;
  - (v) any merger, consolidation or amalgamation of the Assignor into or with any other corporation or company; or
  - (vi) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor.

**5.2 Re-assignment**

Upon the Indebtedness being paid in full the Lender shall, within a reasonable time following its receipt of a written request from the Assignor and at the sole cost and expense of the Assignor, reassign the Premises Hereby Assigned to the Assignor.

**5.3 Enurement**

Subject to Section 2.2 and the other provisions hereof, this Agreement shall enure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

**5.4 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.

**5.5 Waiver**

No consent or waiver, express or implied, by the Lender to or of any breach or default by the Assignor in the performance of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by the Assignor of its obligations hereunder. Failure on the part of the Lender to complain of any act or failure to act of the Assignor or to declare the Assignor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Lender of its rights hereunder.

**5.6 Amendments**

This Agreement may not be modified or amended except with the written consent of the Lender and the Assignor.

**5.7 Entire Agreement**

This Agreement constitutes the entire agreement between the Lender and the Assignor pertaining to the assignment of the Premises Hereby Assigned and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, relating thereto.

**5.8 Assignment**

The Lender may assign, transfer, negotiate, pledge or otherwise hypothecate this Agreement, any of the Premises Hereby Assigned, any of its rights hereunder or any part thereof and all rights and remedies of the Lender in connection with the interest so assigned shall be enforceable against the Assignor as the same would have been by the Lender but for such assignment. The Assignor shall not assign this Agreement or any interest herein.

**5.9 No Agency, Joint Venture or Partnership**

The Lender is not the agent, representative, partner or joint-venturer with the Assignor, and the Assignor is not the agent or representative of the Lender, and this Agreement shall not be construed to make the Lender liable to any person or persons for goods or services furnished to, on behalf of or for the benefit of the Assignor nor for debts, liability or claims accruing therefrom against the Assignor.

**5.10 Rights, Powers and Remedies**

Each right, power and remedy of the Lender provided for herein or available at law or in equity or in any other agreement shall be separate and in addition to every other such right, power and remedy. Any one or more and/or any combination of such rights, remedies and powers may be exercised by the Lender from time to time and no such exercise shall exhaust the rights, remedies or powers of the Lender or preclude the Lender from exercising any one or more of such rights, remedies and powers or any combination thereof from time to time thereafter or simultaneously.

**5.11 Survival**

All covenants, undertakings, agreements, representations and warranties made by the Assignor in this Agreement and any certificates, reports, statements, information, data, documents or instruments delivered pursuant to or in connection herewith, shall survive the execution and delivery of this Agreement and any advances under the Commitment made by the Lender, and shall continue in full force and effect until the Indebtedness is paid in full. All representations and warranties made by the Assignor shall be deemed to have been relied upon by the Lender.

**5.12 Severability**

Any term, condition or provision of this Agreement which is or is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom, 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.

**5.13 Governing Law**

This Agreement, and the interpretation, construction, application and enforcement of this Agreement, shall be governed by and construed, in all respects, exclusively in accordance with the laws of the Province of Ontario.

**5.14 Headings**

The insertion in this Agreement of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.

**5.15 Number and Gender**

All nouns and personal pronouns relating thereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun.

**5.16 Extended Meanings**

The words "**the Agreement**", "**this Agreement**", "**hereby**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions used in any paragraph of this Agreement relate or refer to the whole of this Agreement and not to that paragraph only, unless otherwise expressly provided. The words "**Article**", "**Section**", "**Subsection**", "**Paragraph**" and similar words refer to the specified article, section, subsection, paragraph or other part of this Agreement.

**5.17 Registrations**

Neither the preparation, execution nor any registrations or filings with respect hereto, in and of itself, shall bind the Lender to make an advance under the Commitment. The Assignor acknowledges receipt of a copy of the financing statement registered by the Lender under the *Personal Property Security Act* (Ontario) against the Assignor pertaining to this Agreement.

**5.18 Receipt of Copy**

The Assignor acknowledges receipt of a copy of this Agreement.

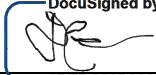
**5.19 Counterpart**

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 parties hereto have executed this Agreement as of the date first written above.

**STATEVIEW HOMES (NAO TOWNS) INC.**

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Daniel Ciccone  
Title: A.S.O.

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

I/We have authority to bind the corporation.



**SCHEDULE "A"**

1. To be inserted if any.

**SCHEDULE "B"**

1. Policy No. CBC0651140 issued by Northbridge General Insurance Corporation.

*This is Exhibit*....."Q".....*referred to in the*  
*affidavit of* Daniel Pollack.....  
*sworn before me, this* 26<sup>th</sup>.....  
*day of* April, 2023.....

.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**

**ASSIGNMENT OF MONIES WHICH MAY  
BECOME PAYABLE UNDER INSURANCE POLICIES**

**TO: KINGSETT MORTGAGE CORPORATION (the “Lender”)**

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IN CONSIDERATION of the payment of the sum of Two Dollars (\$2.00) of lawful money of Canada to the undersigned by the Lender, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, all sums of money which may become payable to the undersigned by virtue of all insurance policies now or hereafter maintained by the undersigned with respect to the real property and personal property of the undersigned subject to security in favour of the Lender including, without limitation, the policy or policies listed in Schedule “A” attached hereto, subject to the rights of any loss payee or mortgagee as shown on such policies are hereby transferred and assigned to the Lender and the Lender is hereby authorized to receive and give effectual receipts and discharges therefor.

This assignment may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one document.

This assignment shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

And each of the said insurers is hereby notified of the foregoing transfer, assignment and authorization.

***[Signing Page Follows]***

DATED this 22nd day of December, 2021.

**STATEVIEW HOMES (NAO TOWNS) INC.**

DocuSigned by:  


Per: \_\_\_\_\_  
Name: Daniel Ciccone  
Title: A.S.O.

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

I/We have authority to bind the corporation.

**SCHEDULE "A"**

**Insurance Policy(ies)**

1. Policy No. CBC0651140 issued by Northbridge General Insurance Corporation.

*This is Exhibit*....."R".....*referred to in the*

*affidavit of* Daniel Pollack--  
*sworn before me, this* 26<sup>th</sup>  
*day of* April, 2023

.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**

**GENERAL SECURITY AGREEMENT**

**THIS AGREEMENT** made this 22nd day of December, 2021,

**B E T W E E N:**

**STATEVIEW HOMES (NAO TOWNS) INC.**

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

- and -

**KINGSETT MORTGAGE 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 the 29<sup>th</sup> day of November, 2021, from the Secured Party to Stateview Homes Inc. and accepted by the Debtor and others (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 a first mortgage and charge (the “**Mortgage**”) of the Project (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.

**Section 1.2 Interpretation and Headings**

The terms “accessions”, “chattel paper”, “document of title”, “goods”, “instruments”, “intangibles”, “investment property”, “money”, “proceeds” and “security” whenever used herein shall, except as expressly defined herein or as the context may require otherwise, 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 which is located at or related to or used or acquired in connection with or arising from or out of the Charged Property (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 which is located at or related to or used or acquired in connection with or arising from or out of the Charged Property of the following kinds:

- (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, chooses 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 Charged Property, 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 Charged Property, 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 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 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 (NAO TOWNS) INC.**

Per:   
Name: Daniel Ciccone  
Title: A.S.O.

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

I/We have authority to bind the corporation.

*This is Exhibit*....."S".....*referred to in the*

*affidavit of* Daniel Pollack--  
*sworn before me, this* 26<sup>th</sup>  
*day of* April, 2023

.....  
**A COMMISSIONER FOR TAKING AFFIDAVITS**

**Properties**

<i>PIN</i>	02962 - 0263	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 6, CON 6 , AS IN MA51910 ; MARKHAM			
<i>Address</i>	5112 14TH AVE MARKHAM			
<i>PIN</i>	02962 - 0264	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 6, CON 6 , AS IN MA107810 ; MARKHAM			
<i>Address</i>	5122 14TH AVE MARKHAM			
<i>PIN</i>	02962 - 0265	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 6, CON 6 , PART 3 , 64R5892 , EXCEPT PT 1, 65R7816 ; MARKHAM			
<i>Address</i>	5248 14TH AVE MARKHAM			
<i>PIN</i>	02962 - 0266	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 6, CON 6 , PART 1 , 64R5892 ; MARKHAM			
<i>Address</i>	7768 MC COWAN RD MARKHAM			
<i>PIN</i>	02962 - 0267	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 6, CON 6 , AS IN R434475 ; MARKHAM			
<i>Address</i>	7778 MC COWAN RD MARKHAM			
<i>PIN</i>	02962 - 0268	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 6, CON 6 , AS IN R264882; T/W MA55203 ; MARKHAM			
<i>Address</i>	7788 MC COWAN RD MARKHAM			
<i>PIN</i>	02962 - 0269	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 6, CON 6 , AS IN R329719; T/W MA55276 ; MARKHAM			
<i>Address</i>	7798 MCCOWAN ROAD MARKHAM			
<i>PIN</i>	02962 - 0542	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 6, CON 6 , AS IN MA39709 EXCEPT MA51910, MA107810 AND 64R5892 ;; TOWN OF MARKHAM			
<i>Address</i>	MARKHAM			

**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 (NAO TOWNS) INC.  
*Address for Service* 16-410 Chrislea Road  
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* KINGSETT MORTGAGE CORPORATION  
*Address for Service* Scotia Plaza, 40 King Street West  
Suite 3700, P. O. Box 110  
Toronto, Ontario M5H 3Y2

**Statements**

Schedule: See Schedules

**Provisions**

*Principal* \$65,300,000.00 *Currency* CDN  
*Calculation Period* See schedule  
*Balance Due Date* On demand  
*Interest Rate* See schedule

**Provisions**

*Payments*

Interest Adjustment Date 2022 01 01  
 Payment Date 1st of each month  
 First Payment Date 2022 02 01  
 Last Payment Date 2023 07 01  
 Standard Charge Terms  
 Insurance Amount Full insurable value  
 Guarantor

**Signed By**

Gouri Indira Kumar 2 Queen Street East Suite 1500 acting for Signed 2021 12 22  
 Toronto Chargor(s)  
 M5C 3G5

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 2021 12 22  
 Toronto  
 M5C 3G5

Tel 416-593-1221

Fax 416-593-5437

**Fees/Taxes/Payment**

Statutory Registration Fee \$66.30  
 Total Paid \$66.30

**File Number**

Chargee Client File Number : 1 CHG NAO/1028550077

## 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 of the Loan 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 of the Loan 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 or any other applicable



interest rate; and

(c) the principal amount of the Loan 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 provided for 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 of the Loan), 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 of the Loan. 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 of the Loan. The Chargor covenants to pay all Costs to the Chargee forthwith on demand whether or not all or any part of the Principal amount of the Loan 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, 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. Except to the extent sums sufficient to pay all Realty Taxes have been previously deposited with the Chargee as required in the Commitment, 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; and
  - (c) within 90 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, a detailed rent roll and a detailed operating statement stating operating revenues, operating expenses, operating income 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) any and all insurance policy renewals and/or amendments within 10 business days of the issuance thereof; The Chargee may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Borrower's expense;
- (e) updated financial statements and/or net worth statements annually for each Covenantor (as hereinafter defined); and
- (f) such other financial and supporting information set out in the Commitment or 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.

(w) **Condominium**

Upon registration of a Declaration and description under the Condominium Act against the Land or any part thereof:

- (i) The Chargor shall at all times and from time to time observe and perform all duties and obligations imposed on it by the Condominium Act, the Declaration, the by-laws and the rules of the condominium in effect from time to time. The Chargor agrees to transmit to the Chargee forthwith upon the demand of the Chargee, satisfactory proof that all Common Expenses assessed against the Units have been paid as assessed.
- (ii) Without limiting the generality of the preceding paragraph (i), the Chargor shall pay promptly when due any contributions to Common Expenses required of it as an owner of the Charged Property, including any amounts added to Common Expenses or otherwise payable by him to the Condominium Corporation and, in the event of his default in doing so, the Chargee shall be entitled but shall not be obliged to pay the same whether or not any payment in default has priority over the mortgage or any part of the moneys secured thereby, and the amount thereof shall be without demand, payable forthwith with interest at the Interest Rate and shall be secured by this Charge.
- (iii) The Chargor shall deliver by mailing to the Chargee, by prepaid registered mail, a copy of each and every:
  - (a) notice of any meeting of members of the Condominium Corporation called for the purpose of, or at which there may be the taking of, a vote of the members of the Condominium Corporation at least ten clear days prior to the date upon which such meeting is fixed to convene;



- (b) claim or demand for payment by the Chargor to the Condominium Corporation or to any person, firm or corporation duly authorized to receive monies otherwise payable to the Condominium Corporation at least five clear days prior to the date upon which such claim or demand is due and payable;
  - (c) notice of any breach of any of the provisions of the Condominium Act, or of the Declaration or any By-law or By-laws of the Condominium Corporation and made pursuant to the provisions of the Condominium Act, within five days of the date upon which such notice is received by the Chargor; and
  - (d) request or demand for the consent of the Chargor to any matter affecting the Units or the common elements included in the Condominium Corporation within five days of the date upon which such request or demand is received by or made of the Chargor; and
- (iv) The Chargor shall pay any and all monies due and payable by the Chargor in accordance with the provisions of the Condominium Act, or the Declaration or the by-law or by-laws of the Condominium Corporation from time to time on or before the dates for payment thereof.
  - (v) The Chargor hereby assigns to the Chargee the right of the Chargor as owner of the Units to vote at a meeting of owners in the place of the Chargor or to consent in the place of the Chargor in all matters relating to the affairs of the Condominium Corporation, and the Chargee is hereby irrevocably authorized and empowered to exercise such right, whether or not the Chargor is in default or in breach of any of the covenants or provisions contained in this Charge. The Chargee shall be entitled to give written notice of its rights provided for in this Paragraph to the Condominium Corporation in accordance with subsection 46.1(3)(c) of the Condominium Act.
  - (vi) Any exercise by the Chargee of the right of the Chargor to either vote or consent shall not have the effect of constituting the Chargee a mortgagee in possession in respect of the Charged Property or any part thereof.
  - (vii) The Chargee shall not be in any way responsible to protect the interest of the Chargor when exercising the right to vote or consent assigned herein, and the Chargee shall not be responsible for any exercise of the right to vote or consent assigned herein or any failure to exercise the right to vote or consent assigned herein.
  - (viii) If there is any charge or mortgage of the Units subsequent in priority to this Charge, the Chargor agrees to obtain a covenant from the holder of such charge or mortgage (the “**Subsequent Chargee**”), benefitting the Chargee, whereby the Subsequent Chargee agrees that, if the Chargee has not exercised its right to vote or consent under this Section, the Subsequent Chargee will not exercise its right (if any) to vote or consent.
  - (ix) The Chargor shall not amend the Declaration, the condominium plan or the description of the Units without first obtaining the Chargee’s written consent thereto, which consent may be arbitrarily withheld at the Chargee’s sole discretion.

### **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) Condominium Insurance Upon registration of a Declaration and description under the Condominium Act against the Land or any part thereof, the Chargor shall cause the Condominium Corporation to obtain and maintain insurance on the buildings and improvements forming part of the Charged Property, excluding improvements and betterments made or acquired by the Chargor or any tenant, against major perils as defined in the Condominium Act and the other perils that the Declaration or the by-laws of the Condominium Corporation specify, to the replacement cost of such property, and liability, boiler, machinery and pressure vessel, motor vehicle and other insurance as it may be required to be obtained and maintained by the Condominium Act, the Declaration or the by-laws of the Condominium Corporation.

- (b) Improvements Insurance Upon registration of a Declaration and description under the Condominium Act against the Land or any part thereof, the Chargor shall obtain and maintain insurance on improvements and betterments to the Units owned by the Chargor, or cause any tenants of such Units to obtain and maintain the same, and, in the event of termination of the government of the Charged Property by the Condominium Act, will to the extent the Charged Property is insurable, obtain insurance on the Chargor's interest therein for the full insurable value thereof or, if the Chargee so requires, the replacement cost thereof, in lawful money of Canada, against loss or damage by fire, lightning and tempest and such other risks as the Chargee may require, including risks and perils covered by an all risks policy. In the case of a Unit used for commercial purposes, this covenant shall in addition include boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee.
- (c) 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.
- (d) 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.
- (e) 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.

- (f) 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(f), however, shall require the Chargee to incur any expense or take any action hereunder.
- (g) 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 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 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 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;

- (n) if the Chargor fails to pay any Common Expenses that it is required to contribute with respect to the Units owned by it or the Condominium Corporation obtains a lien or registers a certificate of lien against the Chargor's Units or any of them;] or
- (o) any other Event of Default under any other Loan Document.

This Charge is cross-defaulted and cross-collateralized with the second mortgage granted by the Chargee to the Chargor, charging the Charged Property (the "**Second Charge**"). If an event of default occurs under the Second Charge, then a default and an event of default shall be deemed to have occurred under this Charge. It is acknowledged that the Indebtedness secured by this Charge includes all indebtedness and obligations owing to the Chargee under the Second Charge.

## **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 (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 Rd., Woodbridge, Ontario, L4L 8B5, Attention: President, Facsimile No.: (905) 851-1841; (ii) to the Chargee: Scotia Plaza, 40 King Street West, Suite 3700, PO Box 110, Toronto, Ontario M5H 3Y2, Attention: Scott Coates, Facsimile No.: (416) 687-6701, 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 as aforementioned, 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 provided that such holdback may be released in accordance with Applicable Laws; 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.

#### **7.17 Advances**

- (a) It is understood and agreed by the parties hereto that the monies to be advanced hereunder will be advanced in stages as the installation of services and the

construction of the buildings on the Charged Property proceeds or as the conditions as enumerated by the Commitment are complied with.

- (b) The Chargor agrees to pay to the Chargee on each occasion when an inspection of the Charged Property is required in order to confirm servicing and construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Chargee or its agents may charge from time to time for each such inspection and the Chargee's solicitors shall be paid their reasonable fees and disbursements for each subsearch and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Chargee shall be entitled to all rights and remedies with respect to the collection thereof as it would have with respect to collection of principal and interest hereunder or at law.
- (c) Prior to any advances, the Chargor agrees to provide the Chargee with copies of final construction plans and specifications and copies of all contracts entered into or to be entered into for the installation of services and/or construction of buildings on the Charged Property.

## 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 November 29, 2021, issued by the Chargee and accepted by the Chargor and others, as it may be amended, restated or reissued from time to time.

“**Common Expenses**” means the expense of the performance of the objects and duties of the Condominium Corporation and any expenses identified to be common expenses in either the Condominium Act or in the Declaration.

“**Condominium Act**” means the *Condominium Act, 1998*, S.O. 1998, ch. 19, as amended and supplemented from time to time.

“**Condominium Corporation**” means the condominium corporation to be incorporated with respect to the Charged Property.

“**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).

“**Declaration**” means the declaration to be registered under the Condominium Act or its predecessor in the Registry Office.

“**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 (a) the Principal amount of the Loan, (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 \$52,500,000.00 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; (e) the Second Charge; and (f) 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 York (No. 65).

“**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.

“**Units**” means the condominium unit or units and its or their appurtenant common interests which comprise part of the Charged Property.

**GENERAL ASSIGNMENT OF RENTS AND LEASES**

**THIS AGREEMENT** made as of the 22nd day of December, 2021.

B E T W E E N :

**STATEVIEW HOMES (NAO TOWNS) INC.**

(hereinafter called the “**Assignor**”)

- and -

**KINGSETT MORTGAGE CORPORATION**

(hereinafter called the “**Lender**”)

**WHEREAS** as additional security for the Assignor's covenants and obligations as set out in the Mortgage and set out in all other agreements, documents, instruments, undertakings and assignments entered into between the Assignor and the Lender, made by the Assignor in favour of the Lender or assigned by the Assignor to the Lender, the Assignor agreed to assign, to the Lender, the Rents and the Leases, together with all benefits, powers and advantages of the Assignor to be derived therefrom.

**NOW THEREFORE** in consideration of the sum of Ten Dollars (\$10.00) paid by the Lender to the Assignor (the receipt and sufficiency of which are hereby acknowledged), the parties covenant and agree with each other as follows:

1. **Recitals Correct:**

The Assignor confirms the validity and truth of the above-noted recital, which has the same force and effect as if repeated herein at length.

2. **Definitions:**

In this Agreement, the following capitalized terms have the respective meanings set out below:

- (a) **“Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “hereby”, “hereunder”** and similar expressions mean or refer to this entire agreement as amended from time to time and any agreement or instrument supplemental or ancillary hereto or in implementation hereof;
- (b) **“Buildings”** means all buildings, improvements, installations, facilities, erections or structures now or hereafter located on, made to, placed upon or erected in, under or on the Lands, any additions and alterations thereto, and any expansions, improvements and replacements thereof and all equipment, chattels and fixtures which may be owned by or on behalf of the Assignor and may now or hereafter be located on the Lands;
- (c) **“Commitment”** means the commitment letter from the Lender to Stateview Homes Inc. and accepted by the Assignor and others dated the 29<sup>th</sup> day of November, 2021, as it may be amended, modified, restated or consolidated from time to time;
- (d) **“Default”** has the meaning ascribed thereto in Section 8;
- (e) **“Dispute”** has the meaning ascribed thereto in Subsection 8(c);
- (f) **“Event of Default”** has the meaning ascribed thereto in the Mortgage;
- (g) **“Indebtedness”** has the meaning ascribed thereto in Section 3;
- (h) **“Lands”** means the lands described in Schedule “A” attached hereto;

- (i) **“Leases”** means all leases, subleases, agreements to lease or sublease, offers to lease or sublease, agreements to use or occupy and licenses in respect of the whole or any part or parts of the Project and all revisions, alterations, modifications, amendments and changes thereto, extensions, renewals and replacements thereof or substitutions therefor which have been or may hereafter be effected or entered into; and **“Lease”** means any one of the Leases;
- (j) **“Mortgage”** means the charge/mortgage of the Project granted by the Assignor in favour of the Lender and registered on the date of registration of this Agreement in the Land Registry Office for the Land Titles Division of York (No. 65), as it may be amended or supplemented from time to time;
- (k) **“Project”** means the Lands and Buildings;
- (l) **“Rents”** means all present and future income, rents, issues, profits and any other monies, including without limitation security deposits, rental deposits (including for rent for the last month or any other future period in the term of a Lease), rental insurance proceeds and expropriation awards, to be derived from, reserved or payable under the Leases; and
- (m) **“Tenant”** means any person (other than the Assignor) who is hereafter a party to a Lease; and **“Tenants”** means all such persons.

3. **Assignment:**

As continuing and additional security for:

- (a) the repayment to the Lender of all indebtedness and liability (the **“Indebtedness”**) from time to time of the Assignor to the Lender, under, in connection with or arising out of or from the Mortgage, the Commitment and all other agreements, documents, instruments, undertakings and assignments entered into by the Assignor with the Lender, made by the Assignor in favour of the Lender or assigned by the Assignor to the Lender; and
- (b) the due performance by the Assignor of the terms, agreements, provisions, conditions, obligations and covenants on the part of the Assignor to be performed under the Mortgage, the Commitment and all other agreements, documents, instruments, undertakings and assignments entered into by the Assignor with the Lender, made in favour of the Lender or assigned to the Lender;

the Assignor, upon and subject to the terms of this Agreement, assigns, sets over and transfers to the Lender all its rights, benefits, title and interest under, in and to, and all claims of whatsoever nature or kind which the Assignor now has or may hereafter have under or pursuant to:

- (c) the Leases;
- (d) the Rents;
- (e) the benefit of any and all present and future guarantees of and indemnities with respect to any Lease and the performance of any or all of the obligations of any Tenant thereunder;
- (f) the benefit of any and all present and future letters of credit and security documents provided to secure the obligations of any Tenant under any of the Leases;
- (g) the benefit of any and all present and existing assignments of Leases by the Tenants thereunder and agreements to assume the obligations of the Tenants thereunder; and
- (h) all books, accounts, invoices, letters, papers, drawings and documents in any way evidencing or relating to the Leases, the Rents and any guarantees or indemnities of any Lease;

all of the foregoing described in Subsections 3(c) to and including 3(h) together with all

agreements pertaining thereto and all proceeds therefrom being hereinafter collectively called the “**Premises Hereby Assigned**”.

4. **Acknowledgment of Assignor:**

The Assignor acknowledges that none of this Agreement, the assignment constituted hereby or the enforcement by the Lender of any of its rights and remedies hereunder:

- (a) shall in any way lessen or relieve the Assignor from:
  - (i) the obligation of the Assignor to observe, satisfy and perform each and every term, agreement, provision, condition, obligation and covenant set out in, or required to be observed by the Assignor in order to fulfil its obligations under, any of the Premises Hereby Assigned; and
  - (ii) any liability of the Assignor to each Tenant, the Lender or to any other person, firm or corporation;
- (b) imposes any obligation on the Lender to assume any liability or obligation under, or to observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant set out in any of the Premises Hereby Assigned;
- (c) imposes any liability on the Lender for any act or omission on its part in connection with this Agreement or the assignment constituted hereby including, without limitation, the fulfilment or non-fulfilment by the Lender of the obligations, covenants and agreements of the Assignor set out in the Premises Hereby Assigned;
- (d) obligates the Lender to give notice of this Agreement and the assignment constituted hereby to any Tenant or any other person, firm or corporation whatsoever; provided that the Lender may, in its absolute discretion, give any such notice at any time or from time to time without further notice to the Assignor;
- (e) shall cause the Lender to be or be deemed to be a mortgagee in possession;
- (f) shall delay, prejudice, impair, diminish or adversely affect the rights and remedies of the Lender pursuant to the Mortgage or any other agreement (including, without limitation, any loan agreement) entered into by the Assignor with the Lender, made by the Assignor in favour of the Lender or assigned by the Assignor to the Lender; or
- (g) authorizes the Assignor to dispose of or transfer by way of conveyance, mortgage, lease, assignment or otherwise, the Project, the interest of the Assignor in the Project or any part of either.

5. **Positive Covenants of Assignor:**

The Assignor covenants and agrees:

- (a) to observe, perform and satisfy each and every term, agreement, provision, condition, obligation and covenant set out in, or required to be observed, performed and satisfied by the Assignor pertaining to or under or pursuant to, the Premises Hereby Assigned;
- (b) to deliver to the Lender a copy of all written notices, demands or requests given under, in connection with or pursuant to the Premises Hereby Assigned that are:
  - (i) received by the Assignor, forthwith upon receipt of same; and
  - (ii) delivered by the Assignor, contemporaneously with the delivery of same;
- (c) to indemnify and save the Lender harmless from and against any liabilities, losses, costs, charges, expenses (including legal fees and disbursements on a solicitor and his own client basis), damages, claims, demands, actions, suits, proceedings, judgments and forfeitures (collectively referred to hereinafter as the “**Liabilities**”)

suffered, incurred or paid by the Lender in connection with, on account of or by reason of:

- (i) the assignment to the Lender of the Premises Hereby Assigned;
  - (ii) any alleged obligation of the Lender to observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant set out in any of the Premises Hereby Assigned;
  - (iii) any failure of the Assignor to observe, perform or satisfy its covenants, agreements, warranties and representations set out in this Agreement; and
  - (iv) the enforcement of the assignment constituted by this Agreement or any of its rights and remedies hereunder;
- (d) to notify the Lender in writing as soon as the Assignor becomes aware of any Dispute (as hereinafter defined), claim or litigation in respect of any of the Premises Hereby Assigned or of any breach of default by the Assignor or any other person, firm or corporation in the observance, performance or satisfaction of any of the terms, agreements, provisions, conditions, obligations or covenants set out in the Premises Hereby Assigned;
- (e) to keep, with regard to the Project, separate, up-to-date, detailed and accurate records of all revenues, including, without limitation, all Rents, and expenditures;
- (f) to obtain such consents from third parties including, without limitation, Tenants as may be necessary or required pursuant to any of the Premises Hereby Assigned in connection with the assignment constituted by this Agreement and, in addition, such other consents and acknowledgments from third parties as the Lender may require or desire;
- (g) upon the request of the Lender from time to time, to execute and deliver to the Lender specific assignments of any of the Leases duly acknowledged by the respective Tenants under such Leases, which specific assignments and acknowledgements shall be in form and substance acceptable to the Lender;
- (h) the Assignor will obtain in any new Lease a covenant of the respective Tenant whereby such Lease and all of the rights of the Tenant thereunder are subject and subordinate to this Agreement, the Mortgage and all other security agreements, mortgages, charges, assignments and security interests securing the Indebtedness or any part thereof and whereby such Tenant, at the request of the Lender, will attorn to and become the Tenant of the Lender for the then unexpired residue of the term of such Lease;
- (i) to deliver to the Lender, at the request of the Lender from time to time, a notarial copy of any Lease and of any guarantee or indemnity in respect of the obligations of any Tenant under a Lease;
- (j) to execute and deliver to each Tenant and the Lender, at the request of the Lender from time to time, a written notice to each Tenant directing such Tenants to pay the Rents and all other sums owing under the Leases to the Lender;
- (k) if requested to do so by the Lender, from time to time, it will enforce any or all of its rights and remedies under the Premises Hereby Assigned;
- (l) that each of its warranties and representations set out in this Agreement is now and will continue to be true and correct; and
- (m) that it will pay or cause to be paid to the Lender or pursuant to the Lender's direction, upon demand, all costs, charges, fees and expenses, including, without limitation, legal fees and disbursements on a solicitor and his own client basis, court costs and any other out-of-pocket costs and expenses, incurred by the Lender in connection with or arising out of or with respect to this Agreement including, without limitation, any one or more of the following:

- (i) the negotiation, preparation, execution and enforcement of this Agreement and all documents, agreements and other writings incidental or ancillary hereto;
- (ii) any act done or taken pursuant to this Agreement including, without limitation, recovering the Indebtedness and registering, discharging and reassigning this Agreement;
- (iii) the preservation, protection, enforcement or realization of the Premises Hereby Assigned including, without limitation, retaking, holding, repairing, preparing for disposition and disposing of the Premises Hereby Assigned;
- (iv) any action or other proceeding instituted by the Assignor, the Lender, any Tenant or any other person, firm or corporation in connection with or in any way relating to:
  - (1) this Agreement or any part hereof;
  - (2) the preservation, protection, enforcement or realization of the Premises Hereby Assigned; or
  - (3) the recovery of the Indebtedness;
- (v) all Liabilities suffered, incurred or paid by the Lender as set out in Subsection 5(c) hereof; and
- (vi) all amounts incurred or paid by the Lender pursuant to Section 8 hereof;

together with interest thereon from the date of the incurring of such expenses at the rate provided for in the Mortgage, calculated daily and compounded monthly. Whether any action or any judicial proceedings to enforce the aforesaid payments has been taken or not, the amount owing to the Lender under this Subsection shall be added to the Indebtedness and secured by the Mortgage, this Agreement and all other security agreements entered into by the Assignor in favour of the Lender and relating to the Project.

6. **Negative Covenants of Assignor:**

The Assignor covenants and agrees that it shall not:

- (a) sell, assign, transfer, dispose of, collect, receive or accept any of the Premises Hereby Assigned including, without limitation, the Rents, except as may be permitted in this Agreement, nor do, nor permit to be done, any act or thing whereby the Lender may be prevented or hindered from so doing, in each case, without the prior written consent of the Lender;
- (b) pledge, charge, mortgage, hypothecate, create a security interest in or otherwise encumber the Premises Hereby Assigned or any part thereof in any manner whatsoever other than to the Lender without the prior written consent of the Lender;
- (c) enter into, terminate, accept a surrender of, amend or vary any Lease other than with the Lender's prior written consent;
- (d) accept payment of any Rents under any Lease in advance except for the current monthly rental period and except for security deposits provided for in such Lease;
- (e) suffer or permit anything allowing any Tenant under any Lease to cancel, terminate, forfeit any of the Premises Hereby Assigned, or suffer or permit anything allowing the surrender of any of the Premises Hereby Assigned, in each case without the prior written approval of the Lender;
- (f) waive, amend, modify or vary any of the terms, agreements, provisions, conditions, obligations and covenants set out in the Premises Hereby Assigned, or otherwise agree or consent to any waiver, amendment, modification or variation of any of



them, whether by way of collateral agreement or otherwise, in each case without the prior written approval of the Lender;

- (g) waive or agree to waive any failure of any party to any of the Premises Hereby Assigned including, without limitation, any Tenants, to observe, perform or satisfy any of the terms, agreements, provisions, conditions, obligations or covenants set out in any of the Premises Hereby Assigned, in each case without the prior written approval of the Lender;
- (h) give any consent or approval contemplated by, or required or permitted to be given pursuant to, any of the Premises Hereby Assigned, without the prior written consent of the Lender; or
- (i) settle or resolve any Dispute, without the prior written consent of the Lender.

7. **Representations and Warranties of Assignor:**

The Assignor represents and warrants to the Lender that:

- (a) each of the Premises Hereby Assigned including, without limitation, each of the Leases in effect as of the date hereof, is valid and subsisting, is in full force and effect, unamended, in good standing and there are no defaults thereunder;
- (b) the Assignor has good, valid and legal right to absolutely assign and transfer to the Lender the Premises Hereby Assigned, free and clear of all assignments, mortgages, charges, pledges, security interest and other encumbrances;
- (c) the Assignor has not performed any act or executed any agreement that might prevent the Lender from operating under, or exercising its rights and remedies under, any of the provisions of this Agreement or that would limit the Lender in any such operation or exercise;
- (d) the Assignor has the corporate power, authority and capacity to enter into this Agreement, to make the assignment constituted hereby and to perform its obligations hereunder;
- (e) the Assignor has taken all necessary action, corporate or otherwise, to authorize the execution and delivery of this Agreement and the performance of its obligations set out in this Agreement and in each of the Leases;
- (f) neither the execution nor the delivery of this Agreement by the Assignor, nor the consummation by it of the transactions herein contemplated, nor the compliance by it with the terms, conditions and provisions hereof will conflict with or result in a breach of any terms, conditions or provisions of:
  - (i) the constating documents of the Assignor;
  - (ii) any agreement, instrument or arrangement to which the Assignor is a party or by which the Assignor or any of its property is, or may be bound, or constitute a default thereunder, or result thereunder in the creation or imposition of any security interest, mortgage, lien, charge or encumbrance of any nature whatsoever upon the Project or upon any of the other properties or assets of the Assignor;
  - (iii) any judgment, order, writ, injunction or decree of any court, relating to the Assignor; or
  - (iv) any applicable law or governmental regulation relating to the Project;
- (g) this Agreement has been duly executed and, when delivered, will be in full force and effect and constitutes a legal, valid and binding obligation of the Assignor, enforceable in accordance with its terms, subject to applicable laws relating to bankruptcy, insolvency and other similar laws affecting creditors' rights generally and subject to the qualification that equitable remedies, including specific

performance and injunction, may only be granted in the discretion of a court of competent jurisdiction;

- (h) there is no pending or threatened litigation, action, claim or fact known to the Assignor and not disclosed to the Lender in writing which adversely affect or could adversely affect any of the Premises Hereby Assigned or the rights of the Assignor or any other party thereunder or the rights of the Lender under this Agreement;
- (i) none of the Premises Hereby Assigned in existence on the date hereof is incapable of assignment to the Lender in accordance with the provisions of this Agreement, nor is any of the Premises Hereby Assigned incapable of further assignment by the Lender or by any receiver or receiver and manager, nor is the consent of any third party required for any assignment set out in this Agreement or in connection with any further assignment by the Lender; and
- (j) no Rents, payments, proceeds, receipts or other distributions due or to become due on any date subsequent to the date of this Agreement have been collected or paid in advance of the time when the same become due under the terms of any of the Premises Hereby Assigned.

8. **Enforcement Upon Default:**

Without limiting in any manner whatsoever the Lender's rights, remedies, and recourses pursuant to this Agreement, by operation of law or otherwise, upon a default by the Assignor in the observance or performance of any of its covenants and agreements hereunder or upon the occurrence of an Event of Default (hereinafter collectively called a "**Default**"), the Lender and any receiver or any receiver and manager appointed by the Lender, may from time to time and at any time, in its own name or in the name of the Assignor and without notice to the Assignor, do any one or more of the following:

- (a) observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant which, pursuant to any of the Premises Hereby Assigned, could or should be observed, performed or satisfied by the Assignor;
- (b) enforce, realize, sell or otherwise deal with the Premises Hereby Assigned upon such terms and conditions and at such time or times as to the Lender seems advisable;
- (c) exercise any of the rights, powers, authority and discretion which, pursuant to any of the Premises Hereby Assigned, by operation of law or otherwise, could be exercised, observed, performed or satisfied by the Assignor, including, without limitation, entering into, terminating, amending, renewing and assigning the Leases and otherwise dealing with the Tenants and others, making other agreements or granting waivers and consents and giving notices in respect of any of the Leases or any part or parts thereof for such consideration and on such terms as the Lender may deem appropriate, and participating in all settlement negotiations and arbitration proceedings resulting from a dispute (the "**Dispute**") arising out of, in connection with or pursuant to any of the Premises Hereby Assigned;
- (d) collect any Rents, proceeds, receipts or income arising from or out of the Premises Hereby Assigned including, without limitation, demanding the same, instituting proceedings for the collection thereof, accepting reductions therein or compromises with respect thereto, and recovering, receiving and giving receipts therefor, whether in the name of the Assignor or the Lender or both;
- (e) manage generally the business and operations of the Assignor and deal with the Leases and the Tenants to the same extent as the Assignor could do; and
- (f) by instrument in writing appoint any person to be a receiver (which term shall include a manager and a receiver and manager) in respect of the Leases or any part thereof and may remove any receiver so appointed and appoint another in its stead; and any receiver so appointed shall have the authority to do any of the acts specified in Subsections 8(a), (b), (c), (d) and (e) hereof and further to take possession of and collect the Rents and other moneys of all kinds payable to the Assignor in respect

of the Leases and pay therefrom all reasonable expenses in connection therewith and all charges, the payment of which may be necessary to preserve and protect the Leases. Any such receiver shall be deemed to be the agent of the Assignor for all purposes.

The Assignor agrees that the Lender shall be entitled to charge on its own behalf for services rendered, and retain such agents as the Lender wishes to assist the Lender, in doing, or to effect, any of the foregoing. The Assignor acknowledges and agrees that all costs, charges and expenses incurred or charged by the Lender in connection with doing anything permitted in this Section 8, including, without limitation, legal fees and disbursements on a solicitor and his own client basis, and the fees and disbursements of any agent as aforesaid, shall be added to the Indebtedness and be forthwith paid by the Assignor to the Lender.

9. **Lender Not Liable:**

The Lender shall not be bound to exercise any of the rights afforded to it hereunder nor to collect, dispose of, realize, preserve or enforce any of the Premises Hereby Assigned. The Lender shall not be liable or responsible to the Assignor or any other person for the fulfilment or non-fulfilment of this Agreement or the terms, obligations, covenants or agreements set out in this Agreement or for any loss or damage incurred or suffered by the Assignor or any other person, firm or corporation as a result of:

- (a) any delay by, or any failure of, the Lender to:
  - (i) exercise any of the rights afforded to it under this Agreement; or
  - (ii) collect, dispose of, realize, preserve or enforce any of the Premises Hereby Assigned; or
- (b) the negligence of any receiver, receiver and manager, officer, servant, agent, counsel or other attorney employed or appointed by the Lender in the exercise of the rights afforded to the Lender hereunder, or in the collection, disposition, realization, entering into, terminating, preservation or enforcement of the Premises Hereby Assigned.

10. **Application of Funds:**

The Lender shall be entitled (in the sole discretion of the Lender) to utilize any amount received by the Lender arising out of or from the collection, disposition, realization or enforcement of any of the Premises Hereby Assigned in any one or more of the following ways:

- (a) to pay all costs, charges and expenses incurred by the Lender in connection with the collection, disposition, realization or enforcement of the same, including without limitation the fees and disbursements of any agents retained by the Lender to assist or effect such collection, disposition, realization or enforcement;
- (b) to pay any prior mortgages, charges, assignments or encumbrances of or against the Premises Hereby Assigned or the Project or any part thereof;
- (c) to pay any costs, charges or expenses arising from the Project or any part thereof or the operation thereof, including without limitation realty and other taxes, utilities costs and charges, ground rent (if any), repair, maintenance and replacement costs, management fees and costs and employees' salaries and costs; and
- (d) to apply such amount or any part thereof in reduction of the Indebtedness.

Notwithstanding the generality of the foregoing, the Lender shall be entitled to apply all or any part of such amounts received by it on account of such part or parts of the Indebtedness, in such manner and at such times or from time to time, as the Lender deems best and the Lender may at any time and from time to time change any such application.

11. **Further Assurances:**

The Assignor covenants and agrees to execute all such further assignments and other

documents and to do all such further acts and things including, without limitation, obtaining any consents which are required by the Lender, from time to time, to more effectively assign, set over and transfer the Premises Hereby Assigned to the Lender including, without limitation, execute and deliver one or more specific assignments of the Assignor's rights, benefits, title and interest in any of the agreements, documents, commitments and other writings that constitute the Premises Hereby Assigned in form, substance and execution satisfactory to the Lender, to perfect and keep perfected the security interest constituted hereby and to assist in the collection, disposition, realization or enforcement thereof, and the Lender is hereby irrevocably constituted the true and lawful attorney of the Assignor, with full power of substitution, to execute in the name of the Assignor any assignment or other document for such purposes.

12. **Information:**

The Assignor covenants and agrees that from time to time forthwith, upon the request of the Lender, it shall furnish to the Lender in writing all information requested by the Lender relating to the Premises Hereby Assigned.

13. **Dealing with Leases:**

The Assignor confirms and agrees that the Lender, as assignee hereunder, has the authority to exercise all of the rights, powers, authority and discretion of the Assignor pursuant to the Premises Hereby Assigned, including without limitation to collect any Rents and other monies payable or arising out of or from the Premises Hereby Assigned. Notwithstanding the foregoing sentence, the Assignor shall have the authority, subject to Section 6 hereof:

- (a) to collect any Rents and other monies properly payable or arising out of or from the Premises Hereby Assigned; and
- (b) to exercise in good faith all of the benefits, advantages and powers as landlord under the Premises Hereby Assigned,

unless and until such authority is revoked in writing by the Lender, provided, however, that any monies received by the Assignor arising out of or from any of the Premises Hereby Assigned shall be received and held in trust for the Lender and forthwith upon request by the Lender remitted to the Lender. The Lender may, at any time or times by notice to any Tenant, direct such Tenant to pay Rent and other monies to the Lender and such notice shall be good and sufficient authority for any Tenant so doing. Any payment of Rents and other monies by a Tenant to the Lender shall not constitute a default under such Tenant's Lease. The receipt by the Lender of Rent or other monies from a Tenant shall constitute and be deemed receipt thereof by the Assignor.

14. **No Novation:**

This Assignment and transfer to the Lender of the Premises Hereby Assigned:

- (a) is continuing security granted to the Lender without novation or impairment of any other existing or future security held by the Lender in order to secure payment to the Lender of the Indebtedness and the due performance of the Assignor's obligations under the Mortgage and all other agreements (including, without limitation, any loan agreement), documents, instruments, undertakings and commitments entered into between the Assignor and the Lender, made by the Assignor in favour of the Lender or assigned by the Assignor to the Lender;
- (b) is in addition to and not in substitution for any other security now or hereafter granted to or held by the Lender in connection with the Indebtedness; and
- (c) shall remain in full force and effect without regard to and shall not be affected or impaired by:
  - (i) any amendment or modification of or addition or supplement to the Mortgage, this Agreement or any other security or securities (the "Additional Securities") now or hereafter held by or on behalf of the Lender in connection with the Indebtedness or any part thereof;
  - (ii) any exercise or non-exercise of any right, remedy, power or privilege in

respect of the Mortgage, this Agreement or the Additional Securities;

- (iii) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of the Mortgage, this Agreement or the Additional Securities;
- (iv) any default by the Assignor under, or any invalidity or unenforceability of, or any limitation on the liability of the Assignor or on the method or terms of payment under, or any irregularity or other defect in, the Mortgage, this Agreement or the Additional Securities;
- (v) any merger, consolidation or amalgamation of the Assignor into or with any other company or corporation; or
- (vi) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor.

15. **Re-assignment:**

Upon the Indebtedness being paid in full, the Lender shall, within a reasonable time following its receipt of a written request from the Assignor and at the sole cost and expense of the Assignor, reassign the Premises Hereby Assigned to the Assignor.

16. **Enurement:**

Subject to Section 6 and the other provisions hereof, this Agreement shall enure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

17. **Notices:**

Any notice, demand, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if delivered to the party for whom it is intended, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail to the address of the addressee provided for in the Mortgage, and shall be deemed to have been received by such addressee after the time periods with respect thereto in the Mortgage.

18. **Waiver:**

No consent or waiver, express or implied, by the Lender to or of any breach or default by the Assignor in the performance of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by the Assignor of its obligations hereunder. Failure on the part of the Lender to complain of any act or failure to act of the Assignor or to declare the Assignor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Lender of its rights hereunder.

19. **Amendments:**

This Agreement may not be modified or amended except with the written consent of the Lender and the Assignor.

20. **Entire Agreement:**

This Agreement constitutes the entire agreement between the Lender and the Assignor pertaining to the assignment of the Premises Hereby Assigned and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, relating thereto.

21. **Assignment:**

The Lender may assign, transfer, negotiate, pledge or otherwise hypothecate this Agreement, any of the Premises Hereby Assigned, any of its rights hereunder or any part thereof and all rights and remedies of the Lender in connection with the interest so assigned shall be

enforceable against the Assignor as the same would have been by the Lender but for such assignment.

22. **No Agency, Joint Venture or Partnership:**

The Lender is not the agent, representative, partner of or joint-venturer with the Assignor, and the Assignor is not the agent, representative, partner of or joint-venturer with the Lender, and this Agreement shall not be construed to make the Lender liable to any person or persons for goods or services furnished to, on behalf of or for the benefit of the Assignor nor for debts, liability or claims accruing therefrom against the Assignor.

23. **Rights, Powers and Remedies:**

Each right, power and remedy of the Lender provided for herein or available at law or in equity or in any other agreement shall be separate and in addition to every other such right, power and remedy. Any one or more or any combination of such rights, remedies and powers may be exercised by the Lender from time to time and no such exercise shall exhaust the rights, remedies or powers of the Lender or preclude the Lender from exercising any one or more of such rights, remedies and powers or any combination thereof from time to time thereafter or simultaneously. Without limiting the foregoing provisions of this Section 23, the Lender in its discretion may exercise its rights, powers and remedies hereunder in respect of each of the Premises Hereby Assigned separately and whether or not the Lender exercises such rights, powers and remedies in respect of any or all of the other Premises Hereby Assigned.

24. **Survival:**

All covenants, undertakings, agreements, representations and warranties made by the Assignor in this Agreement and any instruments delivered pursuant to or in connection herewith, shall survive the execution and delivery of this Agreement and any advances made by the Lender to the Assignor, and shall continue in full force and effect until the Indebtedness is paid in full. All representations and warranties made by the Assignor shall be deemed to have been relied upon by the Lender.

25. **Severability:**

Any term, condition or provision of this Agreement which is or is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom, 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.

26. **Governing Law:**

This Agreement and the interpretation, construction, application and enforcement of this Agreement shall be governed by and construed in all respects, exclusively in accordance with the laws of the Province of Ontario.

27. **Headings:**

The insertion in this Agreement of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.

28. **Number and Gender:**

All nouns and personal pronouns relating thereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun.

29. **Registrations:**

Neither the preparation, execution nor any registrations or filings with respect hereto, in and of itself, shall bind the Lender to make an advance under the Mortgage.

30. **Receipt of Copy:**

The Assignor acknowledges receipt of a copy of this Agreement and of any financing statement registered under the *Personal Property Security Act* (Ontario) with respect hereto.

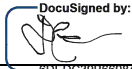
31. **Counterpart:**

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 Assignor has executed this Agreement as of the date and year first above-written.

**STATEVIEW HOMES (NAO TOWNS) INC.**

Per:   
Name: Daniel Ciccone  
Title: A.S.O.

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

I/We have authority to bind the corporation.



**SCHEDULE "A"**

**LEGAL DESCRIPTION OF LANDS**

**FIRSTLY:** "Pt Lt 6 Concession 6, as in MA39709 except MA51910, MA107810 and 64R5892; Town of Markham" and being ALL of PIN 02962-0542 (LT)

**SECONDLY:** "PT LT 6 Concession 6, as in MA51910; Markham" and being ALL of PIN 02962-0263 (LT)

**THIRDLY:** "Pt Lt 6, Concession 6, as in MA107810; Markham" and being ALL of PIN 02962-0264 (LT)

**FOURTHLY:** "Pt Lt 6, Concession 6, Part 3, 64R5892, except Part 1, 65R7816; Markham" and being ALL of PIN 02962-00265 (LT)

**FIFTHLY:** "Pt Lt 6, Concession 6, Part 1, 64R5892; Markham" and being ALL of PIN 02962-0266 (LT)

**SIXTHLY:** "Pt Lt 6, Concession 6, as in R264882; T/W MA55203; Markham" and being ALL of PIN 02962-0268

**SEVENTHLY:** "Pt Lt 6, Concession 6, as in R434475; Markham" and being ALL of PIN 02962-0267 (LT)

**EIGHTHLY:** "Pt Lt 6, Concession 6 as in R329719; T/W MA55276; Markham" and being ALL of PIN 02962-0269 (LT)

**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED  
KINGSETT MORTGAGE CORPORATION and STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD  
AND DORR CAPITAL CORPORATION TAURASI HOLDINGS CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

Applicants

Respondents

Court File No.: CV-23-00698576-00CL

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

Proceedings commenced in Toronto

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**APPLICATION RECORD  
(Volume 1 of 3)**

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