

**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 3 of 3)**

April 26, 2023

BENNETT JONES LLP
One First Canadian Place, Suite 3400
P.O. Box 130
Toronto, ON M5X 1A4

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Email: zweigs@bennettjones.com

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Lawyers for the Applicants

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TAB	DESCRIPTION
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EE	Exhibit "EE" – A copy of the Original On the Mark First Mortgage Commitment Letter dated May 13, 2020
FF	Exhibit "FF" – Copies of the On the Mark First Mortgage Amendments dated July 27, 2021, November 29, 2021, January 7, 2022 and January 18, 2023
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VOLUME 3 OF 3	
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PP	Exhibit "PP" – 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
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TAB	DESCRIPTION
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UU	Exhibit "UU" – Copies of the Taurasi Holdings Mortgage, the Taurasi Holdings Mortgage Terms and the Taurasi Holdings Assignment of Rents
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XX	Exhibit "XX" – A copy of the Original High Crown Commitment Letter dated June 17, 2021
YY	Exhibit "YY" – Copies of the High Crown Amendments dated July 23, 2021, February 8, 2022, August 15, 2022 and November 24, 2022
ZZ	Exhibit "ZZ" – High Crown General Security Agreement dated July 20, 2021
AAA	Exhibit "AAA" – 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
BBB	Exhibit "BBB" – High Crown Parcel Registers
CCC	Exhibit "CCC" – High Crown PPSA Search Results effective April 13, 2023
DDD	Exhibit "DDD" – Copies of the Demand Letters and the accompanying NITES dated April 12, 2023
EEE	Exhibit "EEE" – A copy of KSV Restructuring Inc.'s consent to act as the Receiver dated April 25, 2023

This is Exhibit "KK" *referred to in*
the

affidavit of Daniel Pollack
sworn before me, this 26th
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 (On the Mark) Inc.

FILE CURRENCY: April 13, 2023

RESPONSE CONTAINS: APPROXIMATELY 3 FAMILIES and 11 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 (On the Mark) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 3 ENQUIRY PAGE : 1 OF 11

SEARCH : BD : STATEVIEW HOMES (ON THE MARK) INC.

00 FILE NUMBER : 761994018 EXPIRY DATE : 20MAY 2025 STATUS :
01 CAUTION FILING : PAGE : 01 OF 003 MV SCHEDULE ATTACHED :
REG NUM : 20200520 1401 1462 8797 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: STATEVIEW HOMES (ON THE MARK) INC.
OCN : 002750301
04 ADDRESS : 410 CHRISLEA ROAD, UNIT 26
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 :
KINGSETT MORTGAGE CORPORATION
09 ADDRESS : 40 KING STREET WEST, SUITE 3700
CITY : TORONTO PROV: ON POSTAL CODE: M5H3Y2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 GENERAL ASSIGNMENT OF RENTS AND LEASES, GENERAL SECURITY AGREEMENT,
14 ASSIGNMENT OF ALL CONTRACTS AND AGREEMENTS RELATING TO CONSTRUCTION,
15 SUPPLY, CONSULTING, SPECIFICATIONS, DRAWINGS, PLANS, LICENCES AND
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CC - 633-151 - 1ST)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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 (On the Mark) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 3 ENQUIRY PAGE : 2 OF 11

SEARCH : BD : STATEVIEW HOMES (ON THE MARK) INC.

00 FILE NUMBER : 761994018 EXPIRY DATE : 20MAY 2025 STATUS :
01 CAUTION FILING : PAGE : 02 OF 003 MV SCHEDULE ATTACHED :
REG NUM : 20200520 1401 1462 8797 REG TYP: P PPSA REG PERIOD: 5
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 :
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 PERMITS, ASSIGNMENT OF AGREEMENTS OF PURCHASE AND SALE AND PURCHASER
14 DEPOSITS AND ASSIGNMENT OF CASH COLLATERAL RELATING TO THOSE LANDS
15 CONTAINED IN PIN NO. 03047-1646 BEING BLOCK 3, PLAN 65M3925, CITY OF
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CC - 633-151 - 1ST)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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 (On the Mark) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 3 ENQUIRY PAGE : 3 OF 11

SEARCH : BD : STATEVIEW HOMES (ON THE MARK) INC.

00 FILE NUMBER : 761994018 EXPIRY DATE : 20MAY 2025 STATUS :
01 CAUTION FILING : PAGE : 03 OF 003 MV SCHEDULE ATTACHED :
REG NUM : 20200520 1401 1462 8797 REG TYP: P PPSA REG PERIOD: 5
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 :
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 MARKHAM
14
15
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CC - 633-151 - 1ST)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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 (On the Mark) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 3 ENQUIRY PAGE : 4 OF 11

SEARCH : BD : STATEVIEW HOMES (ON THE MARK) INC.

00 FILE NUMBER : 761994045 EXPIRY DATE : 20MAY 2025 STATUS :
01 CAUTION FILING : PAGE : 01 OF 003 MV SCHEDULE ATTACHED :
REG NUM : 20200520 1401 1462 8800 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: STATEVIEW HOMES (ON THE MARK) INC.
OCN : 002750301
04 ADDRESS : 410 CHRISLEA ROAD, UNIT 26
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 :
KINGSETT MORTGAGE CORPORATION
09 ADDRESS : 40 KING STREET WEST, SUITE 3700
CITY : TORONTO PROV: ON POSTAL CODE: M5H3Y2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKE MODEL V.I.N.
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12

GENERAL COLLATERAL DESCRIPTION

13 GENERAL ASSIGNMENT OF RENTS AND LEASES, GENERAL SECURITY AGREEMENT,
14 ASSIGNMENT OF ALL CONTRACTS AND AGREEMENTS RELATING TO CONSTRUCTION,
15 SUPPLY, CONSULTING, SPECIFICATIONS, DRAWINGS, PLANS, LICENCES AND
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CC - 6333-151 - 2ND)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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 (On the Mark) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 3 ENQUIRY PAGE : 5 OF 11

SEARCH : BD : STATEVIEW HOMES (ON THE MARK) INC.

00 FILE NUMBER : 761994045 EXPIRY DATE : 20MAY 2025 STATUS :
01 CAUTION FILING : PAGE : 02 OF 003 MV SCHEDULE ATTACHED :
REG NUM : 20200520 1401 1462 8800 REG TYP: P PPSA REG PERIOD: 5
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 :
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 PERMITS, ASSIGNMENT OF AGREEMENTS OF PURCHASE AND SALE AND PURCHASER
14 DEPOSITS AND ASSIGNMENT OF CASH COLLATERAL RELATING TO THOSE LANDS
15 CONTAINED IN PIN NO. 03047-1646 BEING BLOCK 3, PLAN 65M3925, CITY OF
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CC - 6333-151 - 2ND)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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*** 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 (On the Mark) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 3 ENQUIRY PAGE : 6 OF 11

SEARCH : BD : STATEVIEW HOMES (ON THE MARK) INC.

00 FILE NUMBER : 761994045 EXPIRY DATE : 20MAY 2025 STATUS :
01 CAUTION FILING : PAGE : 03 OF 003 MV SCHEDULE ATTACHED :
REG NUM : 20200520 1401 1462 8800 REG TYP: P PPSA REG PERIOD: 5
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 :
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 MARKHAM
14
15
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CC - 6333-151 - 2ND)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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 (On the Mark) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 3 ENQUIRY PAGE : 7 OF 11

SEARCH : BD : STATEVIEW HOMES (ON THE MARK) 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 (On the Mark) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 3 ENQUIRY PAGE : 8 OF 11

SEARCH : BD : STATEVIEW HOMES (ON THE MARK) 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 (On the Mark) Inc.

FILE CURRENCY: April 13, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 3 OF 3 ENQUIRY PAGE : 9 OF 11

SEARCH : BD : STATEVIEW HOMES (ON THE MARK) 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

11

12

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 (On the Mark) Inc.

FILE CURRENCY: April 13, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 3 OF 3 ENQUIRY PAGE : 10 OF 11

SEARCH : BD : STATEVIEW HOMES (ON THE MARK) 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

11

12

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 (On the Mark) Inc.

FILE CURRENCY: April 13, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 3 OF 3 ENQUIRY PAGE : 11 OF 11

SEARCH : BD : STATEVIEW HOMES (ON THE MARK) 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

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11

12

13 WOODBINE STREET, MARKHAM, ONTARIO.

14

15

16 NAME :

17 ADDRESS :

CITY : PROV : POSTAL CODE :

LAST SCREEN

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

This is Exhibit "LL" *referred to in the*
affidavit of Daniel Pollack
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS



May 13, 2020

Stateview Homes (On the Mark) Inc.
c/o Dorr Capital

Attention: Riccardo Platti

Re: Second mortgage construction financing of On the Mark

We are pleased to advise that KingSett Mortgage Corporation has approved the following Loan in connection with the above noted matter, as more particularly described below and within Schedules **A, B, C, D, E, F, G, H, I and J** attached hereto (the "**Commitment Letter**").

A. LOAN TERMS

1. **Project:** A site to be improved with a 70 unit townhouse development located at Markland and Woodbine Street, Markham, ON (the "**Property**" or "**Project**").
2. **Collateral:** The Collateral includes two properties, as follows:
 - A 23 unit townhouse development called Edge located at 1335 Elgin Mills Road East, Richmond Hill, Ontario ("**Edge**");
 - A 5.0 acre site designated within the OCP for the proposed development of 52 townhouse units called High Crown located at 13165 – 13151 Keele Street, King City ("**High Crown**")(Collectively, the "**Collateral**").
3. **Lender:** KingSett Mortgage Corporation (the "**Lender**").
4. **Borrower:** Stateview Homes (On the Mark) Inc. (the "**Borrower**").
5. **Guarantee:** Unlimited, personal, joint and several guarantee to be provided by Dino Taurasi and Carlo Taurasi (the "**Guarantor(s)**") 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. In addition to guaranteeing the Borrower's indebtedness for the Project, the guarantee shall also provide for the following:
 - (a) a guarantee to complete the Project;
 - (b) a cost overrun guarantee 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;
 - (c) a guarantee for environmental issues, misrepresentations, negligence and willful misconduct.

(Hereinafter, the "**Guarantee**").

Scotia Plaza, 40 King Street West, Suite 3700, P.O Box 110, Toronto, Ontario, M5H 3Y2 T. 416 687 6700

www.kingsettcapital.com



- 6. **Loan Amount:** \$12,000,000 2nd Mortgage, non-revolving demand loan (the "Loan" or "Loan Amount").
- 7. **Interest Rate:** RBC Prime Rate + 9.55% (Floor rate of 12.00%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to the Loan (the "Interest Rate").

"RBC Prime Rate" means, 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 that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

- 8. **Sources and Uses:**

Sources	\$	Uses	\$
KingSett 1 st Mortgage	\$ 41,000,000	Land Costs	\$ 33,025,475
KingSett 2 nd Mortgage	12,000,000	Servicing Cost	2,410,775
Equity (Cash)	3,638,899	Hard Costs	15,160,000
Deferred Costs	455,000	Soft Costs	7,667,860
Purchaser Deposits	7,000,000	Financing Costs	4,993,750
		Contingency	836,039
TOTAL	\$ 64,093,899	TOTAL	\$ 64,093,899

- 9. **Project Budget:** See Schedule "H" (the "Project Budget").

For greater certainty, the Lender approved Project Budget shall be no greater than \$64,093,899. 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, conditioned and/or delayed by the Lender unless 100% of the Project Budget increase is forthwith funded by additional cash equity injected into the Project by the Borrower.
- 10. **Project Monitor:** 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 cost of the Project Monitor and its reporting, including GST/PST/HST, shall be for the exclusive account of the Borrower.
- 11. **Minimum Project Equity:** The Borrower shall maintain a minimum equity position of \$3,638,899 in the Project until the Loan is repaid in full (the "Minimum Project Equity").
- 12. **Lender's Fee:** \$240,000 (2.00% of the Loan Amount) upfront fee earned by the Lender upon the Borrower's execution of this Commitment Letter (the "Lender's Fee") and payable at the time of the initial advance of the Loan. The Lender's fee is non-refundable. The portion of the Good Faith Deposit, as defined herein, not used to pay transaction expenses incurred by the Lender, if any, shall be applied as a credit toward the Lender's Fee at the time of the initial Loan advance. The Lender shall deduct the unpaid balance of the Lender's Fee from the proceeds of the Loan advance.
- 13. **Good Faith Deposit:** Lender acknowledges prior receipt of a \$20,000 good faith deposit (the "Good Faith Deposit"). The Good Faith Deposit will be used for expenses and the related GST/PST/HST that may be incurred by the Lender prior to the initial advance of the Loan, such as, but not limited to, the cost



of property inspections, legal fees and disbursements, environmental site assessments, appraisal reports, building condition reports, insurance consultant reports and the cost of title insurance, if applicable, 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 cost 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.

14. **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 defined herein 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 until the Loan is repaid in full commencing on the first calendar day of the month next following the date of initial advance of the Loan. Non-Sufficient Fund (NSF) payments will be subject to an administration fee of \$500.
15. **Interest Reserve:** Provided the Loan is not in default, monthly interest shall be capitalized to the outstanding principal balance of the Loan until the earlier of repayment of the Loan in full or the capitalization of a total \$2,160,000 of monthly interest to the Loan (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 and/or the Guarantor(s)' own financial resources prior to the next scheduled Monthly Payment, as defined herein. Upon default by the Borrower under the Loan or the Security, as defined herein, 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.
16. **Term:** Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, eighteen (18) months after the date of initial advance of the Loan if the same occurs on the first calendar day of a month otherwise eighteen (18) months after the first calendar day of the month next following the date of initial advance of the Loan (as may be extended in accordance with this Commitment Letter) (the "**Maturity Date**"). Loan Amount is repayable in full on the Maturity Date.
17. **Extension Option:** Subject to there having been no default by the Borrower or the Guarantor(s), and subject to the consent of the Lender, in its sole absolute and unfettered discretion, the Lender shall permit two (2) extensions of six (6) months each to the Maturity Date (the "**Borrower Extension Option**"). The exercise of each Borrower Extension Option is subject to delivery of a written request from the Borrower to the Lender at least thirty (30) days prior to the Maturity Date and payment of the Extension Fee, as defined herein.
18. **Extension Fee:** \$84,000 (0.70% of the Loan Amount) extension fee earned by the Lender upon the exercise of each Borrower Extension Option (the "**Extension Fee**") and payable on or before the date which is ten (10) days prior to the Maturity Date. Should any extension not be granted, the Lender will return the applicable Extension Fee to the Borrower, if applicable.

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19. **Option to Renew:** In the event the Borrower has not confirmed its intention to repay the Loan nor provided the Lender with written request for a Loan extension, the Lender shall have the right, at its option to be exercised by written notice to the Borrower at least five (5) days prior to the Maturity Date (provided the Renewal Fee, as defined herein, has been paid) (the "**Lender Extension Option**"), to extend such Maturity Date to a date which is six (6) months after the Maturity Date on the following terms and conditions:
- (a) the Loan may be prepaid, in whole, without notice or bonus, save that the Borrower shall provide at least two (2) business days prior written notice of its intent to make full repayment of the Loan;
 - (b) interest shall be calculated at the rate of RBC Prime Rate + 9.55% (Floor rate of 12.00%) per annum for the Loan (the "**Renewal Interest Rate**");
 - (c) interest shall be payable at the Renewal Interest Rate, in arrears, on the first calendar day of the month next following the Maturity Date in effect as of the date of exercise of the Lender Extension Option;
 - (d) a Renewal Fee shall be due and payable by the Borrower in an amount equal to 0.80% of the Loan Amount (the "**Renewal Fee**") with 50% to be paid on or before the Maturity Date. The remaining 50% of the Renewal Fee, unless the Loan has already been fully repaid, shall be paid on the third month anniversary of the Maturity Date. In the event that the Loan is fully repaid before the aforesaid date, the remaining portion of the Renewal Fee shall be waived. It is also understood and agreed that no portion of the Renewal Fee paid to the Lender will be refunded for any reason whatsoever;
 - (e) if the Borrower repays the Loan on or before the Maturity Date in effect as of the date of exercise of the Lender Extension Option, the exercise of the Lender Extension Option shall become null and void; and
 - (f) save and except as set out in this Section A.19, the terms of the Commitment Letter shall apply in all respects after the exercise of the Lender Extension Option until the Maturity Date.
20. **Amortization:** Not applicable; monthly interest payments only.
21. **Prepayment:** Closed for prepayment during the term of the Loan, save and except for Project unit closings in the normal course of business in accordance with Section 222(a).
22. **Partial Discharge:** Provided there has been no default under this Commitment Letter or the Security for the Loan, the Lender will provide partial real and personal property discharges of the Property and Collateral on a per unit basis to the Borrower upon receipt of the greater of:
- (a) the gross unit selling price net of GST/PST/HST including parking, storage or any associated upgrade revenue less deposits utilized within the Project Budget of the Property and the Collateral Budget, reasonable closing costs (i.e. approved legal fees, arm's length realty commissions excluded from the Project Budget and Collateral Budget, reasonable closing adjustments for a property of this nature and realty taxes). Maximum deductions for closing adjustments are cumulatively not to exceed \$15,000 per unit; and



- (b) the Lender's minimum discharge amount as set forth on the Sales List in Schedule "J" attached hereto less deposits utilized within the Project Budget, reasonable closing costs (i.e. approved legal fees, arm's length realty commissions excluded from the Project Budget, reasonable closing adjustments for a property of this nature and realty taxes). Maximum deductions for closing adjustments are cumulatively not to exceed \$15,000 per unit,

collectively, the "**Net Closing Proceeds**".

A partial discharge fee of \$500 per discharged unit shall be deemed earned by the Lender and payable by the Borrower contemporaneously with each partial discharge, as the case may be, of the Security encumbering each discharged unit (the "**Partial Discharge Fee**").

23. **Allocation of Net Closing Proceeds:** In order of priority, the Net Closing Proceeds for the Property will be applied as follows:

- (a) firstly to the permanent reduction of First Mortgage until repaid in full; and
(b) secondly to the permanent reduction of Loan until repaid in full;

In order of priority, the Net Closing Proceeds for the Collateral will be applied as follows:

- (c) firstly to the permanent reduction of Collateral First Mortgage until repaid in full;
(d) secondly to the permanent reduction of Collateral Blanket Mortgage until repaid in full;
(e) thirdly to the permanent reduction of the Collateral Third Mortgage until repaid in full;
(f) fourthly to the permanent reduction of First Mortgage until repaid in full; and
(g) lastly to the permanent reduction of Loan until repaid in full;

24. **Approval of Sale Documents:** The Borrower shall provide the Lender with an executed copy of the final vendor's statement of adjustments and an officer certified spreadsheet setting out the details of each purchase approved by the Borrower in respect of a sale to be approved by the Lender. If the Lender gives the Borrower written notice that it does not approve a vendor's statement of adjustments, the Lender shall set out in the notice its determination of the amount of the Net Closing Proceeds that it requires to be paid by the Borrower to provide the Borrower with the partial discharges and releases required to complete the applicable sale. On the completion of that sale, the Borrower shall pay the Net Closing Proceeds set out in that statement and the additional amount required by the Lender in that notice (if applicable).

25. **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 (the "**Administration Fee**").

The Borrower's legal counsel shall prepare all security discharge documents for review by the Lender and its legal counsel. All legal fees, disbursements and GST/PST/HST related to the discharge of the Security shall be for the exclusive account of the Borrower.



Discharge statements will be provided to the Borrower within three (3) business days of written request for same.

26. **Permitted Encumbrances:** The Lender hereby acknowledges and consents to the following permitted encumbrances:

- A First Mortgage on the Property, in an amount not to exceed \$41,000,000 on terms and conditions acceptable to the Lender ("**First Mortgage**");
- A Collateral First mortgage charge on the Edge and High Crown Property, provided by KingSett Mortgage Corporation, in an amount not to exceed \$13,025,000 with an additional \$1,100,000 Letter of Credit facility on terms and conditions acceptable to the Lender ("**Collateral First Mortgage**"). Such registration is acknowledged by the Lender provided that all terms and conditions of the Collateral First Mortgage and any related security thereof are acceptable to the Lender in its sole discretion.
- A Collateral blanket second mortgage on Edge, provided by KingSett Mortgage Corporation, in an amount not to exceed \$17,100,000 on terms and conditions acceptable to the Lender ("**Collateral Blanket Mortgage**"). Such registration is acknowledged by the Lender provided that all terms and conditions of the Collateral Blanket Mortgage and any related security thereof are acceptable to the Lender in its sole discretion.
- A second/third mortgage charge on High Crown and Edge provided by Dorr Capital, in an amount not to exceed \$5,000,000 on terms and conditions acceptable to the Lender ("**Collateral Third Mortgage**"). Such registration is acknowledged by the Lender provided that all terms and conditions of the Collateral Third Mortgage and any related security thereof are acceptable to the Lender in its sole discretion.

Such registration is acknowledged by the Lender provided that all terms and conditions of the above mortgages and any related security thereof are acceptable to the Lender in its sole and unfettered discretion and that all mortgagees and the deposit insurer enters into a priority agreement with the Lender in the Lender's prescribed form.

Subsequent financing of the Property or Collateral, secured or unsecured, is not permitted in connection with the Project or Collateral without the prior written consent of the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender. Subsequent financing of the Property or Collateral without the Lender's prior written consent shall be deemed an event of default under this Commitment Letter and the Security.

(hereinafter collectively the "**Permitted Encumbrances**").

27. **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 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, out-of-pocket expenses for property inspections and the GST/PST/HST related to all such costs and expenses.

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B. SECURITY

- I. **Security:** The Loan shall be secured by the following security which, prior to any advance under the Loan, shall be delivered by the Borrower 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"):
- (a) registered \$15,000,000 mortgage/charge registered on title to the Property (~125% of the Loan Amount);
 - (b) registered \$15,000,000 mortgage/charge registered on title to the Collateral (~125% of the Loan Amount);
 - (c) unlimited guarantees as set forth in Section A.5;
 - (d) blanket general security agreement under the applicable PPSA legislation containing a second charge on the personal property situated on, used in connection with or derived from the Property and Collateral, a fixed second charge on the plant, equipment and other chattels and second floating charge on all other personal property assets and undertakings of the Borrower situated on, used in connection or derived from the Property and Collateral;
 - (e) general assignment of leases and rents registered on title to the Property and Collateral;
 - (f) 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 and Collateral;
 - (g) general assignment of rights of the Borrower (i) under all building/development permits and the monies paid thereunder, and (ii) to all plans, specifications and drawings related to the Project and Collateral;
 - (h) general assignment of individual agreements of purchase and sale, including purchaser deposits, pertaining to the Project. The same shall be registered under the applicable PPSA. 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 provided that the said deposits are at all times utilized in accordance with the provisions of applicable legislation, Condominium Act or otherwise, within the Province of Ontario;
 - (i) assignment of Borrower's condominium voting rights;
 - (j) specific assignment of the construction management contract for the Project, or contracts if more than one. The Lender may assume, at its option, the rights of the Borrower under the same if an Event of Default has occurred as defined in the Security or the Lender has made demand for repayment of the Loan. The assignment of the construction contract or contracts, if more than one, in favour of the Lender shall be acknowledged and consented to in writing by the construction manager with such assignment to be in scope, form and content determined by the Lender, including a specific termination clause in favour of the Lender;

- (k) a specific assignment of any and all easement, access, egress, maintenance, parking, crane swing, tie-back and other agreements with neighbouring land owners to the Project as determined by the Lender. Such assignment to be in scope, form and content acceptable to the Lender. The assignments are to be acknowledged in writing by all parties that are neither the assignor nor the assignee of such assignments. The requirements of this paragraph shall not apply to agreements registered on title to the Property or Collateral in priority to the Lender's mortgage;
- (l) specific assignment of the commercial and residential property management contracts consented to and acknowledged in writing by the property managers, if applicable, including a specific termination clause in favour of the Lender;
- (m) assignment of insurance by the Borrower to the Lender of all insurance for the Property and Collateral as set forth on Schedule "A";

the Lender's independent insurance consultant shall at the Borrower's expense, review the required insurance coverage's and policies;
- (n) hazardous substance indemnity with respect to the Project and Collateral;
- (o) indemnification agreement in respect to any Letters of Credit issued. Any draws made under said Letters of Credit shall be converted to direct borrowings under the First Mortgage;
- (p) in the event that the Lender elects to hold on deposit the Borrower's cash or term deposits, GICs or the like, from other financial institutions, to secure the Loan generally or specifically the outstanding Letter of Credit/Guarantee exposure, a specific assignment or charge over the cash, term deposit, GIC, as the case may be, will be required;
- (q) negative pledge by the Borrower and the Guarantor(s) to not repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Project or Collateral sponsors and other non-arms length parties until such time as the Loan 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;
- (r) acknowledgement, direction and security agreement, if applicable, whereby the beneficial owners of the Project and Collateral acknowledge, consent to and direct the registered owners of the Project to provide all of the Security to the Lender;
- (s) 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 for the Project and Collateral), as applicable. 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. If the registered owners of such shares and units are not a Guarantor(s), then such registered owner shall be required to jointly and severally guarantee the Loan; provided, however, that such guarantee shall be limited in scope to the pledge of shares/units. If the registered owners are different than the beneficial owners of such securities then the beneficial owners shall be required to enter into an acknowledgement,

direction and security agreement authorizing the registered owner to pledge the shares/units to the Lender;

- (t) a favourable corporate and enforceability opinion from the Borrower's legal counsel;
- (u) such other Security as the Lender and/or its legal counsel may reasonably require.

2. **Registration:** The Lender's mortgage and general assignment of leases and rents shall be registered on title to the Property and Collateral and the Lender shall have received a title and registration opinion from the Borrower's legal counsel or title insurance, in each case that is satisfactory in form, scope and content to the Lender and its legal counsel. Where applicable, as determined by the Lender, PPSA registrations shall be granted in favour of the Lender with respect to the Lender's personal property security for the Loan.

C. CONDITIONS PRECEDENT

1. **Conditions Precedent:** The Loan shall be subject to the following pre-funding 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 (collectively, the "Conditions Precedent"):

- (a) executed Commitment Letter;
- (b) financial and operating due diligence on the Borrower, the Guarantor(s), and the Project;
- (c) satisfactory inspection of the Property by the Lender;
- (d) receipt and satisfactory review by the Lender and its legal counsel of a complete copy of all agreements setting out the registered and beneficial ownership of the Project and the Borrower together with a complete organizational chart;
- (e) receipt and satisfactory review by the Lender of accountant prepared notice to reader financial statements for the Borrower, if applicable, for its last two (2) fiscal year-ends;
- (f) receipt and satisfactory review by the Lender of a certified and current-dated net worth statements for the personal Guarantor(s) with supporting documentation of asset values;
- (g) receipt and satisfactory review by the Lender of the agreement of purchase and sale, and any amendments thereto, for the Property confirming a minimum purchase price of \$32,160,000 on terms and conditions acceptable to the Lender;
- (h) receipt and satisfactory review by the Lender of evidence confirming zoning approval, development permit and partial/full building permit availability to improve the lands as described under the Project, together with evidence satisfactory to the Lender that the full building permit will be issued in time to meet the Project schedule. All necessary permits and approvals including the full building permit shall be satisfactory to the Lender prior to any construction advances;



- (i) receipt and satisfactory review by the Lender and the Project Monitor of evidence confirming physical and capacity allocation of all municipal services are immediately available for the Project;
- (j) receipt and satisfactory review by the Lender of the Project sales list showing all sold and unsold units which shall include the sale price, unit size, date of sale, purchaser name and address, deposit amount;
- (k) receipt and satisfactory review by the Lender of firm and binding agreements of purchase and sale evidencing not less than 70 Qualified Presales generating total gross sale proceeds net of GST of not less than \$78,101,045. Qualified Presales ("**Qualified Presales**") are defined as follows:
 - (i) sale is to an arms-length purchaser supported by purchaser pre-approval for mortgage financing for 75% of sale contracts;
 - (ii) gross unit selling price of not less than the respective Purchase Price as set forth on Schedule "J";
 - (iii) contracted deposits of not less than \$100,000 per unit; and
 - (iv) \$3,000,000 of purchaser deposits received verified by an account ledger or cancelled cheques.
- (l) receipt and satisfactory review by the Lender and its legal counsel of 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 of Agreement of Purchase and Sale for the sale of residential units in the Project;
- (m) receipt by the Lender and the Project Monitor of all Project architectural and engineering plans, drawings and specifications together with all related architectural and engineering fee-for-service soft cost contracts. Such contracts to be acceptable to the Lender and the Project Monitor;
- (n) satisfactory preliminary Project Budget review from the Project Monitor, confirming the reasonableness of the \$64,093,899 total Project Budget (for all land, hard and soft costs, and required letters of credit; inclusive of the amount of the Lender's Fee and the financing costs). The Project Monitor shall further confirm that the Project can reasonably be completed within the term of the Loan. The Project Monitor shall review all Project contracts. The Lender shall receive, at the Borrower's cost, ongoing progress reports from the Project Monitor until such time as the Loan is repaid in full;
- (o) Fixed price servicing contract provided by a servicing contractor acceptable to the Lender in its sole, unfettered discretion. All contracts will be reviewed and approved by the Lender and the Project Monitor.
- (p) receipt and satisfactory review of the Permitted Encumbrances documentation:

- (i) commitment letters, loan amendments and extensions (if any);
- (ii) confirmation that all First Mortgage lender pre-funding conditions have been met, save and except the full advance of the Loan; and
- (iii) if required, written acknowledgement and consent with respect to the subject Loan;
- (q) confirmation that the Project (and, if applicable, the Borrower and constructor) are registered and enrolled with Tarion;
- (r) copies of all required letters of credit for the Project. The Project Monitor will confirm that all letters of credit are duplicates of project costs included within the Project Budget;
- (s) satisfactory confirmation by the Lender and the Project Monitor that a minimum cash equity as per Section A.13 has been injected into the Project (which is required to remain in the Project until the Loan is repaid in full);
- (t) receipt and satisfactory review by the Lender of an A.A.C.I. appraisal report for the Property from an acceptable appraisal firm reporting an "as complete minimum value of \$78,101,045. The Report is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender;
- (u) receipt and satisfactory review by the Lender of the environmental site assessment for the Project from an acceptable environmental site assessment firm. The Report is to be addressed to the Lender or supported by a letter of transmittal from the environmental assessment firm in favour of the Lender;
- (v) receipt and satisfactory review by the Lender of the geotechnical soil report for the Property from an acceptable engineering firm confirming the feasibility of the proposed Project under existing soil conditions. Report to be addressed to the Lender or supported by a letter of transmittal from the author of the report in favour of the Lender;
- (w) if applicable, receipt and satisfactory review by the Lender and the Project Monitor of any and all cost sharing, parking, maintenance, easements, egress/ingress, crane swing, tieback or other contracts with neighbouring land owners to the Project;
- (x) receipt and satisfactory review by the Lender and its insurance consultant of appropriate insurance coverage for the Project. The cost of the insurance review by the Lender's insurance consultant will be for the exclusive account of the Borrower. See attached Schedule "A" for the Lender's insurance requirements;
- (y) receipt and satisfactory review of the payout statement;
- (z) receipt and satisfactory review by the Lender of a real property report / survey for the 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.

Alternatively, at the cost of the Borrower, title insurance may be put in place that is satisfactory in form, scope and content to the Lender and its legal counsel;

- (aa) receipt and satisfactory review by the Lender and its legal counsel of all customary off-title searches for properties of similar nature to that of the Project including, without limitation, searches for unregistered easements, rights-of way, property tax status and environmental notices. The off-title searches are to be obtained by the Borrower's legal counsel and forwarded to the Lender's legal counsel for review. Alternatively, title insurance with a title insurer acceptable to the Lender, acting reasonably, may be put in place, at the cost of the Borrower, that is deemed satisfactory to the Lender and its legal counsel;
- (bb) receipt and Satisfactory results, in the Lender's sole discretion, of due diligence investigations conducted pursuant to the *Proceeds of Crime Money Laundering and Terrorist Financing Act* (Canada) and Regulations (collectively the "**Act**");
- (cc) evidence satisfactory to the Lender of clean title including the absence of liens and other encumbrances other than the Permitted Encumbrances or unless specifically approved in writing by the Lender;
- (dd) all levies, impost fees, local improvement charges, property taxes and other charges that are due and payable in connection with the Project shall have been paid to the date of the advance of the Loan unless the same form part of the Lender-approved Project Budget and are to be included in ongoing loan advances under the Loan;
- (ee) all Security to be executed by, as applicable, the Borrower, the Lender and all Guarantor(s) and to, as applicable, be registered on title to the Project lands, and/or under the PPSA at least two (2) business day prior to the initial advance of the Loan;
- (ff) the Lender shall have received certified or notarized copies of the constating documents of the Borrower, a government issued certificate confirming that the Borrower is in good standing and an opinion from the Borrower's counsel addressed to the Lender confirming both the Borrower's capacity to grant the security required herein and the due authorization, execution and delivery of the Security Documents and their enforceability, in form and content satisfactory to the Lender. Similar documentation and a similar opinion shall also be delivered for each corporate Guarantor(s);
- (gg) the Borrower to execute Lender's Pre Authorized Debit ("**PAD**") Form set forth on Schedule "G", 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
- (hh) the Borrower to complete and execute 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 Property's property taxes;
- (ii) all Conditions Precedent to be satisfied at least two (2) business day prior to the initial advance of the Loan; and





(jj) other usual matters involved in due diligence for a project of this nature.

2. **Vertical Construction Conditions Precedent:** The Loan shall be subject to the following pre-funding 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 for vertical construction (collectively, the "**Conditions Precedent**");

(ll) a minimum of 75% of the Project Hard costs are to be covered by executed fixed price contracts. All contracts will be reviewed and approved by the Lender and the Project Monitor; and

(mm) \$7,000,000 of purchaser deposits received verified by an account ledger or cancelled cheques.

D. FUNDING

1. **Advances:** The advance of the Loan is subject to the prior execution and registration of the Security and the satisfaction of all terms and conditions of this Commitment Letter including, without limitation, the Conditions Precedent. The Lender will require two (2) business days' notice after the receipt of the Borrower's written advance request to fund the advance of the Loan.

The Loan shall be funded by way of a single draw of \$9,840,000 subject to the provisions of this Commitment Letter.

2. **Outstanding Funding Date:** In the event that the initial advance of the Loan has not been made by July 1, 2020, 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 and all Guarantor(s) any expenses incurred by the Lender in connection with this Commitment Letter.

E. 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:** Vertical construction to start on or before November 15, 2020.

2. **Bulk Unit Purchasers:** Any bulk unit sale to a single purchaser, defined as two (2) units or more, must be approved by the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.

3. **Sale of Project:** Prior to full repayment of the Loan, the Borrower may not sell the Project, in whole or in part, without the Lender's prior written consent and the assumption of the Loan by a purchaser of the Project shall not be permitted. Sale of the Property or Collateral without the Lender's prior written consent shall be deemed an event of default under this Commitment Letter and the Security.



4. **Ongoing Disclosure:** At the Lender's request from time to time, the Borrower shall provide the Lender with ongoing Project and Collateral information including, but not limited to, strata plan documentation, working and final architects' / engineers' drawings, construction budgets, artist's renderings, floor plans for the proposed units, and the Project Monitor's reports;
5. **Harmonized Sales Tax:** The Borrower accepts full responsibility for remittance and payment of any and all HST due and the periodic submission and collection of all HST claims and credits. The Project Budget shall include a net difference of \$Nil for HST paid less HST recovered and shall also include a ceiling of \$250,000 at any point in time, prior to full repayment of the Loan, with respect to the permitted difference between HST included in work-in-place less HST recovered by the Borrower from government authorities. If the difference referred to in the previous sentence exceeds \$250,000 at any point in time prior to repayment of the Loan in full, it is a requirement of this Commitment Letter and the Loan that the portion of the difference in excess of \$250,000 be funded by the Borrower as additional equity.
6. **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 Property at any time after execution of this Commitment Letter by the Borrower but prior to full repayment of the Loan, 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 full repayment of the Loan. Following full repayment of the Loan, the Borrower shall be permitted to take down such sign at any time at the Borrower's cost.
7. **Marketing:** 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 Borrower and the Guarantor(s) consent to the publication of an advertisement or announcement of the transaction contemplated by this Commitment Letter. The Borrower and the Guarantor(s) 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. **Governing Laws:** The Commitment Letter and Loan shall be governed by and construed under laws of the Province of Ontario and the federal laws of Canada as applicable therein.

9. Lender's Legal Counsel:

Garfinkle, Biderman Barristers & Solicitors (Attention: Mr. Avrom Brown)
1 Adelaide Street East, Suite 801
Toronto, Ontario
M5C 2V9

Phone: (416) 869-7600
Fax: (416) 869-0547
Email: abrown@garfinkle.com

Borrower's Legal Counsel:

10. Insurance: See Schedule "A"
11. Other Conditions: See Schedule "B".
12. Project Monitor Mandate/ Report: See Schedule "C"
13. Reporting: See Schedule "D"
14. Notice to Tax Authorities: See Schedule "E"
15. Privacy Act Consent: See Schedule "F"
16. Pre-Authorization Debit Plan: See Schedule "G"
17. Project Budget: See Schedule "H"
18. Collateral Budget: See Schedule "I"
19. Sale List: See Schedule J"






If you are in agreement with the foregoing terms and conditions, please indicate this by signing and returning one (1) copy of this Commitment Letter to the Lender's office by 3:00pm Eastern Standard Time on May 21, 2020, failing which this letter shall, at the Lender's option, be deemed null and void.

Yours truly,

KINGSETT MORTGAGE CORPORATION

Per: 
Jamie Dysart (May 26, 2020 11:12 EDT)
Executive Director, Mortgage Investments

Per: 
Bryan Salazar (May 26, 2020 11:18 EDT)
Executive Director, Mortgage Underwriting & Funding





ACKNOWLEDGEMENT

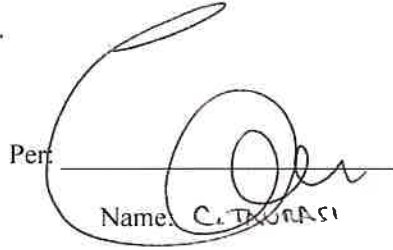
The terms and conditions of this Commitment Letter are acknowledged and agreed to by the Borrower and Guarantor at WOODBRIDGE this 23rd day of May 2020.

BORROWER:

WITNESS:

STATEVIEW HOMES (ON THE MARK) INC.

Per: 

Per: 

Name: D. TAURASI

Name: C. TAURASI

Title: PRESIDENT

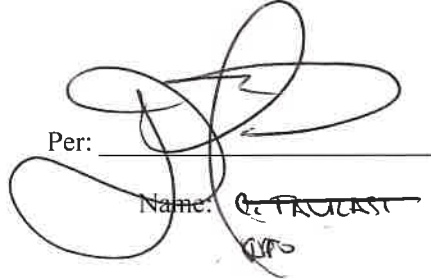
I/we have authority to bind the Corporation

GUARANTOR:

WITNESS:

DINO TAURASI

Per: 

Per: 

Name: D. TAURASI

Name: C. TAURASI D. CICCONE

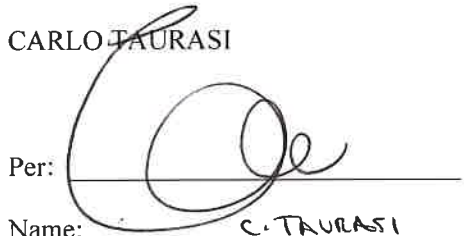
Title: President

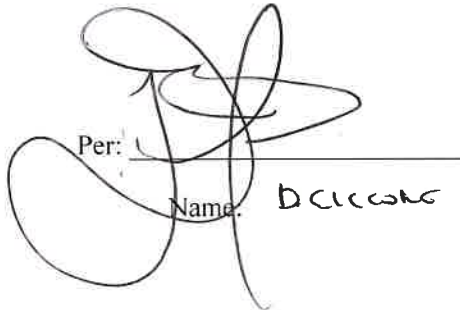
I/we have authority to bind the Corporation

GUARANTOR:

WITNESS:

CARLO TAURASI

Per: 

Per: 

Name: C. TAURASI

Name: D. CICCONE

Title: VP



SCHEDULE "A"
CONSTRUCTION INSURANCE REQUIREMENTS CHECKLIST

1. All insurance policies must be forwarded to our insurance consultant for review. The cost of such review shall be for the account of the Borrower.
2. All insurance policies shall be in form and with insurers reasonably acceptable to the Lender and contain the original signatures of the insurers.
3. **KingSett Mortgage Corporation** must be shown as **Second Mortgagee** and Loss Payee under the Builder's Risk and, where applicable, Boiler and Machinery Insurance policies.
4. The Borrower/Registered Owner must be shown as a Named Insured or Additional Named Insured under all policies of insurance in force with respect to the subject Project.
5. The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Property and Collateral as an insured location must be shown on the insurance policies.
6. The Builder's Risk and, where applicable, Boiler and Machinery policies shall contain a standard mortgage clause in favour of **KingSett Mortgage Corporation**.
7. All policies of insurance must provide **KingSett Mortgage Corporation** 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.
8. There needs to be evidence of Builders Risk insurance written on **an All Risk or Broad Form** basis, subject to the latest CCDC policy wording.
9. The Builders Risk insurance needs to insure 100% of the projected **Hard Costs** and not less than 25% of the projected recurring **Soft Costs**.
10. There needs to be evidence of full **By-laws** extensions, including the increased cost of construction, cost of demolition of the undamaged portion of the property and resultant loss of income.
11. There needs to be evidence of **Earthquake** insurance.
12. There needs to be evidence of **Flood** insurance
13. There needs to be evidence of **Sewer Back-Up** insurance
14. The Builders Risk policy needs to include a "**Permission to Occupy**" clause.
15. The Builders Risk policy needs to include **Delayed Rental Income / Soft Costs** insurance to cover the anticipated loss of revenue for one year, which may be incurred in the event of an insured loss, during construction.
16. Please provide copies of all policy "**Warranties**" that apply.





17. The Builder's Risk policy will provide coverage for the, installation, testing and commissioning, of machinery and equipment.
18. There must be evidence of comprehensive Boiler and Machinery insurance covering all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical and mechanical breakdown.
19. Such other insurance as **KingSett Mortgage Corporation** 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 **KingSett Mortgage Corporation**, as soon as available from the insurers. (The 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 cancelled and evidence of adequate and satisfactory insurance coverage has not been provided to KingSett Mortgage Corporation within 45 days (with the certified policy copies provided within 90 days) of the expiration or cancellation date, KingSett Mortgage Corporation will have the option, without obligation, to place adequate and satisfactory insurance (at the Lender's sole and absolute discretion) for the Property and Collateral 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.

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**SCHEDULE "A" CONTINUED
CONSTRUCTION LIABILITY INSURANCE REQUIREMENTS CHECKLIST**

1. All insurance policies must be forwarded to our insurance consultant for review. The cost of such review shall be for the account of the Borrower.
2. All insurance policies shall be in form and with insurers reasonably acceptable to the Lender and contain the original signatures of the insurers.
3. The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Property and Collateral as an insured location must be shown on the insurance policies.
4. All policies of insurance must provide **KingSett Mortgage Corporation** 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.
5. **KingSett Mortgage Corporation** must be an Additional Insured under all Liability Insurance policies covering the Property and Collateral with respect to claims arising out of the operations of the Named Insured.
6. Such other insurance as **KingSett Mortgage Corporation** 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.

Owners Liability:

7. There must be evidence of **Owners'** liability insurance, with a minimum limit of **\$5,000,000** per occurrence or such other limit as may be agreed to by lender, unless the owner has purchased a Wrap-up Liability policy.

Contractors Liability:

8. 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 lender.
9. The **Borrower/Owner** must be added as an Additional Named 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:

10. There must be evidence of Wrap-Up Liability insurance, with a minimum limit of **\$5,000,000** per occurrence
11. The **Borrower/Owner** 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.

Other:

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12. 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.
13. Evidence of Professional Liability (Errors & Omission) insurance is required for the architect and engineer.

There must be full, original, certified, endorsed copies of the insurance policies provided to **KingSett Mortgage Corporation**, as soon as available from the insurers. (The 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 cancelled and evidence of adequate and satisfactory insurance coverage has not been provided to KingSett Mortgage Corporation within 45 days (with the certified policy copies provided within 90 days) of the expiration or cancellation date, KingSett Mortgage Corporation will have the option, without obligation, to place adequate and satisfactory insurance (at the Lender's sole and absolute discretion) for the Property and Collateral 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.

(end of schedule "A")

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SCHEDULE "B"
OTHER CONDITIONS

1. Subsequent encumbrances and/or indebtedness to the Loan, secured or unsecured, 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. Subsequent encumbrances and/or indebtedness to the Loan, secured or unsecured, without the Lender's prior written consent shall constitute default under this Commitment Letter and the Security.
2. Prior to full repayment of the Loan, the Borrower may not sell the Property or the Collateral, in whole or in part, save for unit closings of the Project in the normal course of business as described herein, without the Lender's prior written consent, which consent may be arbitrarily withheld, delayed and/or conditioned. The assumption of the Loan by a purchaser of the Property.
3. Collateral, or part thereof, shall be subject to the prior written approval of the Lender, which approval may be arbitrarily withheld, delayed or conditioned. Sale of the Property or Collateral or the assumption of the Loan by a purchaser of the Property or Collateral in each case, in whole or in part, without the Lender's prior written consent, shall constitute default under this Commitment Letter and the Security.
4. 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 or conditioned. A direct or indirect change in ownership of the Borrower without the Lender's prior written request shall constitute default under this Commitment Letter and the Security.
5. The Borrower shall pay when due to the taxing authority or authorities having jurisdiction all property taxes and provide to the Lender evidence of such payment annually or as otherwise requested from time to time by the Lender.
6. Loan disbursements shall take place only on title to the Property being acceptable to our legal counsel and all matters in connection with the Security and other documentation deemed necessary or advisable by our legal counsel being complied with by the Borrower and all Security and other instruments and agreements to evidence and secure the Loan being duly executed with evidence of registration where applicable.
7. The Lender shall require a satisfactory opinion and report from its legal counsel regarding any encumbrances, financial charges or claims registered or to be registered against the Property or Collateral.
8. The Lender shall require evidence of all corporate authorities together with an opinion of the Borrower's legal counsel as to usual matters including, without limitation, corporate authorities, absence of litigation, delivery and execution of Security, no breach, approvals, creation of security interest, and registrations.
9. The Borrower and the Guarantor(s) shall indemnify and save harmless the Lender and its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever arising out of the provisions of this Commitment Letter and the Security, any letters of credit or letters of guarantee issued or indemnified, sale or lease of the Property or Collateral and/or the use or occupation of the Property or Collateral including, without limitation, those arising from the right to enter the Property from time to

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time and to carry out the various tests, inspections and other activities permitted by this Commitment Letter and the Security.

In addition to any liability imposed on the Borrower and the Guarantor(s) under any instrument evidencing or securing the Loan, the Borrower and the Guarantor(s) 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 Property or Collateral of any hazardous or noxious substances. The representations, warranties, covenants and agreements of the Borrower and the Guarantor(s) set forth in this subparagraph:

- (a) are separate and distinct obligations from the Borrower's and the Guarantor(s)' other obligations;
 - (b) survive the payment and satisfaction of the Borrower's and the Guarantor(s)' other obligations and the discharge of the Security from time to time taken as security therefore;
 - (c) are not discharged or satisfied by foreclosure of the charges created by any of the Security; and
 - (d) shall continue in effect after any transfer of the Property or Collateral including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.
10. This Commitment Letter and the Security may not be assigned, transferred or otherwise disposed of by the Borrower without the Lender's prior written consent, which consent may be arbitrarily withheld, conditioned and/or delayed. However, this Commitment Letter and the Security or any interest therein may be assigned or participated by the Lender (and its successors and assigns), in whole or in part, without the consent of the Borrower. 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 Property, the Collateral, the Borrower and the Guarantor(s) within the possession or control of the Lender.
 11. The Borrower accepts full responsibility for remittance and payment of any and all GST/HST due and the submission of GST/HST credits or claims.
 12. The Borrower acknowledges that the Lender may inspect the Property or Collateral at any time at the expense of the Borrower.
 13. Notwithstanding the Lender's right to demand repayment of the Loan at any time and for any reason, in the event of the Borrower failing to pay any amount when due or being in breach of any covenant, condition or term of this Commitment Letter or the Security, or if any representation made by the Borrower and any Guarantor(s) or their respective agents, or any information provided by them is found to be untrue or incorrect, or if any Event of Default as defined in the Security occurs, or if in the sole opinion of the Lender, a material adverse change occurs relating to the Borrower, the Property, the Collateral, any Guarantor(s) or the risk associated with the Loan, 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 in full of all of the principal and interest on the Loan and any other amount due under this Commitment Letter or the Security, cease or delay further funding, and/or may exercise

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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 and interest on the Loan, and any other amount due under this Commitment Letter forthwith due and payable, whereupon the same shall be and become immediately due and payable in full.

14. No extension, postponement, forbearance, delay, or failure on the part of the Lender in the exercise of any power, right or remedy under this Commitment Letter, the Security or any other agreement or instrument executed in connection therewith or evidencing or securing the Loan, or 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 the Borrower 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 Borrower of the same or any other covenant or condition contained under this Commitment Letter or the Security.
15. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.
16. In the event of a default of the Borrower on the Property or Collateral, 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 or the Collateral and do all things necessary as an owner would be entitled to do, including sell the Property or the Collateral, subject to the terms of the Mortgage and all applicable governmental legislation.
17. The Borrower and the Guarantor(s) 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.
18. If the Borrower is comprised of more than one person or corporation, the obligations shall be the joint and several obligations of each such person or corporation comprising the Borrower unless otherwise specifically stated herein.
19. Time is of the essence in this Commitment Letter.
20. The Borrower will repay the Loan in full on or before the Maturity Date, if so permitted pursuant to this Commitment Letter, and, prior to the repayment of the Loan in full, hereby covenants to promptly pay its taxes, protect its property by contest of adverse claims, maintain required insurance, perform its obligations under contracts and agreements, obtain, where applicable, all necessary approvals for

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construction and use of the Property or Collateral, comply with all governmental rules and regulations, permit reasonable inspections by the Lender and its agents of the Property or of the Collateral and of all records pertaining to the Property and the Collateral.

21. The representations, warranties, covenants and obligations herein set out shall not merge or be extinguished by the execution or registration of the Security but shall survive until all obligations under this Commitment Letter and the Security have been duly performed and the Loan, interest thereon and any other moneys payable to the Lender with respect to the Loan are repaid in full.
22. The Borrower will provide the usual warranties and representations including, without limitation, accuracy of financial statements and that there has been no material adverse change in the Borrower's financial condition or operations, as reflected in the financial statements used to evaluate this credit, title to the Property and Collateral charged by the Security, power and authority to execute and deliver documents, accuracy of documents delivered and representations made to the Lender, no pending adverse claims, no outstanding judgments, no defaults under other agreements relating to the Property, preservation of assets, no undefended material actions, suits or proceedings, payment of all taxes, no consents, approvals or authorizations necessary in connection with documentation, compliance of any construction related to the Property and Collateral with all laws, no other charges against the Property and Collateral except Permitted Encumbrances, all necessary services available to the Property and Collateral, and no hazardous substances used, stored, discharged or present on the Property and the Collateral, and will warrant such other reasonable matters as the Lender or its legal counsel may require.
23. At the sole option of the Lender, but acting reasonably in the circumstance, this Commitment Letter may be cancelled and there shall be no obligation to disburse the Loan if:
 - (a) the Borrower or any Guarantor(s) is in material breach of any provision, representation or warranty herein;
 - (b) the results of the Lender's due diligence investigations regarding the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) are not wholly satisfactory to the Lender, in its sole discretion acting reasonably, or the Borrower or any Guarantor(s) fails to provide all information requested by the Lender pursuant thereto;
 - (c) in the sole opinion of the Lender, acting reasonably, there is a material adverse change in the position, financial or otherwise, of the Borrower or any Guarantor(s) from that represented to the Lender as at the date hereof;
 - (d) in the sole opinion of the Lender there has been a material adverse change in the condition of the Property or in the actual or anticipated revenues therefrom from that existing at the date hereof; or
 - (e) in the sole opinion of the Lender, the Borrower is not proceeding with the construction of the Project or the achievement of the Conditions Precedent to funding in a timely manner.

Notwithstanding the Lender's right to demand repayment of the Loan at any time and for any reason, if at any time before the entire Loan amount has been disbursed, any of the above described situations exist, the Lender may, at its sole option, close out the Loan Amount at the amount then disbursed, if any, and in



such event, also at the sole option of the Lender, all monies outstanding under the Loan shall become immediately due and payable.

24. No term or requirement of this Commitment Letter may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to this Commitment Letter must be in writing and signed by a duly authorized officer of the Lender and accepted by a duly authorized officer of the Borrower.
25. 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.
26. The headings and section numbers appearing in this Commitment Letter are included only for convenience of reference and in no way define, limit, construe or describe the scope or intent of any provision of this Commitment.
27. The parties agree that this Commitment Letter and the Security and the acceptance thereof by all parties may be made by facsimile transmission or by certified electronic signature and electronic transmission.
28. 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. 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.

(end of Schedule "B")

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SCHEDULE "C"
PROJECT MONITOR MANDATE / REPORTING

A. PRELIMINARY REPORT PRIOR TO INITIAL FUNDING:

Project Monitor to review and comment on the following:

1. Borrower's proposed detailed Project Budget.
2. All Project architectural and engineering plans, drawings and specifications along with all related architectural and engineering fee-for-service soft cost contracts.
3. Construction management contract.
4. Environmental site assessment report(s) and Geotechnical report(s), if any.
5. Borrower's proposed construction time schedule and project cash flow.
6. All material cost-items, contracts and change orders with major trades.
7. Building permits, development and other municipal / regional agreements, management agreements, consultant's agreements including design, sales, legal and marketing.
8. Review all existing purchase and sale agreements and deposits carried in the Project Budget.
9. All loan agreements and commitment letters, amendments for the financing of the proposed Project. Project Monitor to confirm reasonableness of the interest expense carried in the Project Budget.

Project Monitor to prepare a preliminary report inclusive of the following information:

1. The Project Budget, as revised by the Borrower and approved by the Lender, further to the Project Monitor's recommendations.
2. Confirm and monitor Borrower's Minimum Project Equity is maintained in the Project at all times.
3. Review the construction time schedule and project cash flow. Project Monitor to re-confirm reasonableness of schedule to the Lender.
4. Identify any potential issues that may affect the completion of the Project in accordance with the Project Budget and the construction time schedule.
5. Any additional recommendation as they become apparent during Project Monitor's review and discussions with the Borrower and/or Lender.

B. PROGRESS DRAW REPORTS PRIOR TO SUBSEQUENT ADVANCES FOR WORK-IN-PLACE:





During construction of the Project submit monthly progress draw reports to the Lender, including the following:

1. Conduct monthly site inspections prior to every draw request, including photographs and commentary on all work-in-place and status of Project.
2. Update and confirm costs of work completed to-date, work-in-place, holdback amounts, value of change orders, and estimate of cost-to-complete of the Project.
3. Review and comment on any changes to Project scope or Project Budget, including revised drawings, if applicable.
4. Identify any existing or potential issues that may affect Project completion within the Project Budget.
5. Receipt and receive of standard form Statutory Declaration of Progress Payment Distribution and WSIB certificate.
6. Project monitor certificate.

(end of Schedule "C")

A handwritten signature in blue ink, appearing to be 'A. S.', located in the lower right quadrant of the page.



SCHEDULE "D" REPORTING

Borrower shall provide the Lender with copies of the following regarding the Project:

1. Any and all insurance policy renewals and/or amendments within ten (10) 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. Property tax statements supported by proof of payment on a quarterly basis or as otherwise requested by the Lender from time to time.
3. Annual Notice to Reader financial statements for the Borrower and Guarantor(s) prepared by a chartered accountant within 90 days of each fiscal year end.
4. Project sales list updates are to be provided to the Lender on a monthly basis.
5. Borrower will provide all firm and binding Project purchase and sale agreements on a monthly basis.
6. Regular Project Budgets prepared and updated by the Project Monitor from time to time (i.e., until the Loan is repaid in full, the Borrower shall provide the Lender with a copy of *each and every* Project Monitor report prepared for the Borrower or the Lender).

At the Lender's request from time to time, the Borrower shall provide the Lender with any other relevant updates regarding the Project.

(end of Schedule "D")

A handwritten signature in blue ink, appearing to be "A. J. S.", located in the lower right quadrant of the page.



SCHEDULE "F"
PRIVACY ACT CONSENT

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

- (a) Use your Personal Information (as hereinafter defined) to assess your ability to obtain your loan and to evaluate your ability to meet your financial obligations. This use includes disclosing and exchanging your Personal Information on an on-going basis with credit bureaus, credit reporting agencies and financial institutions or their agents, or to service providers, in order to determine and verify, on an on-going basis, your continuing eligibility for your loan and your continuing ability to meet your financial obligations. This use, disclosure and exchange of your Personal Information will continue as long as your loan is outstanding and will help protect you from fraud and will also protect the integrity of the credit-granting system; and
- (b) Use, disclose and exchange, on an on-going basis, all the personal information collected by us or delivered by you to us from time to time in connection with your loan and any information obtained by us from time to time pursuant to paragraphs (a) above (collectively your "**Personal Information**") to other organizations which may fund all or any part of your loan and/or own all or any part of your loan and the security securing your loan from time to time and permit prospective investors in your loan to inspect your Personal Information.

(end of Schedule "F")

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SCHEDULE "G"



Pre Authorization Debit ("PAD") Plan

I/we authorize KingSett Mortgage Corporation or its affiliates ("KingSett") and the financial institution designated (or any other financial institution I/we may authorize at any time) to begin deductions as agreed under the KingSett loan agreement(s) 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 1st business day of each month. KingSett will provide five (5) days written notice of the amount of each regular monthly debit. KingSett will obtain my/our authorization for any other one-time or irregular debits.

This authority is to remain in effect until KingSett has received written notification from me/us of its change or termination. This change or termination notification must be received by KingSett at least ten (10) business days before the next debit is scheduled at the address provided below.

KingSett may not assign this authorization, whether directly or indirectly, by operation of law, change of control or otherwise, without providing at least ten (10) 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 KingSett loan agreement(s) or is inconsistent with this PAD agreement. To obtain more information on my/our recourse rights, I/we may contact your financial institution or visit www.cdnpay.com.

PAD Category: Personal Business Fund Transfer

PLEASE PRINT DATE: _____
Name(s): _____ Loan Number: _____
Phone Number: _____ Purpose: Personal Business
Address: _____
City/Town: _____ Province: _____ Postal Code: _____
FI Name: _____ FI Transit Number: _____
(branch-5 digits, FI-3 digits)
FI Account Number: _____
Address: _____
City/Town: _____ Province: _____ Postal Code: _____
Authorized Signature(s): _____
Name: _____

c/o KingSett Capital
Scotia Plaza
40 King Street West, Suite 3700
Toronto, Ontario M5H 3Y2
www.kingsettcapital.com

(end of Schedule "G")



**SCHEDULE "H"
PROJECT BUDGET**

The total Project Budget has been represented by the Borrower to be \$64,039,899 as set out below (budget must be satisfactory to the Lender and the Project Monitor):

Project Budget		<u>Total</u>	<u>Per Unit</u>	<u>Per BSF</u>
Land Cost		\$ 33,025,475	\$ 471,793	\$ 236
Servicing Costs		2,410,775	34,440	17
Hard Costs		15,160,000	216,571	108
Soft Costs		6,657,697	95,110	48
Commissions	1.3%	1,010,163	14,431	7
Financing Costs (1st Mortgage)		2,593,750	37,054	19
Financing Costs (2nd Mortgage)		2,400,000	34,286	17
Contingency	5.5%	836,039	11,943	6
Total Use of Funds		<u>\$ 64,093,899</u>	<u>\$ 915,627</u>	<u>\$ 458</u>

The Borrower and/or Guarantor(s) shall be required to finance any and all Project Budget overruns from its/their own financial resources and not from proceeds advanced under the subject Loan.

The forgoing shall be defined in the commitment as the "**Project Budget**".

(end of Schedule "H")



SCHEDULE "I"
COLLATERAL BUDGET

The total Collateral Budget has been represented by the Borrower to be \$21,611,131 as set out below

(budget must be satisfactory to the Lender and the Project Monitor):

Project Budget	<u>Total</u>	<u>Per Unit</u>	<u>PSF</u>
Land Cost	\$ 9,860,000	\$ 428,696	\$ 230
Appraisal Surplus / PPT and closing costs	575,498	25,022	13
Development Charges	1,585,919	68,953	37
Hard Costs	5,456,000	237,217	127
Soft Costs	1,900,350	82,624	44
Commissions	575,000	25,000	13
Financing Costs	1,400,000	60,870	33
Contingency	545,863	23,733	13
Occupancy Income	(287,500)	(12,500)	(7)
Total Use of Funds	<u>\$ 21,611,131</u>	<u>\$ 939,614</u>	<u>\$ 505</u>

The Borrower and/or Guarantors shall be required to finance any and all Project Budget overruns from its/their own financial resources and not from proceeds advanced under the subject Loan.

The forgoing shall be defined in the commitment as the "Collateral Budget".

(end of Schedule "I")



**SCHEDULE "J"
SALES LIST**

SUBJECT SALES LIST

Unit	Sq.ft	Purchase Price	HST	Price (net of HST)	Deposit	Minimum Discharge Amount
1	2,758	1,170,000	111,085	1,058,915	100,000	943,915
2	2,586	1,080,000	102,540	977,460	100,000	862,460
3	2,618	1,080,000	102,540	977,460	100,000	862,460
4	2,618	1,060,885	100,725	960,160	100,000	845,160
5	2,818	1,170,000	111,085	1,058,915	100,000	943,915
6	2,758	1,170,000	111,085	1,058,915	100,000	943,915
7	2,586	1,080,000	102,540	977,460	100,000	862,460
8	2,618	1,080,000	102,540	977,460	100,000	862,460
9	2,618	1,080,000	102,540	977,460	100,000	862,460
10	2,700	1,130,000	107,287	1,022,713	100,000	907,713
11	2,618	1,130,000	107,287	1,022,713	100,000	907,713
12	2,586	1,080,000	102,540	977,460	100,000	862,460
13	2,618	1,058,990	100,545	958,445	100,000	843,445
14	2,618	1,058,990	100,545	958,445	100,000	843,445
15	2,586	1,080,000	102,540	977,460	100,000	862,460
16	2,618	1,130,000	107,287	1,022,713	100,000	907,713
17	2,618	1,120,000	106,338	1,013,662	100,000	898,662
18	2,586	1,080,000	102,540	977,460	100,000	862,460
19	2,618	1,080,000	102,540	977,460	100,000	862,460
20	2,618	1,080,000	102,540	977,460	100,000	862,460
21	2,586	1,080,000	102,540	977,460	100,000	862,460
22	2,618	1,060,000	100,641	959,359	100,000	844,359
23	2,818	1,170,000	111,085	1,058,915	100,000	943,915
24	2,586	1,080,000	102,540	977,460	100,000	862,460
25	2,758	1,170,000	111,085	1,058,915	100,000	943,915
26	2,818	1,188,990	112,888	1,076,102	100,000	961,102
27	2,618	1,058,990	100,545	958,445	100,000	843,445
28	2,618	1,100,000	104,439	995,561	100,000	880,561
29	2,586	1,100,000	104,439	995,561	100,000	880,561
30	2,618	1,140,000	108,237	1,031,763	100,000	916,763
31	2,618	1,140,000	108,237	1,031,763	100,000	916,763
32	2,586	1,100,000	104,439	995,561	100,000	880,561
33	2,618	1,088,990	103,394	985,596	100,000	870,596
34	2,618	1,120,000	106,338	1,013,662	100,000	898,662
35	2,586	1,095,000	103,964	991,036	100,000	876,036

Unit	Sq.ft	Purchase Price	HST	Price (net of HST)	Deposit	Minimum Discharge Amount
36	2,618	1,140,000	108,237	1,031,763	100,000	916,763
37	2,618	1,140,000	108,237	1,031,763	100,000	916,763
38	2,586	1,100,000	104,439	995,561	100,000	880,561
39	2,618	1,090,000	103,490	986,510	100,000	871,510
40	2,618	1,088,990	103,394	985,596	100,000	870,596
41	2,586	1,100,000	104,439	995,561	100,000	880,561
42	2,758	1,190,000	112,984	1,077,016	100,000	962,016
43	2,758	1,220,000	115,832	1,104,168	100,000	989,168
44	2,586	1,110,000	105,389	1,004,611	100,000	889,611
45	2,618	1,110,000	105,389	1,004,611	100,000	889,611
46	2,618	1,120,000	106,338	1,013,662	100,000	898,662
47	2,618	1,088,800	103,376	985,424	100,000	870,424
48	2,618	1,110,000	105,389	1,004,611	100,000	889,611
49	2,586	1,110,000	105,389	1,004,611	100,000	889,611
50	2,758	1,188,990	112,888	1,076,102	100,000	961,102
51	2,758	1,200,000	113,934	1,086,066	100,000	971,066
52	2,586	1,110,000	105,389	1,004,611	100,000	889,611
53	2,586	1,100,000	104,439	995,561	100,000	880,561
54	2,618	1,150,000	109,186	1,040,814	100,000	925,814
55	2,618	1,150,000	109,186	1,040,814	100,000	925,814
56	2,586	1,090,000	103,490	986,510	100,000	871,510
57	2,586	1,088,900	103,385	985,515	100,000	870,515
58	2,586	1,088,900	103,385	985,515	100,000	870,515
59	2,700	1,150,000	109,186	1,040,814	100,000	925,814
60	2,618	1,140,000	108,237	1,031,763	100,000	916,763
61	2,586	1,073,800	101,952	971,848	100,000	856,848
62	2,618	1,088,990	103,394	985,596	100,000	870,596
63	2,618	1,088,990	103,394	985,596	100,000	870,596
64	2,586	1,088,990	103,394	985,596	100,000	870,596
65	2,758	1,188,990	112,888	1,076,102	100,000	961,102
66	2,818	1,220,000	115,832	1,104,168	100,000	989,168
67	2,618	1,118,990	106,242	1,012,748	100,000	897,748
68	2,618	1,088,990	103,394	985,596	100,000	870,596
69	2,618	1,088,900	103,385	985,515	100,000	870,515
70	2,758	1,188,990	112,888	1,076,102	100,000	961,102
Total	184,812	78,101,045	7,415,273	70,685,772	7,000,000	62,635,772



COLLATERAL SALES LIST

	Sq.ft	Price	HST	Price (net of HST)	Minimum Discharge Amount
Block # 1					
1	1,915	1,004,990	94,379	910,611	895,611
2	1,858	984,990	92,078	892,912	877,912
3	1,858	984,990	92,078	892,912	877,912
4	1,869	1,004,990	94,379	910,611	895,611
Block # 2					
5	1,869	1,199,990	116,813	1,083,177	1,068,177
6	1,858	1,179,990	114,512	1,065,478	1,050,478
7	1,858	984,990	92,078	892,912	877,912
8	1,858	1,159,990	112,211	1,047,779	1,032,779
9	1,858	1,159,990	112,211	1,047,779	1,032,779
10	1,869	1,179,990	114,512	1,065,478	1,050,478
Block # 3					
11	1,811	1,179,990	114,512	1,065,478	1,050,478
12	1,858	1,169,990	113,362	1,056,628	1,041,628
13	1,811	1,014,990	95,530	919,460	904,460
Block # 4					
14	2,176	1,015,990	95,645	920,345	905,345
15	1,737	1,269,990	124,866	1,145,124	1,130,124
16	1,737	1,290,000	127,168	1,162,832	1,147,832
17	1,737	1,004,990	94,379	910,611	895,611
18	1,737	1,269,990	124,866	1,145,124	1,130,124
19	2,176	1,015,990	95,645	920,345	905,345
Block # 5					
20	2,176	1,249,990	122,565	1,127,425	1,112,425
21	1,737	1,249,990	122,565	1,127,425	1,112,425
22	1,737	1,269,990	124,866	1,145,124	1,130,124
23	1,726	1,179,990	114,512	1,065,478	1,050,478
Total Revenue:	42,826	26,026,780	2,505,736	23,521,044	23,176,044

Deposit received per unit will be deducted from the Minimum Discharge Amount for the Net Closing Proceeds

(end of Schedule "J")



This is Exhibit "MM" *referred to in the*
affidavit of Daniel Pollack
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS



July 27, 2021

**Stateview Homes (On the Mark) Inc.
c/o Dorr Capital**

Attention: Riccardo Platti

Re: Second mortgage construction financing of On the Mark

We are pleased to advise that KingSett Mortgage Corporation has approved the following first amendment (the "**First Amendment**") to the commitment letter dated May 13, 2020 (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. 2 is deleted in its entirety and replaced with the following:

Collateral: A 23 unit townhouse development called Edge located at 1335 Elgin Mills Road East, Richmond Hill, Ontario (the "**Collateral**" or "**Edge**")

2. Section A. 6 is deleted in its entirety and replaced with the following:

Loan Amount: \$12,090,000 2nd Mortgage, non-revolving demand loan (the "**Loan**" or "**Loan Amount**").

3. Section A. 15 is deleted in its entirety and replaced with the following:

Interest Reserve: Provided the Loan is not in default, monthly interest shall be capitalized to the outstanding principal balance of the Loan until the earlier of repayment of the Loan in full or the capitalization of a total \$2,250,000 of monthly interest to the Loan (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 and/or the Guarantor(s)' own financial resources prior to the next scheduled Monthly Payment, as defined herein. Upon default by the Borrower under the Loan or the Security, as defined herein, 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

4. Section A. 23 is deleted in its entirety and replaced with the following:

Allocation of Net Closing Proceeds: In order of priority, the Net Closing Proceeds for the Property will be applied as follows:

- (a) firstly to the permanent reduction of First Mortgage until repaid in full; and
- (b) secondly to the permanent reduction of Loan until repaid in full;



In order of priority, the Net Closing Proceeds for the Collateral will be applied as follows:

- (a) firstly to the permanent reduction of Collateral First Mortgage until repaid in full;
- (b) secondly to the permanent reduction of Collateral Blanket Mortgage until repaid in full;
- (c) thirdly to the permanent reduction of the Collateral Third Mortgage until repaid in full; and
- (d) fourthly to the Lender's trust account, to be released to the Borrower upon confirmation by the Project Monitor that equity has been injected into the Project by the Borrower for any increase to the Project Budget.

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. Subject to the receipt of \$90,000 to be applied as a principal repayment against the balance of the Loan.
2. Lender to be satisfied that fixed price contracts have been executed for 70% of hard cost budget.
3. Security to be amended and/or extended as deemed necessary by the Lender and its legal counsel to reflect the revised terms specified in this First Amendment.

In the event that the abovementioned First Amendment Conditions Precedent have not been satisfied by August 15, 2021, at the exclusive option of the Lender, the Lender's obligations under this First Amendment shall cease and the Loan will become due and payable in accordance with the terms of the original Commitment. Notwithstanding the same, the Lender shall remain entitled to fully recover from the Borrower and Guarantor any expenses incurred by the Lender.

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 July 30, 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

Borrower and Guarantor acknowledgement on following page

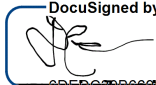


ACKNOWLEDGEMENT

The terms and conditions of this Commitment are hereby acknowledged and agreed to by the Borrower and Guarantors at _____ this _____ day of _____, 2021.


BORROWER:

STATEVIEW HOMES (ON THE MARK) INC.


DocuSigned by:

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

GUARANTOR:

DINO TAURASI


DocuSigned by:

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

WITNESS:

DocuSigned by:

Per: _____
Name: Daniel Ciccone

GUARANTOR:

CARLO TAURASI

DocuSigned by:

Per: _____
Name: Carlo Taurasi
Title: CEO

WITNESS:

DocuSigned by:

Per: _____
Name: Daniel Ciccone



November 29, 2021

Stateview Homes (On the Mark) Inc.
c/o Dorr Capital

Attention: Riccardo Platti

Re: Second mortgage construction financing of On the Mark

We are pleased to advise that KingSett Mortgage Corporation has approved the following second amendment (the "**Second Amendment**") to the commitment letter dated May 13, 2020 as amended by the first amendment dated July 27, 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. 28 is deleted in its entirety and replaced with the following:

Permitted Encumbrances: The Lender hereby acknowledges and consents to the following permitted encumbrances:

- A First Mortgage on the Property, in an amount not to exceed \$42,010,000 on terms and conditions acceptable to the Lender ("**First Mortgage**"); and
- A third ranking collateral mortgage charge on the Property, in an amount not to exceed \$38,312,500 as collateral to the KingSett Mortgage Corporation blanket mortgage over the NAO and MiNu projects, as documented in the Commitment Letter dated September 30, 2021 ("**Collateral Charge**").

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**").

Subsequent financing of the Property, secured or unsecured, 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. Subsequent financing of the Property without the Lender's prior written consent shall be deemed an event of default under this Commitment Letter and the Security.

(hereinafter collectively the "**Permitted Encumbrances**").



B. CONDITIONS PRECEDENT

This **Second** 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 "**Second Amendment Conditions Precedent**").

1. Security to be amended and/or extended as deemed necessary by the Lender and its legal counsel to reflect the revised terms specified in this Second Amendment.

In the event that the abovementioned Second Amendment Conditions Precedent have not been satisfied by December 31, 2021, at the exclusive option of the Lender, the Lender's obligations under this Second Amendment shall cease and the Loan will become due and payable in accordance with the terms of the original Commitment. Notwithstanding the same, the Lender shall remain entitled to fully recover from the Borrower and Guarantor any expenses incurred by the Lender.

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 December 3, 2021, 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 (Nov 29, 2021 15:05 EST)
Jamie Dysart
Managing Director, Mortgage Investments

Per: 
Bryan Salazar (Nov 27, 2021 13:05 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 December this 3rd day of Dec, 2021.

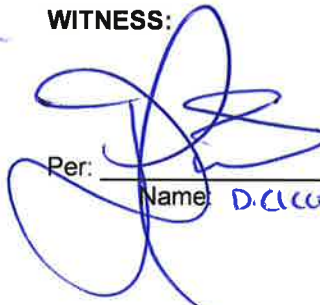
BORROWER:
STATEVIEW HOMES (ON THE MARK) INC.


Per: _____
Name: D. Ciccone
Title: CEO
I/we have authority to bind the Corporation

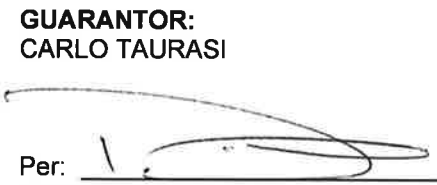
GUARANTOR:
DINO TAURASI


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

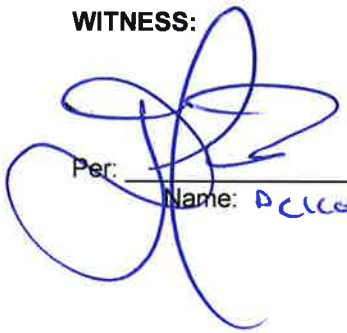
WITNESS:


Per: _____
Name: D. Ciccone

GUARANTOR:
CARLO TAURASI


Per: _____
Name: _____
Title: _____

WITNESS:


Per: _____
Name: D. Ciccone



January 7, 2022

**Stateview Homes (On the Mark) Inc.
c/o Dorr Capital**

Attention: Riccardo Platti

Re: Second mortgage construction financing of On the Mark

We are pleased to advise that KingSett Mortgage Corporation has approved the following third amendment (the "**Third Amendment**") to the commitment letter dated May 13, 2020 as amended by the first amendment dated July 27, 2021 and the second amendment 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 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. 17 is deleted in its entirety and replaced with the following:

Extension Option: Subject to there having been no default by the Borrower or the Guarantor(s), and subject to the consent of the Lender, in its sole absolute and unfettered discretion, the Lender shall permit twelve (12) extensions of one (1) month 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.

2. Section A. 18 is deleted in its entirety and replaced with the following:

Extension Fee: \$14,000 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.

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. Security to be amended and/or extended as deemed necessary by the Lender and its legal counsel to reflect the revised terms specified in this Third Amendment.

In the event that the abovementioned Third Amendment Conditions Precedent have not been satisfied by January 31, 2022, at the exclusive option of the Lender, the Lender's obligations under this Third Amendment shall cease and the Loan will become due and payable in accordance with the terms of the original Commitment. Notwithstanding the same, the Lender shall remain entitled to fully recover from the



Borrower and Guarantor any expenses incurred by the Lender.

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 January 10, 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 (Jan 6, 2022 15:08 EST)
Jamie Dysart
Managing Director, Mortgage Investments

Per: 
Bryan Salazar (Jan 6, 2022 15:06 EST)
Bryan Salazar
Managing Director, Mortgage Underwriting & Funding


Borrower and Guarantor acknowledgement on following page



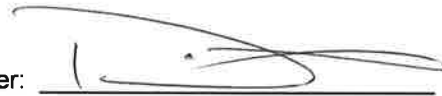
ACKNOWLEDGEMENT

The terms and conditions of this Commitment are hereby acknowledged and agreed to by the Borrower and Guarantors at WOODBRIDGE this 7th day of January, 2022.

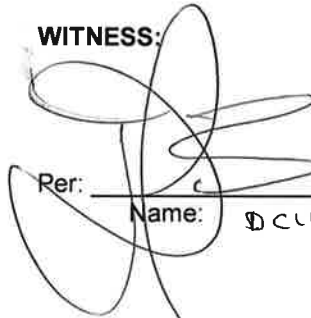
BORROWER:
STATEVIEW HOMES (ON THE MARK) INC.


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

GUARANTOR:
DINO TAURASI


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

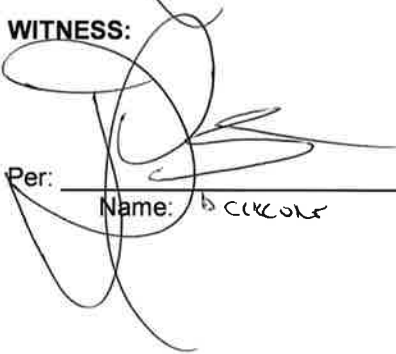
WITNESS:


Per: _____
Name: D. CICCONI

GUARANTOR:
CARLO TAURASI


Per: _____
Name: _____
Title: _____

WITNESS:


Per: _____
Name: D. CICCONI



January 18, 2023

Stateview Homes (On the Mark) Inc.
c/o Dorr Capital

Attention: Riccardo Platti

Re: Second mortgage construction financing of On the Mark

We are pleased to advise that KingSett Mortgage Corporation has approved the following fourth amendment (the "**Fourth Amendment**") to the commitment letter dated May 13, 2020 as amended by the first amendment dated July 27, 2021, the second amendment dated November 29, 2021 and the third amendment dated January 7, 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 Fourth Amendment shall have the respective meanings ascribed thereto in the Commitment unless expressly defined in this Fourth Amendment.

AMENDED LOAN TERMS

A. LOAN TERMS

1. Section A. 17 is deleted in its entirety and replaced with the following:

Extension Option: Subject to there having been no default by the Borrower or the Guarantor(s), and subject to the consent of the Lender, in its sole absolute and unfettered discretion, the Lender shall permit twelve (6) extensions of one (1) month 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. For greater clarity, the loan has previously been extended for 12 months and this Fourth Amendment is providing additional extension options with an outside maturity date of July 1, 2023.

2. Section A. 18 is deleted in its entirety and replaced with the following:

Extension Fee: Extension fee equivalent to 11.67 basis points (0.1167%) of the loan amount earned by the Lender upon the exercise of each Extension Option (the "**Extension Fee**") and payable on or before the date which is ten days prior to the Maturity Date. Should any Extension Option not be granted by the Lender, the Lender will return the applicable Extension Fee to the Borrower, if applicable.

B. CONDITIONS PRECEDENT

This **Fourth** 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 "**Fourth Amendment Conditions Precedent**").

1. Security to be amended and/or extended as deemed necessary by the Lender and its legal counsel to reflect the revised terms specified in this Fourth Amendment.



In the event that the abovementioned Fourth Amendment Conditions Precedent have not been satisfied by January 31, 2023, at the exclusive option of the Lender, the Lender's obligations under this Fourth Amendment shall cease and the Loan will become due and payable in accordance with the terms of the original Commitment. Notwithstanding the same, the Lender shall remain entitled to fully recover from the Borrower and Guarantor any expenses incurred by the Lender.

GENERAL MATTERS

1. Entire Agreement – No alteration, modification, amendment, change or addition to this Fourth 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 Fourth 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 Fourth Amendment.
4. Successors and Assigns – The Fourth 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 Fourth 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 Fourth 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 Fourth 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 Fourth 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 Fourth Amendment and/or the modification of the Loan Documents as contemplated by this Fourth 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 Fourth 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 Fourth Amendment.
7. Time is of the Essence - Time is of the essence in this Fourth 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 Fourth Amendment, the terms and conditions and provisions of this Fourth Amendment shall prevail. Whenever possible, this Fourth 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 Fourth 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 Fourth 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 Fourth 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 **Fourth** Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.

Please execute and return one copy of this **Fourth** Amendment to the attention of the undersigned no later than January 23, 2023, failing which, at the Lender's exclusive option, this Fourth 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

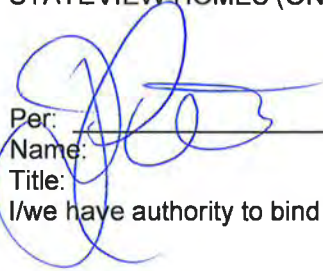
*****Borrower and Guarantor acknowledgement on following page*****




ACKNOWLEDGEMENT

The terms and conditions of this Commitment are hereby acknowledged and agreed to by the Borrower and Guarantors at WOODBRIDGE this 29th day of January, 2023.

BORROWER:
STATEVIEW HOMES (ON THE MARK) INC.

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

GUARANTOR:
DINO TAURASI

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

WITNESS:

Per: 
Name: _____

GUARANTOR:
CARLO TAURASI

Per: 
Name: _____
Title: _____

WITNESS:

Per: 
Name: _____

This is Exhibit "NN" *referred to in the*
affidavit of Daniel Pollack--
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

ASSIGNMENT OF INSURANCE INTEREST

TO: KINGSETT MORTGAGE CORPORATION

RE: KINGSETT MORTGAGE CORPORATION 2ND LOAN TO STATEVIEW HOMES (ONE THE MARK) INC.
BLOCK 3, PLAN 65M3925, CITY OF MARKHAM

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby transfers, assigns, and set over unto KingSett Mortgage Corporation (the "Lender") all of its right, title and interest in any and all proceeds with respect to any insurance in effect with respect to the above-noted property (the "Property");

THE UNDERSIGNED hereby irrevocably directs and authorizes any and all insurers of the Property to pay exclusively to the Lender any and all proceeds of such insurance payable to the undersigned pursuant to such insurance policies, subject only to the rights of any prior encumbrancers. This shall be good, sufficient and irrevocable authority to such insurers to do so.

DATED at Vaughan, this 9 day of June, 2020.

STATEVIEW HOMES (ON THE MARK) INC.

Per: 

Name: Carlo Taurasi

Title: President

I have authority to bind the corporation.

This is Exhibit "OO" *referred to in the*
affidavit of Daniel Pollack--
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- (a) For value received, Stateview Homes (On the Mark) Inc. (the "Debtor"), hereby grants to KingSett Mortgage Corporation (the "Lender"), by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in the undertaking of the Debtor and in all Goods (including all parts, accessories, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), including without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:
- i. all inventory of whatever kind and wherever situate ("Inventory");
 - ii. all equipment (other than Inventory) of whatever kind including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles;
 - iii. all book accounts and book debts, rents and leases, all Agreements of Purchase and Sale entered into or to be entered into (including any deposits payable to the Debtor pursuant thereto) and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor ("Debts");
 - iv. all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - v. all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property, licenses and permits;
 - vi. all material contracts and all contractual rights for the provision of materials, equipment and services to the lands described in Schedule "A" in connection with the construction and/or servicing upon the lands, including any applicable working drawings, plans, specifications, development and/or building approvals and permits in connection with the lands;
 - vii. all monies other than trust monies lawfully belonging to others, Certificates and Interest Bearing Accounts;
 - viii. all real property described in Schedule "A" attached hereto and all property described in any schedule now or hereafter annexed hereto.
- (b) Notwithstanding the generality of the foregoing, the Security Interest created by this Agreement affects only such Collateral associated with the Debtor's business and assets situate in the City of Markham and more particularly described in Schedule "A" attached hereto (hereinafter called the "Premises").
- (c) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
- (d) The terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Consumer Goods", "Instruments", "Intangibles", "Securities", "Proceeds", "Inventory", and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Ontario, as amended from time to time (herein referred to as the "P.P.S.A."). Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The terms "Proceeds"

whenever used herein and interpreted as above shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected or otherwise disposed of.

2. **INDEBTEDNESS SECURED**

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Lender arising out of a Letter of Commitment dated May 13, 2020 and pursuant thereto, a mortgage between the Debtor as Mortgagor and the Lender as Mortgagee charging the lands described in Schedule "A" hereto and securing for principal the sum of \$15,000,000.00 ("Charge") which indebtedness shall be fully satisfied upon payment in full of the said mortgage (hereinafter collectively called the "Indebtedness").

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

The Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) The Collateral is genuine and owned by the Debtor free of all interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption;
- (b) Each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise; and
- (c) The location specified in Schedule "A" as to business operations and records is accurate and complete and with respect to Goods constituting Collateral.

4. **COVENANTS OF THE DEBTOR**

So long as this Security Agreement remains in effect the Debtor covenants and agrees:

- (a) To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and those shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption and not to sell, exchange, transfer, assign, lease, otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease Inventory and, subject to Clause 6 hereof, use monies available to the Debtor;
- (b) To notify the Lender promptly of:
 - i. any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - ii. the details of any significant acquisition of Collateral;
 - iii. the details of any claims or litigation affecting Collateral;
 - iv. any loss or damage to Collateral;
 - v. any default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
 - vi. the return to or repossession by the Debtor of Collateral;
- (c) To keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement

relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;

- (d) To do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Collateral as and when the same become due and payable;
- (f) To insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct with loss payable to the Lender and the Debtor, as insureds, as their respective interest may appear, and to pay all premiums therefor;
- (g) To prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this Security Agreement;
- (h) To carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) To deliver to the Lender from time to time promptly upon request:
 - i. any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - ii. all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - iii. all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - iv. all policies and certificates of insurance relating to Collateral; and
 - v. such information concerning Collateral, the Debtor and business and affairs as the Lender may reasonably request;
- (j) To have the Premises professionally managed at all times.

5. **USE AND VERIFICATION OF COLLATERAL**

Subject to compliance with the Debtor's covenants herein and Clause 6 hereof, the Debtor may, until default, possess, operate, use, enjoy and deal with Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where Collateral may be located and to the premises described in Schedule "A".

6. **ASSIGNMENT OF RIGHTS UNDER AGREEMENTS OF PURCHASE AND SALE**

- (a) Although it is the intention of the parties that the assignment of all agreements of purchase and sale relating to the Premises (as set out in Paragraph 1(a)(iii)) ("Assignment of Rights") or rights arising therefrom shall be a present assignment, it is expressly understood and agreed, notwithstanding anything herein contained to the contrary, that the Lender shall not exercise any of the rights or powers herein conferred upon it except for the Lender's right to receive all sale proceeds (including deposits) received or to be received by the Debtor, pursuant to the agreements

entered into for the sale of any portion of the Premises ("Agreements"), or any one of them, until default shall occur under the terms and provisions of this assignment or under the Charge, but upon the occurrence of any such default, this assignment shall constitute a direction and full authority to any purchaser under the Agreements, or any one of them, to deal with respect to all matters of the Agreements, or any one of them, exclusively with the Lender as if the Lender was the vendor thereunder, and such purchaser is hereby irrevocably authorized and directed by the Debtor to rely upon any notice from the Lender as to the authority to act as the vendor in all respects pursuant to the Agreements, or any one of them, without requiring any further proof of such authority.

- (b) In the exercise of the powers herein granted to the Lender no liability shall be asserted or enforced against the Lender, all such liability being expressly waived and released by the Debtor. The Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Agreements, or any one of them, unless and until the Lender expressly and specifically agrees to do so in writing by separate instrument and until such time all parties shall look strictly to the Debtor for the performance and discharge of any and all obligations under the Agreements, or any one of them. The Debtor shall and does hereby agree to indemnify the Lender for and to save and hold it harmless of and from any and all liabilities, losses, expenses, costs or damages which it may or might incur by reason of this assignment.
- (c) This Assignment of Rights under Agreements of Purchase and Sale is given as further security for the performance of the Debtor's obligations under the Charge and in the event of the exercise of the Lender's rights hereunder the Lender shall have the right to apply any sale proceeds or deposits received by it hereunder at its discretion as against principal, interest or costs owing pursuant to the Charge provided always that upon satisfaction in full of the indebtedness owing to the Lender under the Charge, all rights, benefits, and privileges under the Agreements shall be deemed to be reassigned and the Lender shall account for any excess monies held by it pursuant hereto (if any) to the Debtor.

7. **ASSIGNMENT OF CASH SECURITY**

- (a) As security for the Indebtedness or a letter or letters of credit (the "Letter of Credit") issued or to be issued or arranged by the Lender at the request of and for the benefit of the Debtor in favour of parties as contemplated in the Commitment Letter, the Debtor has agreed to assign and pledge to the Lender one or more Certificates and Interest Bearing Accounts. For purposes of this section the following words and phrases have the following meanings:
 - i. **"Act"** means the Personal Property Security Act (Ontario), as it may be amended or reenacted from time to time;
 - ii. **"Agreement"** means this General Security Agreement, together with all schedules annexed hereto, all as the same may be from time to time supplemented, amended or otherwise modified in accordance with paragraph 12 hereof;
 - iii. **"Debtor's Liabilities"** means all present and future indebtedness and liabilities of the Debtor to the Lender under the Commitment Letter, the Charge and all other agreements, documents and security documents entered into between the Debtor and the Lender, made by the Debtor in favour of the Lender or assigned by the Debtor to the Lender relating to or in connection with the Commitment Letter;
 - iv. **"Certificates"** means one or more guaranteed investment certificates, certificates of deposit, term deposits and other interest bearing instruments now or hereafter issued by the Lender in the name of or on behalf of the Debtor evidencing the deposit of monies from time to time by the Debtor with the Lender for a specified term bearing a fixed rate of interest or otherwise entitling the bearer of such instruments to receive the principal amount stated therein at the rate of interest stated therein on a fixed date;
 - v. **"Commitment Letter"** means the Commitment Letter referred to between the parties referable to this transaction dated May 13, 2020, and any amendments thereto;

- vi. **"Charge"** means the Charge issued by the Debtor to the Lender in the principal amount of \$15,000,000.00;
 - vii. **"Deposit"** means the sum to be deducted from the advance of funds or otherwise held by the Lender pursuant to the Commitment Letter, together with any and all interest actually earned thereon, to be invested pursuant to this Agreement, as security for the Debtor's Liabilities;
 - viii. **"Interest Bearing Accounts"** means one or more bank accounts now or hereafter established by the Lender in the name of or on behalf of the Debtor in which the Debtor deposits monies on a current basis from time to time at such rate of interest as is established, quoted or announced from time to time by the Lender;
 - ix. **"Letter of Credit"** means the letter or letters of credit now or hereafter issued or arranged by the Lender at the request of or on behalf of the Debtor in favour of parties as contemplated in the Commitment Letter;
 - x. **"Loan Documents"** means all present and future agreements, instruments and other documents, as same may be amended from time to time, made or assigned by the Debtor to the Lender in connection with the issue of the Letter of Credit; and
 - xi. **"Securities"** means all Interest Bearing Accounts and Certificates together with all renewals, replacements and substitutions therefore and all proceeds therefrom.
- (b) As continuing security for the payment of the Debtor's Liabilities, and for the performance, fulfilment and satisfaction of all covenants, obligations and conditions on the part of the Debtor set out herein, the Debtor:
- i. assigns, transfers and pledges the Deposit and the Securities to and in favour of the Lender; and
 - ii. grants a security interest in the Deposit and the Securities to and in favour of the Lender;
- as and by way of a fixed charge.
- (c) The Lender's only responsibility hereunder in regard to the Securities is limited to exercising the same degree of care which it gives valuable property of the Lender or any other customer of the Lender at the office where the Securities are held.
- (d) The Debtor acknowledges and agrees that the Lender is authorized and directed to invest and reinvest the Deposit and any other funds represented by the Securities in one or more Certificates or Interest Bearing Accounts from time to time for such periods as may be requested in writing by the Debtor; provided that none of the Certificates may be reinvested until its respective maturity date; and provided further that if the Lender has not received such written instructions before 1:00 o'clock in the afternoon on any date that the Deposit or any of the Certificates mature, then all of such funds may be invested or reinvested, as the case may be, for any period determined by the Lender from time to time in its absolute discretion, at rates of interest quoted by the Lender for the respective period or periods of any such Interest Bearing Account or Certificate on the date of any such investment or reinvestment.
- (e) All interest earned on the Securities shall accrue to the account of the Debtor and shall be held by the Lender in accordance with and subject to the same terms and conditions set out in this agreement.
- (f) The Lender and every employee or agent thereof, as the irrevocable attorney of the Debtor, may deal with all or any of the Securities and may fill in all blanks in any documents delivered to it and may complete Schedule "C" annexed hereto with the particulars of the Securities and the Lender may delegate its powers and any delegate may subdelegate the same, and any of the powers hereby given may be exercised in the name and on behalf of the successors of the Debtor.

- (g) Any renewal, replacement or substituted Securities and all proceeds thereof including, without limitation, all Interest Bearing Accounts and Certificates shall be held by the Lender in accordance with and subject to the provisions of this Agreement.
- (h) The Lender is hereby authorized to sign on behalf of and as agent of the Debtor such income tax ownership certificates as may be required or the Lender may, in its discretion, require the Debtor to sign the same and the Debtor hereby covenants so to do.
- (i) This shall be a continuing agreement and the Securities assigned and pledged hereby are in addition to and not in substitution for any other security held by the Lender and shall not operate as a merger of any contract debt. All claims, present or future, of the Debtor against any person other than the Lender who is liable upon or for payment of any of the Securities are hereby assigned to the Lender.
- (j) The Debtor represents and warrants to the Lender that the Debtor is the legal owner of the Securities and that the Securities are unencumbered in any manner save as herein provided and that the Debtor has full power and authority to assign and pledge the Securities to the Lender hereunder.
- (k) Upon the failure by the Debtor to make due and punctual payment and/or satisfaction of the Debtor's Liabilities in the amounts and at the times provided for the Commitment Letter, the Charge or any other agreement, document or security document entered into between the Debtor and the Lender, made by the Debtor in favour of the Lender or assigned by the Debtor to the Lender, the security interest hereby granted shall immediately become enforceable at the option of the Lender, the Lender shall have the right and irrevocable authority to cash the Securities which are then the subject of this pledge and, at its sole and unfettered discretion, shall also have the right and irrevocable authority, without notice to the Debtor except as may be provided in the Act:
 - i. to set-off or otherwise apply all or any part or parts of the proceeds thereof towards the payment of the Debtor's Liabilities and any part or parts thereof;
 - ii. to utilize the proceeds thereof to pay to the beneficiary of the Letter of Credit the amount owing to such beneficiary as a result of any call or demand for payment under such Letter of Credit;
 - iii. to retain an amount equal to the principal amount of the outstanding Letter of Credit as security for the liability of the Lender thereunder, without being obligated to attribute any part or parts of such amount on account of any specific part or parts of the Debtor's Liabilities, for such period or periods of time as any of such letters of credit remain outstanding. The Lender is hereby irrevocably authorized and directed to utilize such amount to pay to the beneficiary of such Letter of Credit any amounts called upon for payment under or pursuant to the terms of any Letter of Credit;
 - iv. to file such proof of claim or other documents as may be necessary or desirable to have its claim lodged in any bankruptcy, winding-up, liquidation, dissolution or other proceedings (voluntary or otherwise) relating to the Debtor;
 - v. to take any action, suit, remedy or proceeding authorized or permitted by this Agreement, the Act or by law or equity.
- (l) For greater certainty, this Agreement shall not preclude the right of the Lender to exercise any right of set-off it might obtain in respect of the Debtor's Liabilities other than pursuant to this Agreement or the Act.
- (m) To the extent not prohibited by law, the Debtor hereby waives the benefit of all of the provisions of the Act or any other legislation which would in any manner affect the rights or remedies of the Lender hereunder.
- (n) The Lender may compound, compromise, grant extensions of time and other

indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Securities, the Debtor and with other parties and other securities as the Lender may reasonably see fit, without prejudice to the Debtor's Liabilities or to the Lender's rights in respect to the security hereby constituted. The Lender shall not be obliged to exhaust its recourses against the Debtor or any other party or parties or against any other security or securities held by the Lender from time to time before realizing or otherwise disposing of or dealing with the Securities in such manner as the Lender sees fit.

- (o) In consideration of the Lender issuing or causing to be issued the Letter of Credit in favour of parties as contemplated in the Commitment Letter from time to time, the Debtor unconditionally and irrevocably agrees:
- i. to indemnify and save the Lender harmless against all actions, losses, costs, charges, damages, expenses, liabilities, claims and demands of whatsoever nature and kind, which the Lender may howsoever incur or sustain by reason of or in connection with the Letter of Credit;
 - ii. to accept any claim or demand on the Lender as conclusive evidence that the Lender was liable to make payment thereunder and any payment made pursuant to such claim or demand which purports to be in accordance with the Letter of Credit or any steps taken by the Lender in good faith under or in connection with the Letter of Credit shall be binding upon the Debtor and shall not place the Lender under any liability to the Debtor;
 - iii. that the Lender shall have no liability or responsibility to the Debtor for the form, sufficiency, correctness, genuineness or legal effect of the Letter of Credit or for the good faith or acts of the holder of the Letter of Credit;
 - iv. that the rights and powers conferred by this paragraph and the indemnity hereinafter are in addition to and without prejudice to any other rights which the Lender may have pursuant to this Agreement, the Commitment Letter, the Charge or any other agreement, document or security document entered into between the Debtor and the Lender, made by the Debtor in favour of the Lender or assigned by the Debtor to the Lender.

8. **COLLECTION OF DEBTS**

Before or after default under this Security Agreement, the Lender may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to the Lender. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement shall be received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request.

9. **DISPOSITION OF MONIES**

Subject to any application requirements of the P.P.S.A., all monies collected or received by the Lender pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as the Lender deems best or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Lender hereunder, and any surplus shall be accounted for as required by law.

10. **EVENTS OF DEFAULT**

The happening of any of the following events or conditions shall constitute default hereunder (hereinafter referred to as "default"):

- (a) The nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision, or condition contained in this Security Agreement or any other document or agreement between the Debtor and the Lender relating to the Indebtedness;
- (b) The bankruptcy or insolvency of the Debtor; the filing against the Debtor of a

petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;

- (c) Abandonment of the premises by the Debtor for a period in excess of eight (8) consecutive days and which the Debtor has not rectified within ten (10) days after delivery by the Lender to the Debtor of written notice of any abandonment.

11. **REMEDIES**

- (a) Upon default, the Lender may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Lender and the Lender shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instruments appointing him, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on the Debtor's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Lender, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.
- (b) Upon default, the Lender may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in preparing or enforcing

this Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.
- (h) Upon failure of the Debtor to have the Premises professionally managed in accordance with clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or managers, as it may deem necessary in its sole discretion, to manage the Premises at the sole expense of the Debtor.

12. **MISCELLANEOUS**

- (a) The Debtor hereby authorizes the Lender to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral) as the Lender may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints the Lender the true and lawful attorney of the Debtor, with the full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate per annum set forth in the said mortgage.
- (c) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name on any and all cheques, commercial paper, and any other Instrument pertaining to or constituting Collateral.
- (d) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (e) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and notice of any other action taken by the Lender.
- (f) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (h) Subject to any provisions of this Agreement to the contrary, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or

request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purpose hereof.

The address of each party is as follows:

Debtor:

Stateview Homes (On the Mark) Inc.
410 Chrislea Road, Unit 16
Woodbridge, Ontario L4L 8B5

Lender:

KingSett Mortgage Corporation
Scotia Plaza, 40 King Street West,
Suite 3700, PO Box 110
Toronto, Ontario M5H 3Y2

- (i) This Security Agreement and the security afforded hereby shall remain in full force and effect until all Indebtedness contracted for or created, shall be paid in full.
- (j) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (k) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (l) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (m) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (n) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.

13. **COPY OF AGREEMENT**

The Debtor hereby acknowledges receipt of a copy of this Security Agreement.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement under the hand of its authorized signing officers as of this 9 day of June, 2020.

**STATEVIEW HOMES (ON THE MARK)
INC.**

Per: 

Name: Carlo Taurasi

Title: President

I have authority to bind the corporation.

SCHEDULE "A"

Block 3, Plan 65M3925 s/t easement as in LT1469897,
City of Markham
Regional Municipality of York

SCHEDULE "B"

1. First Charge in favour of KingSett Mortgage Corporation having a face amount of \$51,250,000.00;
2. First Notice of Assignment of Rents in favour of KingSett Mortgage Corporation;
3. First Personal Property Security registration in favour of KingSett Mortgage Corporation.

SCHEDULE "C" - Pursuant to Paragraph 7 - Assignment of Cash Security

This is Exhibit **"PP"** *referred to in the*

affidavit of Daniel Pollack--
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

Properties

PIN 03186 - 4137 LT *Interest/Estate* Fee Simple
Description BLOCK 43, PLAN 65M3786, RICHMOND HILL.; SUBJECT TO AN EASEMENT AS IN YR2986053
Address 1335 ELGIN MILLS ROAD EAST
 RICHMOND HILL

PIN 03372 - 1006 LT *Interest/Estate* Fee Simple
Description PART LOT 7 CONCESSION 3 KING AS IN R374832; PART LOT 7 CONCESSION 3 KING AS IN R648002; PART LOT 7 CONCESSION 3 KING AS IN R416706; LOT 56 PL 85 KING; PART LOT 55 PLAN 85 KING AS IN R459705; LOTS 1 AND 2, PLAN 360; DESIGNATED AS PART 1 65R38751; TOWNSHIP OF KING
Address KING CITY

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 (EDGE TOWNS) INC.
Address for Service 410 Chrislea Road, Unit 16
 Woodbridge, ON L4L 8B5
 I, Carlo Taurasi, President/Secretary, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Name STATEVIEW HOMES (HIGH CROWN ESTATES) INC.
Address for Service 410 Chrislea Road, Unit 16
 Woodbridge, ON L4L 8B5
 I, Carlo Taurasi, President/Secretary, 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 c/o KingSett Capital
 Scotia Plaza, 40 King Street West
 Suite 3700, PO Box 110
 Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

Provisions

Principal \$15,000,000.00 *Currency* CDN
Calculation Period monthly, not in advance
Balance Due Date ON DEMAND
Interest Rate see Schedule
Payments
Interest Adjustment Date
Payment Date interest only, on the 1st day of each month
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full insurable value
Guarantor

Additional Provisions

STATEVIEW HOMES (EDGE TOWNS) INC. is the registered owner of those lands contained in PIN No. 03186-4137;

STATEVIEW HOMES (HIGH CROWN ESTATES) INC. is the registered owner of those lands contained in PIN No. 03372-1006.

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2020 06 09
Toronto Chargor(s)
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2020 06 09
Toronto
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.05

Total Paid \$65.05

File Number

Chargee Client File Number : 6333-151

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated May 13, 2020 (and any amendments thereto, if applicable).

This Charge shall secure any and all amounts owing by the Chargor to the Chargee pursuant to the Letter of Commitment.

All provisions of the Letter of Commitment are hereby incorporated into this Charge.

Any default by the Borrower with regard to any provision of the Letter of Commitment shall constitute a default under this Charge.

2. **DUE ON DEMAND**

The amount owing under this Charge shall be repayable on demand.

In the event interest is not paid as and when due, the Chargee may in its sole discretion advance monies on account of principal to the Chargor to be applied to interest owing, or capitalize the amount of interest owing (which capitalization shall not be an advance of funds) but in no event shall any such advance or capitalization by the Chargee obligate the Chargee to make any further advances or capitalizations to be applied to interest or otherwise.

3. **INTEREST RATE**

The mortgage shall bear interest at the greater rate of: (i) RBC Prime Rate plus 9.55% per annum, adjusted daily and compounded and payable monthly, not in advance and (ii) 12.00% per annum, compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

Interest at the aforesaid rates on the amounts advanced from time to time shall be payable on the first day of each and every month.

4. **DEFAULT**

In addition to any other Default Clauses set out in this Charge, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee or the occurrence or happening of any of the following events ("Event(s) of Default"):

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (e) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed or presented against the Chargor;
- (f) any proceedings with respect to the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (g) any execution, sequestration, extent or any other process of any Court becomes enforceable against the Chargor or a distress or analogous process is levied upon the property and assets of the Chargor or any part thereof, which in the opinion of the Chargee is a substantial part, and remains unsatisfied for such period as would permit such property to be sold thereunder, less two (2) business days, provided that such process is not in good faith disputed and, in that event, if the Chargor shall desire to contest such process it shall give security to the Chargee which, in the absolute discretion of the Chargee, shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim;
- (h) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (i) the property hereby mortgaged and charged or any part thereof, other than sales of lots or units containing fully completed single family dwellings to bona fide purchasers for value, prior approved in writing by the Chargee, are sold by the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (j) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee on demand;
- (k) the Chargor makes any default with regard to any provision of the Commitment Letter.

5. **CHARGEES MAY REMEDY DEFAULT**

If the Chargor should fail to perform any covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness secured herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

6. **CONSTRUCTION LIENS**

Provided also that upon the registration of any construction lien against title to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Act, 1990, so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Construction Act, 1990, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be

required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act, 1990.

7. **CONSTRUCTION LOAN**

Provided that the Chargor and Chargee agree that if this is a construction loan, the following conditions shall apply:

(a) the Chargor further covenants that all installation of services and construction on the lands hereby secured 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 dwellings on the said lands, 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 said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. 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 principal secured hereunder 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.

(e) all advances which are made from time to time hereunder shall be based on Certificate 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.

8. **ENVIRONMENTAL**

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties

and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop

discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

(d) The Chargor hereby indemnifies and holds harmless the Chargee, its officers, directors, employees, agents, shareholders and any receiver or receiver and manager appointed by or on the application of the Chargee (the "Indemnified Persons") from and against and shall reimburse the Chargee for any and all losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements, suffered, incurred by or assessed against any of the Indemnified Persons whether as holder of the within Charge, as mortgagee in possession, as successor in interest to the Chargor as owner of the Lands by virtue of foreclosure or acceptance of a deed in lieu of foreclosure or otherwise:

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal,

burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

The provisions of this paragraph shall survive foreclosure of this Charge and satisfaction and release of this Charge and satisfaction and repayment of the amount secured hereunder. Any amounts for which the Chargor shall become liable to the Chargee under this paragraph shall, if paid by the Indemnified Person, bear interest from the date of payment at the interest rate stipulated herein and together with such interest shall be secured hereunder.

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

The parties hereto acknowledge and agree that this Charge shall also secure payment by the Chargor to the Chargee of all amounts advanced by the Chargee pursuant to or by way of issuance of any letters of credit, renewals thereof, substitutions therefor and accretions thereto or pursuant to similar instruments issued at the Chargor's request or on its behalf and issued by the Chargee or on behalf of or at the request of or upon the credit of the Chargee and the total amount of such letters of credit shall be deemed to have been advanced and fully secured by this Charge from the date of the issuance of such letters of credit, regardless of when or whether such letters of credit are called upon by the holder(s) thereof. In the event of the enforcement or exercise by the Chargee of any of the remedies or rights provided for in this Charge, the Chargee shall be entitled to retain and shall not be liable to pay or account to the Chargor or any other party in respect of the full amount of any outstanding letters of credit from the proceeds of such enforcement or exercise until such time as the letters of credit have expired, have been cancelled and have been surrendered to the Lender or the issuer(s) thereof.

10. **MISCELLANEOUS**

The Chargor agrees as follows:

- (a) to maintain the project in good repair and in a state of good operating efficiency;
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested;
- (e) to comply with all covenants and reporting requirements set out in the Commitment Letter;

- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **PREPAYMENT PROVISIONS**

Provided that this Charge is not in default, the Chargor shall have the right to prepay the amount outstanding in accordance with the provisions of the Letter of Commitment.

12. **RESTRICTION ON TRANSFER**

In the event of the Chargor selling, transferring or conveying title or its rights to a purchaser, transferee or grantee not approved by the Chargee or in the event of a change in the legal or beneficial ownership of the Property, the Borrower or the Chargor, not approved in writing by the Chargee, then, at the sole option of the Chargee, all monies secured, together with all accrued and unpaid interest thereon and any other amounts due under this Charge shall become due and payable. This restriction shall not prevent the sale of dwelling units to bona fide home Purchasers.

13. **ASSIGNMENT OF CONDOMINIUM VOTING RIGHTS**

In the event that the property or any part thereof is or becomes a unit within a Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Condominium Corporation, in the place of and on behalf of the Chargor, and the Chargor hereby assigns unto the Chargee all such voting rights.

In the event that the property or any part thereof is or becomes a Common Element Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Common Element Condominium Corporation in the place of and on behalf of the Chargor, to the extent that the Chargor would have such rights, and the Chargor hereby assigns unto to the Chargee all such voting rights.

14. **SUBSEQUENT FINANCING**

No financing subsequent to the Chargee's facilities shall be permitted, without the prior written consent of the Chargee.

15. **PARTIAL DISCHARGES**

The Chargor shall be entitled to partial discharges as set out in the Letter of Commitment upon payment of the partial discharge amounts set out therein, the Chargee's discharge fees as set out therein and upon payment of the Chargee's Solicitor's usual discharge fees.

16. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

17. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

18. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

19. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

20. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

21. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

22. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

23. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

24. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

25. **COMPLIANCE WITH LAWS AND REGULATIONS**

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

26. **REPAIR**

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

27. **ALTERATIONS OR ADDITIONS**

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

28. **LANDS INCLUDE ALL ADDITIONS**

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aeriels, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

29. **CHANGE OF USE**

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

30. **EVENTS OF DEFAULT**

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

31. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

32. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

33. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) 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 Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

34. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

35. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

36. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

37. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

38. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

39. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

40. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

41. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

42. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

43. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

44. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

45. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

46. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

47. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

48. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

49. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

50. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

51. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

52. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

53. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

54. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

55. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

56. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

57. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

58. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

59. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

60. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

61. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made as of the 9 day of June, 2020.

BETWEEN:

STATEVIEW HOMES (ON THE MARK) INC.

(hereinafter called the "Assignor"),

OF THE FIRST PART,

- AND -

KINGSETT MORTGAGE CORPORATION

(hereinafter called the "Assignee"),

OF THE SECOND PART.

WHEREAS:

- A. STATEVIEW HOMES (ON THE MARK) INC. is the registered and beneficial owner of the lands described as Block 3, Plan 65M3925 s/t easement as in LT1469897, City of Markham, Regional Municipality of York ("Lands");
- B. pursuant to the Mortgage, the Assignor mortgaged and charged in favour of the Assignee all of its right, title and interest in and to the Project as security, inter alia, for the due payment of all principal, interest and other monies payable under the Mortgage;
- C. 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 commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee pursuant to the Mortgage, the Assignor agreed to assign to the Assignee the Rents and the Leases, together with all benefits, powers and advantages of the Assignor to be derived therefrom.

NOW THEREFORE THIS ASSIGNMENT WITNESSES that in consideration of the sum of Ten Dollars (\$10.00) paid by the Assignee 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 that validity and truth of the above-noted recitals, which have 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) **"Building"** means any construction, erection or structure located on, placed upon or erected in, under or on the Lands, any additions, alterations, expansions, improvements and replacements thereof and includes, without limitation, all equipment, chattels and fixtures which may be owned by the Assignor and may now or hereafter be located in the Building or in any additions, alterations, expansions, improvements and replacements of the foregoing;
 - (c) **"Default"** has the meaning ascribed thereto in Section 8 hereof;

- (d) **"Dispute"** has the meaning ascribed thereto in Sub-section 8(b) hereof;
- (e) **"Indebtedness"** has the meaning ascribed thereto in Section 3 hereof;
- (f) **"Lands"** means the lands described above;
- (g) **"Leases"** means any and all present and future leases or subleases, offers to lease or sublease, letters of intent to lease or sublease and all other agreements to lease or sublease including, without limitation, all other occupancy agreements relating to the whole or any part of parts of the Project made by the Assignor or any predecessor in title of the Assignor, as landlord, and all present and future licences or concessions whereby the Assignor gives any person the right (other than an easement or a right in the nature of an easement) to use or occupy the whole or any part or parts of the Project, in each case for the time being in effect, and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements or substitutions thereof or therefor which may hereafter be effected or entered into and **"Lease"** means any of the Leases;
- (h) **"Mortgage"** means the indenture given by or to be given by the Assignor in favour of the Assignee on the Lands;
- (i) **"Prime Rate"** means the applicable interest rates set out in the letter of commitment referable to this transaction;
- (j) **"Project"** means the Lands and the Building;
- (k) **"Rents"** means all present and future income, rents, issues, profits and any other monies including rental insurance proceeds and expropriation awards to be derived from, reserved or payable under the Leases; and
- (l) **"Tenant"** means any person who is hereafter a party to a Lease or has any right of use or occupancy to all or any part of the Project, whether as a tenant, licensee or concessionaire under a Lease, and **"Tenants"** means all such persons.

3. **Assignment:** As continuing and additional security for:

- (a) the repayment to the Assignee of all amounts (the "Indebtedness") owing from time to time by the Assignor to the Assignee under, in connection with or arising out of or from any agreement entered into by the Assignor with the Assignee with respect to the Project, made by the Assignor in favour of the Assignee with respect to the Project or assigned by the Assignor to the Assignee including, without limitation, the Mortgage; 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 and all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee with respect to the Project, made by the Assignor in favour of the Assignee with respect to the Project or assigned by the Assignor to the Assignee;

the Assignor, upon and subject to the terms of this Agreement, assigns, sets over and transfers to the Assignee 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;

and

- (f) 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 Subsection 3(c) to and including 3(f) together with all proceeds therefrom are hereinafter collectively called the "Premises Hereby Assigned".

4. **Acknowledgement of Assignor:** The Assignor acknowledges that neither this Agreement nor the assignment constituted hereby:

- (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, provisions, conditions, obligation and covenant set out in any of the Premises Hereby Assigned; and
 - (ii) any liability of the Assignor to each Tenant, the Assignee or to any other person, firm or corporation;
- (b) imposes any obligation on the Assignee to assume any liability or obligations 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 Assignee for any act or omission on its part in connection with this Agreement or the assignment constituted hereby including, without limitation, the fulfillment or non-fulfillment by the Assignee of the obligations, covenants and agreements of the Assignor set out in the Premises Hereby Assigned;
- (d) obligates the Assignee 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 Assignee may, in its absolute discretion, give any such notice at any time or from time to time without further notice to the Assignor; and
- (e) authorizes the Assignor to dispose of or transfer by way of conveyance, mortgage, lease, assignment or otherwise, the Project, the Assignor's interest in the Project or any part of either, except as specifically approved herein.

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 under or pursuant to, the Premises Hereby Assigned;
- (b) to deliver to the Assignee 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 Assignee 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 suffered or incurred by the Assignee in connection with, on account of or by reason of:
 - (i) the assignment to the Assignee of the Premises Hereby Assigned;

- (ii) any alleged obligation of the Assignee 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 including without limitation, subparagraphs 5(a), (b), (d), (e), (f), (g), (h), (i), (j) and (k) hereof; and
 - (iv) the enforcement of the assignment constituted by this Agreement;
- (d) to notify the Assignee in writing as soon as the Assignor becomes aware of any Dispute, 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 obtain such consents from third parties including, without limitation, Tenants as may be necessary or required by the Assignee in connection with the assignment constituted by this Agreement;
 - (f) upon the written request of the Assignee, to execute and deliver to the Assignee specific assignments of any of the Leases duly acknowledged by the respective Tenants under such Leases, which specific assignments shall be in form and substance acceptable to the Assignee;
 - (g) to use its best efforts to ensure that each Lease shall be entered into by it in good faith, at arm's length, at a rent and otherwise upon such terms and conditions as are reasonable and proper in the circumstances and are upon prevailing market terms and conditions;
 - (h) to deliver to the Assignee, at the request of the Assignee 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;
 - (i) to execute and deliver to each Tenant and the Assignee, at the request of the Assignee 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 Assignee;
 - (j) that each of the warranties and representations of the Assignor set out in this Agreement is now and will continue to be true and correct until the Indebtedness is paid in full; and
 - (k) that it will pay or cause to be paid to the Assignee or pursuant to the Assignee'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 Assignee 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 Assignee 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; and
- (v) all amounts incurred or paid by the Assignor pursuant to paragraph 8 hereof;

together with interest thereon from the date of the incurring of such expenses at the then Prime Rate calculated monthly and adjusted daily. Whether any action or any judicial proceedings to enforce the aforesaid payments has been taken or not, the amount owing to the Assignee under this subparagraph shall be added to the Indebtedness.

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 Assignee may be prevented or hindered from so doing;
- (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 Assignee;
- (c) cancel, terminate or forfeit or take any action to cancel, terminate or forfeit or suffer or permit anything allowing any Tenant under any Lease to cancel, terminate, forfeit any of the Premises Hereby Assigned, or accept or agree to the surrender of, or take any action or suffer or permit anything allowing the surrender of any of the Premises Hereby Assigned;
- (d) 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; or
- (e) 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;

however, the Assignor may do those matters referred to in Subsections 6(c), (d) and (e) hereof, if:

- (f) the Tenant has been declared or adjudged bankrupt; or
- (g) the action taken is in accordance with good business practice, on an arm's length basis and in good faith and the action is one which a prudent owner of property similar to the Project would take, considering all the relevant circumstances including, without limitation, the then current leasing practices and market conditions.

7. **Representations and Warranties of Assignor:** The Assignor represents and warrants to the Assignee 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 Assignee the Premises Hereby Assigned, free and clear of all assignments, mortgages, charges, pledges, security interest and other encumbrances other than those in favour of the Assignee;
- (c) 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;
- (d) the execution, delivery and performance of this Agreement and the assignment constituted hereby will not conflict with, be in or contribute to a contravention, breach or default under the Assignor's constating documents, by-laws, resolutions or the provisions of any indenture, instrument, agreement or undertaking to which the Assignor is a party or by which it is bound, or under any valid regulation, order, writ or decree of any court, tribunal, arbitration panel or governmental authority;
- (e) 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;
- (f) there is no pending or threatened litigation, action, claim or fact known to the Assignor and not disclosed to the Assignee 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 Assignee under this Agreement;
- (g) none of the Premises Hereby Assigned in existence on the date hereof is incapable of assignment to the Assignee in accordance with the provisions of this Agreement, nor is any of the Premises Hereby Assigned incapable of further assignment by the Assignee 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 Assignee; and
- (h) 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 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 Assignee's rights, remedies, and recourses pursuant to this Agreement, by operation of law or otherwise, if the Assignor has defaulted in the performance, fulfillment or satisfaction of any of the terms, agreements, provisions, conditions, obligations or covenants set out in this Agreement, the mortgage or any other agreement, document, instrument, commitment or undertaking entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee or if the Assignor is otherwise in breach of or in default (hereinafter collectively called a "Default") under this Agreement, the Mortgage or any other agreement, document, instrument, commitment or undertaking entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee, then the Assignee and any receiver or any receiver and manager appointed by the Assignee, 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) 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, amending and renewing the Leases and otherwise dealing with the Tenants and others 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; and

- (c) collect any Rents, proceeds, receipts or income arising from or out of the Premises Hereby Assigned including, without limitation, the institution of proceedings, whether in the name of the Assignor or the Assignee or both, for the collection of same.

The Assignor further acknowledges and agrees that all costs, charges and expenses incurred by the Assignee in connection with doing anything permitted in this paragraph 8 including, without limitation, legal fees and disbursements on a solicitor and his own client basis, shall be forthwith paid by the Assignor to the Assignee.

9. **Assignee Not Liable:** The Assignee 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 Assignee shall not be liable or responsible to the Assignor or any other person for the fulfillment or non-fulfillment 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 Assignee 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 (but not the willful misconduct) of any officer, servant, agent, counsel or other attorney or substitute employed by the Assignee in the exercise of the rights afforded to the Assignee hereunder, or in the collection disposition, realization, preservation or enforcement of the Premises Hereby Assigned.

10. **Application of Funds:** Any amount received by the Assignee arising out of or from the collection, disposition, realization or enforcement of any of the Premises Hereby Assigned, after all costs, charges and expenses incurred by the Assignee in connection therewith have been deducted therefrom, shall be applied in reduction of the Indebtedness. Notwithstanding the generality of the foregoing, the Assignee 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 Assignee deems best and the Assignee 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 consent which are required by the Assignee, from time to time, to more effectively assign, set over and transfer the Premises Hereby Assigned to the Assignee 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 Assignee, to perfect and keep perfected the security interest constituted hereby and to assist in the collection, disposition, realization or enforcement thereof, and the Assignee 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 Assignee it shall furnish to the Assignee in writing all information requested by

the Assignee relating to the Premises Hereby Assigned.

13. **Payment of Rent Under Leases:** Until a Default occurs the Assignor shall have the authority:

- (a) to collect any Rents and other moneys properly payable or arising out of or from the Premises Hereby Assigned; and
- (b) subject to Section 6 hereof, to exercise in good faith all of the benefits, advantages and powers as landlord under the Premises Hereby Assigned;

and upon the occurrence of a Default such authority shall immediately cease without further notice and thereafter 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 Assignee and forthwith remitted to the Assignee. The Assignee may, at any time or times, by notice to any Tenant, direct such Tenant to pay Rent and other moneys to the Assignee and such notice shall be good and sufficient authority for any Tenant so doing. Any payment of Rents and other moneys by a Tenant to the Assignee shall not constitute a default under such Tenant's Lease. The receipt by the Assignee of Rent or other moneys from a Tenant shall constitute and be deemed receipt thereof by the Assignor.

14. **No Novation:** This assignment and transfer to the Assignee of the Premises Hereby Assigned:

- (a) is continuing security granted to the Assignee without novation or impairment of any other existing or future security held by the Assignee in order to secure payment to the Assignee of the Indebtedness and the due performance of the Assignor's obligations under the Mortgage and all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee relating to the Project;
- (b) is in addition to and not in substitution for any other security now or hereafter granted to or held by the Assignee 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 or any other security or securities (the "Additional Securities") now or hereafter held by or on behalf of the Assignee 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 Mortgage or the Additional Securities;
 - (iii) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement, the Mortgage 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 or the Additional Security;
 - (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 Assignee 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 including, without limitation, all of the Assignee's rights, benefits, title and interest in and to the Premises Hereby Assigned.

16. **Enurement:** This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted 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 served personally upon 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:

(a) if to the Assignor, addressed to it at:

Stateview Homes (On the Mark) Inc.
410 Chrislea Road, Unit 16
Woodbridge, Ontario L4L 8B5

(b) if to the Assignee, addressed to it at:

KingSett Mortgage Corporation
Scotia Plaza, 40 King Street West,
Suite 3700, PO Box 110
Toronto, Ontario M5H 3Y2

Any of the parties hereto may, from time to time, change its address or stipulate another address from the address described above in the manner provided in this paragraph. The date of receipt of any such notice, demand, request, consent, agreement or approval, if served personally, shall be deemed to be the date of delivery thereof, or if mailed as aforesaid, the fourth business day following the date of mailing. For the purposes hereof, personal service on the Assignor shall be effectively given by delivery to an officer, director or employee of the Assignor.

18. **Waiver:** No consent or waiver, express or implied, by the Assignee 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 Assignee 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 Assignee of its rights hereunder.

19. **Amendments:** This Agreement may not be modified or amended except with the written consent of the Assignee and the Assignor.

20. **Entire Agreement:** This Agreement constitutes the entire agreement between the Assignee 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 Assignee 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 Assignee in connection with the interest so assigned shall be enforceable against the Assignor as the same would have been by the Assignee but for such assignment.

22. **No Agency, Joint Venture or Partnership:** The Assignee 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 Assignee, and this Agreement shall not be construed to make the Assignee 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 Assignee 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 Assignee from time to time and no such exercise shall exhaust the rights, remedies or powers of the Assignee or preclude the Assignee from exercising any one or more of such rights, remedies and powers or any combination thereof from time to time thereafter or simultaneously.

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 Assignee 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 Assignee.

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, shall bind the Assignee to make an advance under the Mortgage.

30. **Receipt of Copy:** The Assignor acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF the Assignor has executed this Agreement as of the date and year first above-written.

STATEVIEW HOMES (ON THE MARK)
INC.

Per: 

Name: Carlo Taurasi

Title: President

I have authority to bind the corporation.

This is Exhibit "QQ" *referred to in the*
affidavit of Daniel Pollack--
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS



August 4, 2020

Stateview Homes
c/o Dorr and Associates
126 Lesmill Road, Unit 2
Toronto, ON
M3B 2T5
Attention: Riccardo Platti

Re: First mortgage financing of 596 Oster Lane, 448 North Rivermede Road and 301 Bradwick Drive

We are pleased to advise that KingSett Mortgage Corporation has approved the following Loan in connection with the above noted matter, as more particularly described below and within Schedules A, B, C, D, E, F and G attached hereto (the "**Commitment Letter**").

A. LOAN TERMS

1. **Property:** 301 Bradwick Drive, 448 North Rivermede Road and 596 Oster Lane in Vaughan, Ontario (the "**Property**").
2. **Lender:** KingSett Mortgage Corporation (the "**Lender**").
3. **Borrower:** TLSFD Taurasi Holdings Corp. (the "**Borrower**").
4. **Guarantee:** Unlimited joint and several personal guarantee to be provided by Anthony Taurasi, Dino Taurasi, Carlo Taurasi, Emilio Taurasi and Donnie Taurasi (the "**Guarantor(s)**") for 100% of the Borrower's indebtedness to the Lender, including, without limitation, all accrued but unpaid fees, interest, and expenses included by the Lender together with a postponement of creditor and shareholder claims against the Borrower. In addition to guaranteeing the Borrower's indebtedness for the Property, the guarantee shall also provide for a guarantee for environmental issues, misrepresentations, negligence and willful misconduct.

(Hereinafter, the "**Guarantee**").
5. **Loan Amount:** \$8,400,000 1st Mortgage, non-revolving demand loan (the "**Loan**" or "**Loan Amount**").
6. **Interest Rate:** RBC Prime Rate + 3.30% (Floor rate of 5.75%) 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 "**Interest Rate**").

"**RBC Prime Rate**" means, 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 that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

Scotia Plaza, 40 King Street West, Suite 3700, P.O Box 110, Toronto, Ontario, M5H 3Y2 T. 416 687 6700

www.kingsettcapital.com



7. **Sources and Uses:**

Sources	\$	Uses	\$
KingSett 1 st Mortgage	\$ 8,400,000	Property Value	\$ 15,715,740
Equity (Cash)	\$ 7,315,740		
TOTAL	\$ 15,715,740	TOTAL	\$ 15,715,740

8. **Lender's Fee:** \$71,400 (0.85% of the Loan Amount) upfront fee earned by the Lender upon the Borrower's execution of this Commitment Letter (the "Lender's Fee") and payable at the time of the initial advance of the Loan. The Lender's fee is non-refundable. The portion of the Good Faith Deposit, as defined herein, not used to pay transaction expenses incurred by the Lender, if any, shall be applied as a credit toward the Lender's Fee at the time of the initial Loan advance. The Lender shall deduct the unpaid balance of the Lender's Fee from the proceeds of the Loan advance.

9. **Good Faith Deposit:** Lender acknowledges prior receipt of a \$25,000 good faith deposit (the "Good Faith Deposit"). The Good Faith Deposit will be used for expenses and the related GST/PST/HST that may be incurred by the Lender prior to the initial advance of the Loan, such as, but not limited to, the cost of property inspections, legal fees and disbursements, environmental site assessments, appraisal reports, building condition reports, insurance consultant reports and the cost of title insurance, if applicable, 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 cost 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. **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 defined herein (the "Monthly Payments"). Monthly Payments are to be made on the first calendar day of every month until the Loan is repaid in full commencing on the first calendar day of the month next following the date of initial advance of the Loan. Non-Sufficient Fund (NSF) payments will be subject to an administration fee of \$500.

11. **Term:** Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, 12 months after the date of initial advance of the Loan if the same occurs on the first calendar day of a month otherwise 12 months after the first calendar day of the month next following the date of initial advance of the Loan (as may be extended in accordance with this Commitment Letter) (the "Maturity Date"). Loan Amount is repayable in full on the Maturity Date.

12. **Extension Option:** Subject to there having been no default by the Borrower or the Guarantor(s), and subject to the consent of the Lender, in its sole absolute and unfettered discretion, the Lender shall permit two (2) extensions of three (3) months each to the Maturity Date (the "Borrower Extension Option"). The exercise of each Borrower Extension Option is subject to delivery of a written request from the Borrower to the Lender at least thirty (30) days prior to the Maturity Date and payment of the Extension Fee, as defined herein.



13. **Extension Fee:** \$21,000 (0.25% of the Loan Amount) extension fee earned by the Lender upon the exercise of each Borrower Extension Option (the "Extension Fee") and payable on or before the date which is ten (10) days prior to the Maturity Date. Should any extension not be granted, the Lender will return the applicable Extension Fee to the Borrower, if applicable.
14. **Option to Renew:** The Lender shall have the right, at its option to be exercised by written notice to the Borrower at least five (5) days prior to the Maturity Date (provided the Renewal Fee, as defined herein, has been paid) (the "Lender Extension Option"), to extend such Maturity Date to a date which is six (6) months after the Maturity Date on the following terms and conditions:
 - (a) the Loan may be prepaid, in whole, without notice or bonus, save that the Borrower shall provide at least two (2) business days prior written notice of its intent to make full repayment of the Loan;
 - (b) interest shall be calculated at the rate of RBC Prime Rate plus 3.30% (with a floor rate of 5.75%) per annum for the Loan (the "Renewal Interest Rate");
 - (c) interest shall be payable at the Renewal Interest Rate, in arrears, on the first calendar day of the month next following the Maturity Date in effect as of the date of exercise of the Lender Extension Option;
 - (d) a Renewal Fee shall be due and payable by the Borrower in an amount equal to 0.75% of the Loan Amount (the "Renewal Fee") with 50% to be paid on or before the Maturity Date. The remaining 50% of the Renewal Fee, unless the Loan has already been fully repaid, shall be paid on the third month anniversary of the Maturity Date. In the event that the Loan is fully repaid before the aforesaid date, the remaining portion of the Renewal Fee shall be waived. It is also understood and agreed that no portion of the Renewal Fee paid to the Lender will be refunded for any reason whatsoever;
 - (e) if the Borrower repays the Loan on or before the Maturity Date in effect as of the date of exercise of the Lender Extension Option, the exercise of the Lender Extension Option shall become null and void; and
 - (f) save and except as set out in this Section A.14, the terms of the Commitment Letter shall apply in all respects after the exercise of the Lender Extension Option until the Maturity Date.
15. **Amortization:** Not applicable; monthly interest payments only.
16. **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, 9 months after the date of the initial advance of the Loan if the same occurs on the first calendar day of a month otherwise 9 months after the first calendar day of the month next following the date of the initial advance of the Loan. The Loan will be open thereafter for prepayment, in whole but not in part, without penalty subject to a minimum of thirty (30) days prior written notice to the Lender. Loan Amount repayable in full on the Maturity Date.
17. **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 (the "Administration Fee").

The Borrower's legal counsel shall prepare all security discharge documents for review by the Lender and its legal counsel. All legal fees, disbursements and GST/PST/HST related to the discharge of the Security shall be for the exclusive account of the Borrower.

Discharge statements will be provided to the Borrower within three (3) business days of written request for same.

Permitted Encumbrances: Subsequent financing of the Property, secured or unsecured, 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. Subsequent financing of the Property without the Lender's prior written consent shall be deemed an event of default under this Commitment Letter and the Security.

(hereinafter collectively the "Permitted Encumbrances").

18. **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 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, out-of-pocket expenses for property inspections and the GST/PST/HST related to all such costs and expenses.

B. SECURITY

1. **Security:** The Loan shall be secured by the following security which, prior to any advance under the Loan, shall be delivered by the Borrower 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"):
- (a) registered \$10,500,000 mortgage/charge registered on title to the Property (~125% of the Loan Amount);
 - (b) Unlimited guarantees as set forth in Section A.4;
 - (c) blanket general security agreement under the applicable PPSA legislation containing a first charge on the personal property situated on, used in connection with or derived from the Property, a fixed first charge on the plant, equipment and other chattels and first floating charge on all other personal property assets and undertakings of the Borrower situated on, used in connection or derived from the Property;
 - (d) general assignment of leases and rents registered on title to the Property;
 - (e) general assignment of all current and future material contracts for the Property including, without limitation, the property management contract(s), if applicable;
 - (f) a specific assignment of any and all easement, access, egress, maintenance, parking, crane swing, tie-back and other agreements with neighbouring land owners to the Property as determined by the Lender. Such assignment to be in scope, form and content acceptable to the Lender. The

assignments are to be acknowledged in writing by all parties that are neither the assignor nor the assignee of such assignments. The requirements of this paragraph shall not apply to agreements registered on title to the Property in priority to the Lender's mortgage;

- (g) specific assignment of the commercial and residential property management contracts consented to and acknowledged in writing by the property managers, if applicable, including a specific termination clause in favour of the Lender;
- (h) assignment of insurance by the Borrower to the Lender of all insurance for the Property as set forth on Schedule "A";

the Lender's independent insurance consultant shall at the Borrower's expense, review the required insurance coverage's and policies;

- (i) hazardous substance indemnity with respect to the Property;
- (j) negative pledge by the Borrower and the Guarantor(s) to not repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Property sponsors and other non-arms length parties until such time as the Loan has been repaid in full. Provided however, that if the DSCR as calculated by the Lender is greater than 1.00x, this paragraph shall be waived by the Lender until such time as the DSCR ceases to be greater than 1.00x;
- (k) acknowledgement, direction and security agreement, if applicable, whereby the beneficial owners of the Property acknowledge, consent to and direct the registered owners of the Property to provide all of the Security to the Lender;
- (l) 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 for the Project), as applicable. 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. If the registered owners of such shares and units are not a Guarantor(s), then such registered owner shall be required to jointly and severally guarantee the Loan; provided, however, that such guarantee shall be limited in scope to the pledge of shares/units. If the registered owners are different than the beneficial owners of such securities then the beneficial owners shall be required to enter into an acknowledgement, direction and security agreement authorizing the registered owner to pledge the shares/units to the Lender;
- (m) a favourable corporate and enforceability opinion from the Borrower's legal counsel;
- (n) such other Security as the Lender and/or its legal counsel may reasonably require.

2. **Registration:** The Lender's mortgage and general assignment of leases and rents shall be registered on title to the Property and the Lender shall have received a title and registration opinion from the Borrower's legal counsel or title insurance, in each case that is satisfactory in form, scope and content to the Lender and its legal counsel. Where applicable, as determined by the Lender, PPSA registrations shall be granted in favour of the Lender with respect to the Lender's personal property security for the Loan.



C. CONDITIONS PRECEDENT

- 1. Conditions Precedent:** The Loan shall be subject to the following pre-funding 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 (collectively, the "**Conditions Precedent**"):
- (a) executed Commitment Letter;
 - (b) financial and operating due diligence on the Borrower, the Guarantor(s), tenants and the Property;
 - (c) satisfactory inspection of the Property by the Lender;
 - (d) receipt and satisfactory review by the Lender and its legal counsel of a complete copy of all agreements setting out the registered and beneficial ownership of the Property and the Borrower together with a complete organizational chart;
 - (e) receipt and satisfactory review by the Lender of accountant prepared notice to reader financial statements for the Borrower and corporate Guarantors for its last two (2) fiscal year-ends;
 - (f) receipt and satisfactory review by the Lender of a certified and current-dated net worth statements for the personal Guarantor(s) with supporting documentation of asset values;
 - (g) receipt and satisfactory review by the Lender of the agreement of purchase and sale, and any amendments thereto, if available, on terms and conditions acceptable to the Lender;
 - (h) receipt and satisfactory review by the Lender of a certified rent roll, operating statements along with proof of expenses (utilities, property taxes and insurance) for the Property per the attached schedule C ;
 - (i) receipt and satisfactory review by the Lender of executed copies of all lease agreements, any amendments, or extensions thereto representing Net Operating Income of not less than \$628,630 per the attached Schedule "G";
 - (j) receipt and satisfactory review of executed estoppel certificate(s) on the Lender's standard form of estoppel from the commercial tenant(s) at the Property. Prior receipt and satisfactory review of executed estoppel certificates on the Lender's standard form of estoppel from the tenants for not less than 100% of the NLA.
 - (k) receipt and satisfactory review by the Lender of all third-party operating contracts, including but not limited to landscaping, snow removal, pest removal and the property management contract(s), if applicable. In the event that the property management agreement is non-arm's length, then said agreement shall have a termination right in favour of the Lender if the Loan is in default;
 - (l) receipt and satisfactory review by the Lender of an A.A.C.I. appraisal report for the Property from an acceptable appraisal firm reporting a combined "as is" minimum value of \$19,500,000. The minimum values for each individual property are as follows: \$7,000,000 for 301 Bradwick Drive,

\$5,900,000 for 448 North Rivermede Road and \$6,600,000 for 596 Oster Lane. The Report is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender;

- (m) receipt and satisfactory review by the Lender of the environmental site assessment for the Property from an acceptable environmental site assessment firm. The Report is to be addressed to the Lender or supported by a letter of transmittal from the environmental assessment firm in favour of the Lender;
- (n) receipt and satisfactory review by the Lender of a building condition reports for the Property from an acceptable engineering firm. Report to be addressed to Lender or supported by a letter of transmittal from the building condition firm in favour of the Lender;
- (o) receipt and satisfactory review by the Lender and its insurance consultant, Intech Risk Management Inc., of appropriate insurance coverage for the Project. The cost of the insurance review by the Lender's insurance consultant will be for the exclusive account of the Borrower. See attached Schedule "A" for the Lender's insurance requirements;
- (p) receipt and satisfactory review by the Lender of a real property report / survey for the Property 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. Alternatively, at the cost of the Borrower, title insurance may be put in place that is satisfactory in form, scope and content to the Lender and its legal counsel;
- (q) receipt and satisfactory review by the Lender and its legal counsel of all customary off-title searches for properties of similar nature to that of the Project including, without limitation, searches for unregistered easements, rights-of way, property tax status and environmental notices. The off-title searches are to be obtained by the Borrower's legal counsel and forwarded to the Lender's legal counsel for review. Alternatively, at the cost of the Borrower, title insurance may be put in place that is satisfactory in form, scope and content to the Lender and its legal counsel;
- (r) receipt and Satisfactory results, in the Lender's sole discretion, of due diligence investigations conducted pursuant to the *Proceeds of Crime Money Laundering and Terrorist Financing Act* (Canada) and Regulations (collectively the "Act");
- (s) evidence satisfactory to the Lender of clean title including the absence of liens and other encumbrances other than the Permitted Encumbrances or unless specifically approved in writing by the Lender;
- (t) all levies, impost fees, local improvement charges, property taxes and other charges that are due and payable in connection with the Property shall have been paid to the date of the advance of the Loan;
- (u) all Security to be executed by, as applicable, the Borrower, the Lender and all Guarantor(s) and to, as applicable, be registered on title to the Property, and/or under the PPSA at least two (2) business day prior to the initial advance of the Loan;

- (v) the Lender shall have received certified or notarized copies of the constating documents of the Borrower, a government issued certificate confirming that the Borrower is in good standing and an opinion from the Borrower's counsel addressed to the Lender confirming both the Borrower's capacity to grant the security required herein and the due authorization, execution and delivery of the Security Documents and their enforceability, in form and content satisfactory to the Lender. Similar documentation and a similar opinion shall also be delivered for each corporate Guarantor(s);
- (w) the Borrower to execute Lender's Pre Authorized Debit ("PAD") 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)
- (x) the Borrower to complete and execute the Lender's Notice to Property Tax Authority set forth on Schedule "D", which shall permit the Lender to request information from the municipality from time to time regarding the Property's property taxes;
- (y) subject to Lender's Investment Committee Approval;
- (z) all Conditions Precedent to be satisfied at least two (2) business day prior to the initial advance of the Loan; and
- (aa) other usual matters involved in due diligence for a project of this nature.

D. FUNDING

1. **Advances:** The advance of the Loan is subject to the prior execution and registration of the Security and the satisfaction of all terms and conditions of this Commitment Letter including, without limitation, the Conditions Precedent. The Lender will require two (2) business days' notice after the receipt of the Borrower's written advance request to fund the advance of the Loan. The advance is expected to be on or about September 1st, 2020 and shall be made not later than October 15th, 2020.

The Loan shall be funded by way of a single draw of \$8,400,000 subject to the provisions of this Commitment Letter.

In the event that the advance of the Loan has not been made by October 15th, 2020 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 same, the Lender shall remain entitled to earn and receive full payment of the Lender's Fee and to fully recover from the Borrower and the Guarantor(s) any expenses incurred by the Lender.

2. **Outstanding Funding Date:** In the event that the initial advance of the Loan has not been made by October 15th, 2020, 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 and all Guarantor(s) any expenses incurred by the Lender in connection with this Commitment Letter.

E. 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. **Sale of Project:** Prior to full repayment of the Loan, the Borrower may not sell the Project, in whole or in part, without the Lender's prior written consent and the assumption of the Loan by a purchaser of the Project shall not be permitted. Sale of the Property without the Lender's prior written consent shall be deemed an event of default under this Commitment Letter and the Security.
2. **Real Property Taxes:** The Borrower shall pay when due to the taxing authority or authorities having jurisdiction all property taxes and provide to the Lender evidence of such payment at least quarterly or as otherwise requested from time to time by the Lender.
3. **Goods and Services Tax:** The Borrower accepts full responsibility for remittance and payment of any and all GST due and the periodic submission and collection of all GST claims and credits. The Project Budget shall include a net difference of \$Nil for GST paid less GST recovered and shall also include a ceiling of \$250,000 at any point in time, prior to full repayment of the Loan, with respect to the permitted difference between GST included in work-in-place less GST recovered by the Borrower from government authorities. If the difference referred to in the previous sentence exceeds \$250,000 at any point in time prior to repayment of the Loan in full, it is a requirement of this Commitment Letter and the Loan that the portion of the difference in excess of \$250,000 be funded by the Borrower as additional equity.
4. **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 Property at any time after execution of this Commitment Letter by the Borrower but prior to full repayment of the Loan, which sign shall state that the Lender has assisted with the financing of the Property. The Lender, at the Lender's cost, shall be permitted to take down the sign at any time prior to full repayment of the Loan. Following full repayment of the Loan, the Borrower shall be permitted to take down such sign at any time at the Borrower's cost.
5. **Marketing:** 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 Borrower and the Guarantor(s) consent to the publication of an advertisement or announcement of the transaction contemplated by this Commitment Letter. The Borrower and the Guarantor(s) agree to allow the Lender to photograph or utilize existing photographs or artistic renderings (for unfinished projects) of the Property for possible use in internal or external marketing programs.
6. **Governing Laws:** The Commitment Letter and Loan shall be governed by and construed under laws of the Province of Ontario and the federal laws of Canada as applicable therein.
7. **Lender's Legal Counsel:**

Garfinkle, Biderman Barristers & Solicitors (Attention: Mr. Avrom Brown)
1 Adelaide Street East, Suite 801



Toronto, Ontario
M5C 2V9

Borrower's Legal Counsel:

DEVRY SMITH FRANK LLP

95 BARBER GREENE ROAD

SUITE 100

TORONTO, ONTARIO

M3C 3E9

8. Insurance: See Schedule "A"
9. Other Conditions: See Schedule "B".
10. Reporting: See Schedule "C"
11. Notice to Tax Authorities: See Schedule "D"
12. Privacy Act Consent: See Schedule "E"
13. Pre-Authorization Debit Plan: See Schedule "F"
14. Income Statement: See Schedule "G"



If you are in agreement with the foregoing terms and conditions, please indicate this by signing and returning one (1) copy of this Commitment Letter to the Lender's office by 3:00pm Eastern Standard Time on [●], failing which this letter shall, at the Lender's option, be deemed null and void.

Yours truly,

KINGSETT MORTGAGE CORPORATION

Per:

Jamie Dysart
Executive Director, Mortgage Investments

Per:

Bryan Salazar
Executive Director, Mortgage Underwriting
& Funding



SCHEDULE "A"
OPERATING INSURANCE REQUIREMENTS CHECKLIST

1. All insurance policies/certificates must be forwarded to our 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. The parties agree that insurance policies may be signed by certified electronic signature.
3. **KingSett Mortgage Corporation** must be shown as Loss Payee AND First Mortgagee under the Property and, if applicable, Boiler and Machinery Insurance.
4. **KingSett Mortgage Corporation** must be an **Additional Insured** under the Liability Insurance covering the Property with respect to claims arising out of the operations of the Insured.
5. The Borrower/Registered Owner must be shown as a Named Insured or Additional Named Insured under all policies of insurance in force with respect to the Property.
6. The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Property as an insured location must be shown on the insurance policies.
7. If the secured property is a condominium, a certificate of insurance from the Condominium Corporation providing confirmation of insurance on the building(s), improvements & betterments (not owned, made or acquired by the Borrower), Equipment Breakdown (Standard Comprehensive form) and common areas on an All Risk property insurance policy and including the Borrower and Lender as Loss Payee and Mortgagee (ATIMA) and confirmation of Liability coverage including the Borrower and Lender as Additional Insured with respect to the operations of the Condominium Corporation.
8. If the secured property is a condominium, Condominium Improvements & Betterments owned by the Borrower or cause any tenants of such Units to obtain and maintain full insurable value including replacement cost on an All Risk property policy, with the Borrower and Lender as Loss Payee and Mortgagee (ATIMA) (if the Condo unit is a rental property).
9. The Property and where applicable, Standard Comprehensive Boiler and Machinery policies shall contain a standard mortgage clause in favour of **KingSett Mortgage Corporation**.
10. All policies of insurance must provide **KingSett Mortgage Corporation** with at least 30 days' prior written notice of cancellation, except for the non-payment of premium, in which case the Statutory Conditions may apply.
11. Insurance must be on an "All Risks" basis of physical loss or damage, including Earthquake and Flood Insurance and must be for 100% of the Full Replacement Cost of the Property, without deduction for foundations and footings, and including confirmation that the "same or adjacent site" clause has been deleted from the Replacement Cost wording.



12. There must be a Stated Amount clause to waive the co-insurance conditions, or confirmation that there are co-insurance restrictions applicable to the building(s).
13. There must be evidence of full By-Laws extensions, including the increased cost of construction, cost of demolition of the undamaged portion of the Property and resultant loss of income.
14. If the Property is insured under a blanket insurance policy, amount of blanket limit and declared values for physical loss or damage and business interruption for the Property, including confirmation of the concentration of risk in this collateral postal code of the subject property, under the statement of values filed with the insurer(s).
15. There must be evidence of Business Interruption (Actual Loss Sustained, Rental Income or Profits) with an indemnity period of not less than 12 months, or as required by the Lender or the insurance consultant. The period of indemnity should take into consideration the length of time for reconstruction of the secured property.
16. There must be evidence of Liability Insurance, with a minimum limit of \$5,000,000.00 per occurrence covering the Property. This may be in the form of primary insurance and/or excess/umbrella insurance and include Cross Liability and Severability of Insurance, Contractual Liability, Non-Owned Auto, Tenants Legal Liability and include Waiver of Subrogation in favour of KingSett Mortgage Corporation.
17. If Excess or Umbrella Liability is evidenced, confirmation the Excess/Umbrella Liability follows form of the underlying General Liability.
18. 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.
19. Such other insurance as **KingSett Mortgage Corporation** or the 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 **KingSett Mortgage Corporation**, as soon as available from the insurers. (The 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 cancelled and evidence of adequate and satisfactory insurance coverage has not been provided to KingSett Mortgage Corporation within 45 days (with the certified policy copies provided within 90 days) of the expiration or cancellation date, KingSett Mortgage Corporation will have the option, without obligation, to place adequate and satisfactory insurance (at the Lender's sole and absolute discretion) for the Property 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

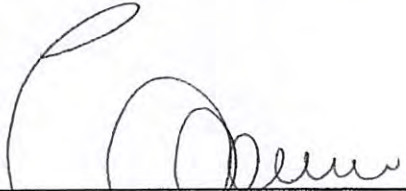



ACKNOWLEDGEMENT

The terms and conditions of this Commitment Letter are acknowledged and agreed to by the Borrower and Guarantor(s) at VAUGHAN this 20 day of AUGUST 2020.

BORROWER:
TLSFD TAURASI HOLDINGS CORP.


WITNESS


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

Per: 
Name: DENNIE TAURASI

GUARANTOR(S):
ANTHONY TAURASI

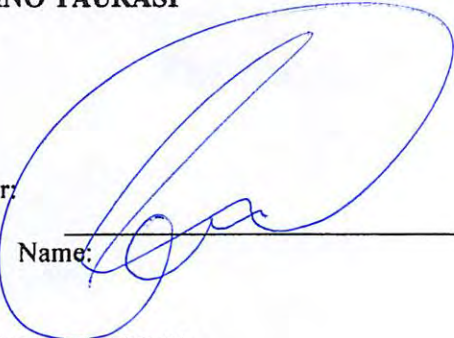
WITNESS

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


Per: 
Name: LOUIS SAIBANE



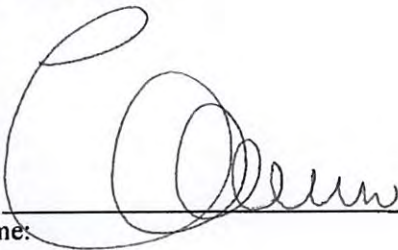
**GUARANTOR(S):
DINO TAURASI**

Per: 
Name: _____

WITNESS

Per: 
Name: LOUIS GASDAME


**GUARANTOR(S):
CARLO TAURASI**

Per: 
Name: _____


WITNESS

Per: 
Name: LOUIS GASDAME


**GUARANTOR(S):
EMILIO TAURASI**

Per: 
Name: _____


WITNESS

Per: 
Name: LOUIS GASDAME

**GUARANTOR(S):
DENNIE TAURASI**

Per: 
Name: _____

WITNESS

Per: 
Name: LOUIS GASDAME



"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

Please provide the following information for our records:

Insurance Broker:	Brokerage Name:	_____
	Contact Name:	_____
	Address:	_____ _____
	Phone #:	_____ Fax # _____
	Email address:	_____

Please provide the following information if you would like to be copied on all correspondence addressed to your Insurance Broker from IN TECH Risk Management Inc.

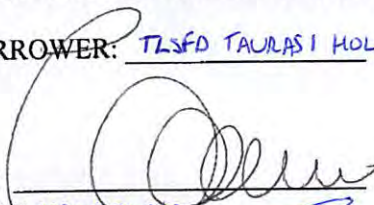
Contact Name: _____

Email Address: _____

You and/or your guarantors and persons otherwise connected with this Agreement, hereby authorize the above noted Insurance Broker to release insurance information required by KingSett Mortgage Corporation and their insurance risk management consultant, IN TECH RISK MANAGEMENT INC. for this transaction.

You and/or your guarantors and person otherwise connected with this Agreement, hereby authorize KingSett Mortgage Corporation to release information necessary to determine insurance requirements, as needed, to IN TECH RISK MANAGEMENT INC. for the purposes of conducting an insurance review.

BORROWER: TLSD TAVRASI HOLDINGS CORP.

Per: 

Name: CARLO TALDATT

Title: PRESIDENT

Per: 

Name: DENNIE TAVRASI

Title: VICE PRESIDENT



Guarantors: _____

Signature: _____
Name: _____

Address: _____

Email: _____

Guarantors: _____

Signature: _____
Name: _____

Address: _____

Email: _____

(end of schedule "A")



SCHEDULE "B" **OTHER CONDITIONS**

1. Subsequent encumbrances and/or indebtedness to the Loan, secured or unsecured, 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. Subsequent encumbrances and/or indebtedness to the Loan, secured or unsecured, without the Lender's prior written consent shall constitute default under this Commitment Letter and the Security.
2. Prior to full repayment of the Loan, the Borrower may not sell the Property, in whole or in part, without the Lender's prior written consent, which consent may be arbitrarily withheld, delayed and/or conditioned. The assumption of the Loan by a purchaser of the Property, or part thereof, shall be subject to the prior written approval of the Lender, which approval may be arbitrarily withheld, delayed or conditioned. Sale of the Property or the assumption of the Loan by a purchaser of the Property in each case, in whole or in part, without the Lender's prior written consent, shall constitute default under this Commitment Letter and the Security.
3. 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 or conditioned. A direct or indirect change in ownership of the Borrower without the Lender's prior written request shall constitute default under this Commitment Letter and the Security.
4. The Borrower shall pay when due to the taxing authority or authorities having jurisdiction all property taxes and provide to the Lender evidence of such payment annually or as otherwise requested from time to time by the Lender.
5. Loan disbursements shall take place only on title to the Property being acceptable to our legal counsel and all matters in connection with the Security and other documentation deemed necessary or advisable by our legal counsel being complied with by the Borrower and all Security and other instruments and agreements to evidence and secure the Loan being duly executed with evidence of registration where applicable.
6. The Lender shall require a satisfactory opinion and report from its legal counsel regarding any encumbrances, financial charges or claims registered or to be registered against the Property.
7. The Lender shall require evidence of all corporate authorities together with an opinion of the Borrower's legal counsel as to usual matters including, without limitation, corporate authorities, absence of litigation, delivery and execution of Security, no breach, approvals, creation of security interest, and registrations.
8. The Borrower and the Guarantor(s) shall indemnify and save harmless the Lender and its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever arising out of the provisions of this Commitment Letter and the Security, any letters of credit or letters of guarantee issued or indemnified, sale or lease of the Property and/or the use or occupation of the Property including, without limitation, those arising from the right to enter the Property from time to time and to carry out the various tests, inspections and other activities permitted by this Commitment Letter and the Security.

In addition to any liability imposed on the Borrower and the Guarantor(s) under any instrument evidencing or securing the Loan, the Borrower and the Guarantor(s) 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 Property of any hazardous or noxious substances. The representations, warranties, covenants and agreements of the Borrower and the Guarantor(s) set forth in this subparagraph:

- (a) are separate and distinct obligations from the Borrower's and the Guarantor(s)' other obligations;
 - (b) survive the payment and satisfaction of the Borrower's and the Guarantor(s)' other obligations and the discharge of the Security from time to time taken as security therefore;
 - (c) are not discharged or satisfied by foreclosure of the charges created by any of the Security; and
 - (d) shall continue in effect after any transfer of the Property including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.
9. This Commitment Letter and the Security may not be assigned, transferred or otherwise disposed of by the Borrower without the Lender's prior written consent, which consent may be arbitrarily withheld, conditioned and/or delayed. However, this Commitment Letter and the Security or any interest therein may be assigned or participated by the Lender (and its successors and assigns), in whole or in part, without the consent of the Borrower. 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 Property, the Borrower and the Guarantor(s) within the possession or control of the Lender.
10. The Borrower accepts full responsibility for remittance and payment of any and all GST/HST due and the submission of GST/HST credits or claims.
11. The Borrower acknowledges that the Lender may inspect the Property at any time at the expense of the Borrower.
12. Notwithstanding the Lender's right to demand repayment of the Loan at any time and for any reason, in the event of the Borrower failing to pay any amount when due or being in breach of any covenant, condition or term of this Commitment Letter or the Security, or if any representation made by the Borrower and any Guarantor(s) or their respective agents, or any information provided by them is found to be untrue or incorrect, or if any Event of Default as defined in the Security occurs, or if in the sole opinion of the Lender, a material adverse change occurs relating to the Borrower, the Property, any Guarantor(s) or the risk associated with the Loan, 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 in full of all of the principal and interest on the Loan and any other amount due under this Commitment Letter or the Security, 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 and interest on the Loan, and any other amount due under this Commitment Letter forthwith due and payable, whereupon the same shall be and become immediately due and payable in full.

13. No extension, postponement, forbearance, delay, or failure on the part of the Lender in the exercise of any power, right or remedy under this Commitment Letter, the Security or any other agreement or instrument executed in connection therewith or evidencing or securing the Loan, or 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 the Borrower 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 Borrower of the same or any other covenant or condition contained under this Commitment Letter or the Security.
14. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.
15. 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.
16. The Borrower and the Guarantor(s) 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.
17. If the Borrower is comprised of more than one person or corporation, the obligations shall be the joint and several obligations of each such person or corporation comprising the Borrower unless otherwise specifically stated herein.
18. Time is of the essence in this Commitment Letter.
19. The Borrower will repay the Loan in full on or before the Maturity Date, if so permitted pursuant to this Commitment Letter, and, prior to the repayment of the Loan in full, hereby covenants to promptly pay its taxes, protect its property by contest of adverse claims, maintain required insurance, perform its obligations under contracts and agreements, obtain, where applicable, all necessary approvals for construction and use of the Property, comply with all governmental rules and regulations, permit reasonable inspections by the Lender and its agents of the Property and of all records pertaining to the Property.
20. The representations, warranties, covenants and obligations herein set out shall not merge or be extinguished by the execution or registration of the Security but shall survive until all obligations under this Commitment

Letter and the Security have been duly performed and the Loan, interest thereon and any other moneys payable to the Lender with respect to the Loan are repaid in full.

21. The Borrower will provide the usual warranties and representations including, without limitation, accuracy of financial statements and that there has been no material adverse change in the Borrower's financial condition or operations, as reflected in the financial statements used to evaluate this credit, title to the Property charged by the Security, power and authority to execute and deliver documents, accuracy of documents delivered and representations made to the Lender, no pending adverse claims, no outstanding judgments, no defaults under other agreements relating to the Property, preservation of assets, no undefended material actions, suits or proceedings, payment of all taxes, no consents, approvals or authorizations necessary in connection with documentation, compliance of any construction related to the Property with all laws, no other charges against the Property except Permitted Encumbrances, all necessary services available to the Property, and no hazardous substances used, stored, discharged or present on the Property, and will warrant such other reasonable matters as the Lender or its legal counsel may require.
22. At the sole option of the Lender, this Commitment Letter may be cancelled and there shall be no obligation to disburse the Loan if:
 - (a) the Borrower or any Guarantor(s) is in material breach of any provision, representation or warranty herein;
 - (b) the results of the Lender's due diligence investigations regarding the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* are not wholly satisfactory to the Lender, in its sole discretion acting reasonably, or the Borrower or any Guarantor(s) fails to provide all information requested by the Lender pursuant thereto;
 - (c) in the sole opinion of the Lender, acting reasonably, there is a material adverse change in the position, financial or otherwise, of the Borrower or any Guarantor(s) from that represented to the Lender as at the date hereof;
 - (d) in the sole opinion of the Lender there has been a material adverse change in the condition of the Property or in the actual or anticipated revenues therefrom from that existing at the date hereof; or
 - (e) in the sole opinion of the Lender, the Borrower is not proceeding with the construction of the Project or the achievement of the Conditions Precedent to funding in a timely manner.

Notwithstanding the Lender's right to demand repayment of the Loan at any time and for any reason, if at any time before the entire Loan amount has been disbursed, any of the above described situations exist, the Lender may, at its sole option, close out the Loan Amount at the amount then disbursed, if any, and in such event, also at the sole option of the Lender, all monies outstanding under the Loan shall become immediately due and payable.

23. No term or requirement of this Commitment Letter may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to this Commitment Letter 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. 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. The headings and section numbers appearing in this Commitment Letter are included only for convenience of reference and in no way define, limit, construe or describe the scope or intent of any provision of this Commitment.
26. The parties agree that this Commitment Letter and the Security and the acceptance thereof by all parties may be made by facsimile transmission or by certified electronic signature and electronic transmission.
27. 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.
28. 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.

(end of Schedule "B")



SCHEDULE "C" REPORTING

Borrower shall provide the Lender with copies of the following regarding the Project:

1. Any and all insurance policy renewals and/or amendments within ten (10) 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. Property tax statements supported by proof of payment on a quarterly basis or as otherwise requested by the Lender from time to time.
3. Certified rent rolls to the Lender on an annual basis on or before each successive anniversary date of the initial advance of the Loan or as otherwise requested by the Lender from time to time.
4. All commercial leases and any and all other agreements (e.g., commercial lease amendments) related to any of the forgoing rents, income and profits arising from or in connection with the Property.
5. Certified property operating statements, together with a summary of capital expenses at the Property, to the Lender on an annual basis on or before each successive anniversary date of the initial advance of the Loan or as otherwise requested by the Lender from time to time.
6. Within 120 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; in the case of an individual Borrower or personal Guarantor, net worth statements may be supplied in lieu of financial statements;

At the Lender's request from time to time, the Borrower shall provide the Lender with any other relevant updates regarding the Project.

(end of Schedule "C")



SCHEDULE "E"
PRIVACY ACT CONSENT

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

- (a) Use your Personal Information (as hereinafter defined) to assess your ability to obtain your loan and to evaluate your ability to meet your financial obligations. This use includes disclosing and exchanging your Personal Information on an on-going basis with credit bureaus, credit reporting agencies and financial institutions or their agents, or to service providers, in order to determine and verify, on an on-going basis, your continuing eligibility for your loan and your continuing ability to meet your financial obligations. This use, disclosure and exchange of your Personal Information will continue as long as your loan is outstanding and will help protect you from fraud and will also protect the integrity of the credit-granting system; and
- (b) Use, disclose and exchange, on an on-going basis, all the personal information collected by us or delivered by you to us from time to time in connection with your loan and any information obtained by us from time to time pursuant to paragraphs (a) above (collectively your "**Personal Information**") to other organizations which may fund all or any part of your loan and/or own all or any part of your loan and the security securing your loan from time to time and permit prospective investors in your loan to inspect your Personal Information.

(end of Schedule "E")

This is Exhibit "RR" *referred to in the*
affidavit of Daniel Pollack--
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS



March 16, 2021

Stateview Homes
c/o Dorr and Associates
41 Scarsdale Road, Unit 6
Toronto, ON M3B 2R2

Attention: Riccardo Plati

Re: 1st mortgage financing of 6&8 Bradwick Drive, 301 Bradwick Drive, 448 North Rivermede Road and 596 Oster Lane

A. LOAN TERMS

The Lender is pleased to offer a 1st 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. **Property:** 6 & 8 Bradwick Drive, 301 Bradwick Drive, 448 North Rivermede Road and 596 Oster Lane in Vaughan, Ontario (collectively, the "**Property**").
2. **Lender:** KingSett Mortgage Corporation (the "**Lender**").
3. **Borrower:** TLSFD Taurasi Holdings Corp (the "**Borrower**").
4. **Guarantor:** Anthony Taurasi, Dino Taurasi, Carlo Taurasi, Emilio Taurasi and Dennie Taurasi (collectively, the "**Guarantor**").
5. **Loan Amount:** \$21,755,000 (the "**Loan Amount**").
6. **Interest Rate:** Prime Rate + 4.05% (floor rate of 6.50%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to the Loan for each and every month of the Term (as such Term may be extended in accordance with this Commitment Letter (as applicable, the "**Interest Rate**"), provided that "**Prime Rate**" shall mean, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada as the reference rate of interest for the determination of interest rates charged to its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans in Toronto, Ontario.
7. **Amortization:** Not applicable; monthly interest payments only.
8. **Lender's Fee:** \$217,550 (1.00% 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.
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 and for any reason whatsoever, 24 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 principal balance of the Loan outstanding on the last day of the Term (the "**Maturity Date**") 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. **Good Faith Deposit:** The Lender acknowledges prior receipt of a \$25,000 good faith deposit from the Borrower (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 cost 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.

11. **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.
12. **Extension Fee:** \$32,633 (0.15% 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.
13. **Lender Option to Renew:** In the event the Borrower has not confirmed its intention to repay the Loan nor provided the Lender with written request for a Loan extension, the Lender shall have the right, at its option to be exercised by written notice to the Borrower at least five (5) days prior to the Maturity Date (provided the Renewal Fee, as defined herein, has been paid) (the "**Lender Extension Option**"), to extend such Maturity Date to a date which is six (6) months after the Maturity Date on the following terms and conditions:
 - a. the Loan may be prepaid, in whole, without notice or bonus, save that the Borrower shall provide at least two (2) business days prior written notice of its intent to make full repayment of the Loan;
 - b. interest shall be calculated at the rate of RBC Prime Rate + 9.55% (Floor rate of 12.00%) per annum for the Loan (the "**Renewal Interest Rate**");
 - c. interest shall be payable at the Renewal Interest Rate, in arrears, on the first calendar day of the month next following the Maturity Date in effect as of the date of exercise of the Lender Extension Option;
 - d. a Renewal Fee shall be due and payable by the Borrower in an amount equal to 0.80% of the Loan Amount (the "Renewal Fee") with 50% to be paid on or before the Maturity Date. The remaining 50% of the Renewal Fee, unless the Loan has already been fully repaid, shall be paid on the third month anniversary of the Maturity Date. In the event that the Loan is fully repaid before the aforesaid date, the remaining portion of the Renewal Fee shall be waived. It is also understood and agreed that no portion of the Renewal Fee paid to the Lender will be refunded for any reason whatsoever;
 - e. if the Borrower repays the Loan on or before the Maturity Date in effect as of the date of exercise of the Lender Extension Option, the exercise of the Lender Extension Option shall become null and void;
 - f. and save and except as set out in this Section A.13, the terms of the Commitment Letter shall apply in all respects after the exercise of the Lender Extension Option until the Maturity Date.
14. **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 (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.

15. **Prepayment:** Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time and for any reason whatsoever, this Loan is closed for prepayment from the date of the initial advance of the Loan until the date which is twenty four (24) months after the Interest Adjustment Date. The Loan will be open thereafter for prepayment, in whole but not in part, without penalty.
16. **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 (the "**Administration Fee**"). The 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.
17. **No Further Encumbrances:** Additional financing (prior or subsequent) of the Property, secured or unsecured, or the registration of any other encumbrance is not permitted in connection with the Property without the prior written consent of the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.
18. **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 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, out-of-pocket expenses for property inspections and any applicable sales taxes related to all such costs and expenses. The Lender shall apply the Good Faith Deposit in payment of the costs and expenses listed under this Section.

B. SECURITY

The Loan shall be secured by 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 the other documentation delivered in connection with this Commitment Letter and the Security, collectively, the "**Loan Documents**").

1. **Mortgage:** A blanket \$27,200,000 mortgage/charge (~125% of the Loan Amount) granted by the Borrower, including, without limitation, a negative pledge by the Borrower not to repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Loan's 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.
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 Property.
4. **General Assignment of Material Contracts:** A general assignment of all current and future material contracts for the Property granted by the Borrower and/or the Nominee, as applicable, provided that upon the request of the Lender the Borrower and/or the Nominee, as applicable, shall grant a specific assignment of any current or future material contract for the Property which shall be acknowledged and consented to in writing by all counterparties to such material contract.

5. **Specific Assignment of Property Management Agreement:** A specific assignment of the commercial or residential property management contract 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 and/or the Nominee, as applicable, under the same if an Event of Default has occurred or 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.
6. **Assignment of Insurance:** An assignment of insurance granted by the Borrower and/or the Nominee, as applicable, with respect to any and all insurance proceeds arising in connection with all insurance for the Property maintained or cause to be maintained by the Borrower in accordance with the requirements set forth on Schedule A.
7. **Fraud, Misrepresentation and Environmental Indemnity:** A fraud, misrepresentation and environmental indemnity granted by the Loan Parties.
8. **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.
9. **Guarantee:** An unlimited personal joint and several guarantee granted by the Guarantors for 100% of the Borrower's indebtedness to the Lender, including, without limitation, all accrued but unpaid fees, interest, and expenses incurred by the Lender together with a postponement of creditor and shareholder claims against the Borrower and an acknowledgement by the Guarantors that it shall not accept the repayment of any shareholder loans, redemption of shares, payment of dividends, or any other compensation from the Borrower 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.
10. **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.
11. **Other:** Such other Security as the Lender and/or its legal counsel may reasonably require.

C. CONDITIONS PRECEDENT

The obligation of the Lender to make available the advance of the Loan shall be subject to the pre-funding conditions below (collectively, the "**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 advance of the Loan.

1. **Inspection:** The Lender shall have completed an inspection of 6 & 8 Bradwick Drive (*satisfied*).
2. **Financial Statements:** The Lender shall have received accountant prepared notice to reader statements for the Borrower, 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. *The Lender will rely on PNW statements and supporting documents received in 2020 (Satisfied).*
4. **Property Agreement of Purchase and Sale/Transfer Deed:** The Lender shall have received the agreement of purchase and sale, or Transfer Deed for the acquisition of 6 & 8 Bradwick Drive, any amendments thereto, ~~and the statement of adjustments delivered on closing collectively confirming a minimum aggregate purchase price of \$10,000,000.~~
5. **Rent Roll and Operating Statements:** The Lender shall have received a certified rent roll ~~and operating statements~~ along with proof of expenses (utilities, property taxes and insurance) for the Property per the attached Schedule F. For clarity, this request includes 6 & 8 Bradwick Drive. *For 301 Bradwick Drive, 448 North Rivermede Road and 596 Oster Lane in Vaughan, Ontario, The Lender will rely on documents received in 2020 (Satisfied)* ~~301 Bradwick Drive, 448 North Rivermede Road and 596 Oster Lane in Vaughan, Ontario.~~
6. **Lease Agreements:** The Lender shall have received executed copies of all lease agreements and any amendments or extensions thereto for all tenants at 6&8 Bradwick Drive.
7. **Estoppel Certificates:** The Lender shall have received executed estoppel certificates on the Lender's standard form from all tenants at 6 & 8 Bradwick Drive. Upon the request of any tenant the Lender will, acting reasonably, accept another form of estoppel provided that the estoppel includes satisfactory attornment clause language and confirms pertinent details of the lease including net rental rate, leased area, lease term and other customary details.
8. **Appraisal:** The Lender shall have received an appraisal report for 6&8 Bradwick Drive from an acceptable appraisal firm reporting an "as is" minimum value of \$10,000,000 which appraisal report is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
9. **Third Party Contracts:** The Lender shall have received all third-party operating contracts at 6 & 8 Bradwick Drive, including but not limited to landscaping, snow removal, pest removal and the property management contract(s), if applicable. In the event that the property management agreement is non-arm's length, then such property management agreement shall have a termination right in favour of the Lender upon and during the continuance of an Event of Default.
10. **Environmental Site Assessment:** The Lender shall have received a phase I and, if applicable, a phase II environmental site assessment for 6&8 Bradwick Drive 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.
11. **Building Condition Report:** The Lender shall have received a building condition report for the 6 & 8 Bradwick Drive from an acceptable engineering firm which building condition report is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
12. **Delivery of Loan Documents:** The Lender shall have received the following:

- (a) the Loan Documents duly executed by the parties thereto;
 - (a) a request for borrowing delivered in accordance with the provisions of Section D.1;
 - (b) 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;
 - (c) 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
 - (d) 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 Property and the ranking of the liens constituted by the Security thereon.
13. **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.
14. **Survey/Title Insurance:** The Lender shall have received either (i) a real property report / survey for the Property 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.
15. **Searches/Title Insurance:** The Lender shall have received either (i) all customary off-title searches for properties of similar nature to that of the Property including, without limitation, searches for unregistered easements, rights-of-way, property tax status, environmental notices, and executions against all 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.
16. **Clean Title:** The Lender shall be satisfied with title to the Property including, without limitation, the absence of liens and other encumbrances.
17. **No Litigation:** There shall exist no judicial, administrative or other proceeding, investigation or litigation affecting the Property 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 Property, the Lender's liens on the Property 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.
18. **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*. The Lender will rely on documentation provided in 2020, subject to confirmation of no changes.
19. **Insurance:** The Lender shall have received duly executed certificate(s) of insurance evidencing the insurance over the 6&8 Bradwick 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 Property, all such insurance coverage and certificate(s) to be acceptable to the Lender's insurance consultant, as confirmed by a report to the Lender from its insurance consultant.

20. **Levies and Fees:** All levies, impost fees, local improvement charges, property taxes and other charges that are due and payable in connection with the Property shall have been paid to the date of the advance of the Loan, if applicable.
21. **Notice to Property Tax Authority:** The Borrower shall have executed and delivered the Lender's Notice to Property Tax Authority set forth on Schedule D, which shall permit the Lender to request information from the municipality from time to time regarding the Property's realty taxes.
22. **Pre-Authorized Debit:** The Borrower shall have executed and delivered the Lender's Pre Authorized Debit Form set forth on Schedule E, which shall permit the Lender to debit the Borrower's applicable current account each month for the Monthly Payment, including, but not limited to any applicable Lender's Fees and Extension Fees. The Lender will rely on the Pre Authorized Debit Form and void cheque provided in 2020.
23. **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 Property.

D. FUNDING

The advance of the Loan shall to be subject to the Conditions Precedent and be subject to the following funding conditions, as applicable.

1. **Advance of the Loan:** The Loan shall be funded by way of a single advance of \$21,755,000.
2. **Outside Funding Date:** In the event that the initial advance of the Loan has not been made by April 15, 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.

E. 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. **New Leases:** The Borrower shall not enter into leases or binding offers to lease without the prior written consent of the Lender, acting reasonably. In addition, any new leases must be signed in accordance with a standard lease form approved by the Lender, acting reasonably.
2. **Property Manager:** The Borrower shall not enter into any agreements or make changes to existing agreement with respect to property management services at the Property with any party other than the existing property manager, without the prior written consent of the Lender.

F. COUNSEL

Lender's Legal Counsel:

Garfinkle, Biderman Barristers & Solicitors (Attention: Mr. Avrom Brown)
1 Adelaide Street East, Suite 801
Toronto, Ontario
M5C 2V9

Phone: (416) 869-7600
Fax: (416) 869-0547
Email: abrown@garfinkle.com

1. **Borrower's Legal Counsel:**

If you are in agreement with the foregoing terms and conditions, please indicate this by signing and returning this Commitment Letter to the Lender's office by 3:00pm Eastern Standard Time on March 19, 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 22nd day of January, 2021.

BORROWER:
TFSFD Taurasi Holdings Corp.

Per: 
Name:
Title:

GUARANTOR:
Anthony Taurasi

Per: 
Name:
Title:

WITNESS


Name:

GUARANTOR:
Dino Taurasi

Per: 
Name:
Title:

WITNESS


Name:


GUARANTOR:
Carlo Taurasi

Per: 
Name:
Title:

WITNESS


Name:

GUARANTOR:
Emilio Taurasi

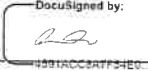
Per: 
Name:
Title:

WITNESS


Name:

GUARANTOR:
Dennie Taurasi

WITNESS

Per: 
4391ACC8A7F34E0


226D38828396415
Name:

**SCHEDULE A
OPERATING INSURANCE REQUIREMENTS CHECKLIST**

1. All insurance policies/certificates must be forwarded to our 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 1st mortgagee and loss payee under the property and, if applicable, boiler and machinery insurance.
4. The Lender must be shown as an additional insured under all liability insurance covering the Property 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 Property.
6. The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Property as an insured location must be shown on the insurance policies.
7. If the Property is a condominium, a certificate of insurance from the Condominium Corporation providing confirmation of insurance on the building(s), improvements and betterments (not owned, made or acquired by the Borrower), equipment breakdown (standard comprehensive form) and common areas on an all risk property insurance policy and including the Borrower and the Lender as 1st mortgagee (ATIMA) and loss payee and confirmation of liability insurance including the Borrower and the Lender as additional insured with respect to the operations of the Condominium Corporation.
8. If the Property is a condominium, condominium improvements and betterments owned by the Borrower, the Borrower shall or shall cause tenants of units in such condominium to obtain and maintain insurance on the units in the condominium, improvements and betterments with respect thereto on a full replacement cost basis on an all risk property policy, with the Borrower and the Lender as 1st mortgagee (ATIMA) and loss payee (if the unit in the condominium is a rental property).
9. The Property and where applicable standard comprehensive boiler and machinery policies shall contain a standard mortgage clause in favour of the Lender.
10. 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.
11. Insurance must be on an "all risks" basis of physical loss or damage, including earthquake and flood insurance must be for 100% of the full replacement cost of the Property, without deduction for foundations and footings, and including confirmation that the "same or adjacent site" clause has been deleted from the replacement cost wording.
12. There must be a stated amount clause to waive the co-insurance conditions, or confirmation that there are co-insurance restrictions applicable to the building(s).
13. There must be evidence of full by-laws extensions, including the increased cost of construction, cost of demolition of the undamaged portion of the Property and resultant loss of income.
14. If the Property is insured under a blanket insurance policy, amount of blanket limit and declared values for physical loss or damage and business interruption for the Property, including confirmation of the concentration of risk in this collateral postal code of the subject property, under the statement of values filed with the insurer(s).

15. There must be evidence of business interruption (actual loss sustained, rental income or profits) with an indemnity period of not less than 12 months, or as required by the Lender or the insurance consultant. The period of indemnity should take into consideration the length of time for reconstruction of the Property.
16. There must be evidence of liability insurance, with a minimum limit of \$5,000,000.00 per occurrence covering the Property. This may be in the form of primary insurance and/or excess/umbrella insurance and include cross liability and severability of insurance, contractual liability, non-owned auto, tenants legal liability and include waiver of subrogation in favour of the Lender.
17. If excess or umbrella liability is evidenced, confirmation the excess/umbrella liability follows form of the underlying general liability.
18. 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.
19. Such other insurance as the Lender or the 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 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 (at the Lender's sole, absolute and unfettered discretion) for the Property 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 Property:** 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 Property, in whole or in part, 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 Property, 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 and provide to the Lender evidence of such payment annually or as otherwise requested from time to time by the Lender.
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 Property and/or the use or occupation of the Property including, without limitation, those arising from the right to enter the Property 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 Property 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 Property pursuant to the Security; and
 - (d) shall continue in effect after any transfer of the Property 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 Property 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 Property 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 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 Property 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 any Event of Default 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 Property, 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 Property 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 Property, (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 Property, and no undefended material actions, suits or proceedings with respect to such Loan Party or the Property, (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, (k) that there are no other encumbrances registered against title to the Property except for those approved by the Lender, (l) that all necessary services are available to the Property, and (m) that no hazardous substances used, stored, discharged or present on the Property 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. **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.
20. **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 Property 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 Property. 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.
21. **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
22. **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
23. **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.
24. **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.
25. **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.
26. **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.
27. **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.
28. **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 REPORTING

The Borrower shall provide the Lender with copies of the following regarding the Loan Parties and the Property:

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. property tax statements supported by proof of payment on a quarterly basis or as otherwise requested by the Lender from time to time;
3. certified rent rolls to the Lender on an annual basis with 90 days of the end of each of its fiscal years or as otherwise requested by the Lender from time to time;
4. all commercial leases and any and all other agreements (e.g., commercial lease amendments) including offers to lease for any and all Major Leases as requested by the Lender from time to time;
5. certified property operating statements, together with a summary of capital expenses at the Property, to the Lender on an annual basis within 90 days of the end of its fiscal years or as otherwise requested by the Lender from time to time;
6. within 90 days of the end of each of its fiscal years, the Borrower shall provide to the Lender:
 - (a) notice to reader financial statements for the Borrower, the Nominee and any Corporate Guarantor, as applicable, 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) certified and current-dated net worth statements for any personal Guarantor, if applicable, with supporting documentation of asset values; and
7. at the Lender's request from time to time, the Borrower shall provide the Lender with any other relevant updates regarding the Property.

**SCHEDULE D
NOTICE TO PROPERTY TAX AUTHORITY**

Re: **Borrower:** _____
 Property: _____
 Loan No.: _____

To Whom It May Concern:

Approval is being given to release any information verbally or in writing as requested by our mortgage company, KingSett Mortgage Corporation, 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:
TLSFD Tarrasi Holdings Corp

Per: 
Name: _____
Title: _____

<p>Property Civic Address:</p> <p>Roll Number:</p> <p>(Please complete in full)</p>

**SCHEDULE E
PRE-AUTHORIZED DEBIT FORM**

I/we authorize KingSett Mortgage Corporation ("**KingSett**") or its affiliates and the financial institution designated (or any other financial institution I/we may authorize at any time) to debit my/our bank account for regular recurring payments and/or one-time payments from time to time, for payment of all monies owing under a mortgage granted to and in favour of KingSett (the "**Mortgage**"). Regular recurring payments will be debited from my/our specified account monthly on the due date specified in the Mortgage. The entry in my/our bank statement will constitute my/our receipt.

I/We acknowledge that the regular recurring payments may vary from time to time in light of changes to realty taxes, interest adjustments, arrears, fees or, if the Mortgage bears a variable interest rate, because of interest rate fluctuations. I/We agree that no prior notification of the amount of each regular recurring payment will be given to me/us and I/we specifically waive any pre-notification requirements in respect of same. KingSett will obtain my/our authorization for any other one-time or sporadic debits.

If there is a change in the bank and/or account numbers from which payments are to be drawn, and if the new account is in my/our name, then only a new personalized cheque marked "**VOID**" will be required for KingSett to draw from the new account.

This authorization may be revoked by the undersigned on 30 days prior written notice. A sample cancellation form and further information on cancellation rights may be obtained from the financial institution noted above or by visiting www.cdnpay.ca.

I/We have certain recourse rights if any debit does not comply with this document. For example, I/we have the right to receive reimbursement for any debit that is not authorized by, or is not consistent with, this document. More information on recourse rights may be obtained from the financial institution noted above or by visiting www.cdnpay.ca.

Borrower Name	
Address	Province
City	Postal Code
Phone #	

FI Name:	Institution #
Account #	Transit #
Address	Province
City	Postal Code

Authorized Signatures(s)	
Name(s)	

**SCHEDULE F
OPERATING STATEMENT**

The total Net Operating Income has been represented by the Borrower to currently be \$951,370 as set out below.

	%	Area	Rate	Total Portfolio
Rental Revenue Summary:				
Total Base Rent (In-Place)	100%	116,065	9.00	\$ 1,044,282
(+) Recoverable Rent - TMI			3.51	407,456
Gross Rent			12.51	\$ 1,451,737
Less: Vacancy Allowance			2.5%	(36,293)
Effective Gross Rent			12.20	\$ 1,415,444
(-) TMI			3.51	407,456
(-) Management Fee			3.0%	42,463
(-) Structural Reserve			1.0%	14,154
Total Operating Expenses			4.00	\$ 464,073
Net Operating Income			8.20	\$ 951,370



February 16, 2022

Stateview Homes
c/o Dorr and Associates
41 Scarsdale Road, Unit 6
Toronto, ON M3B 2R2

Attention: Riccardo Plati

Re: 1st mortgage financing of 6&8 Bradwick Drive, 301 Bradwick Drive, 448 North Rivermede Road and 596 Oster Lane

We are pleased to advise that KingSett Mortgage Corporation has approved the following First amendment (the "First Amendment") to the commitment letter dated March 16, 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:

Loan Amount: \$29,755,000 (the "Loan Amount").

2. Section A. 6 is deleted in its entirety and replaced with the following:

Interest Rate: Prime Rate + 4.30% (floor rate of 6.75%) 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 for each and every month of the Term (as such Term may be extended in accordance with this Commitment Letter), save and except for the last month of the Term, and 12.75% increase initial rate by per annum for the last month of the Term and each and every month thereafter (as applicable, the "Interest Rate"), provided that "Prime Rate" shall mean, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada as the reference rate of interest for the determination of interest rates charged to its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans in Toronto, Ontario.

For greater clarity, the Interest Rate will take effect upon funding of additional loan proceeds as provided by this First Amendment.

3. Section A. 11 is deleted in its entirety and replaced with the following:

Extension Fee: \$44,633 (0.15% 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.

✓ (D)



4. The following new section Section A. 19 is added immediately below the existing Section A. 18 as follows:

Amendment Fee - \$80,000 fee (the "First Amendment Fee") earned by and payable to the Lender upon receipt of the executed First Amendment.

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. **Financial Statements:** The Lender shall have received accountant prepared notice to reader statements for the Borrower, for its last two fiscal year-ends;
2. **Personal Net Worth Statements:** The Lender shall have received certified and current-dated net worth statements for any personal Guarantor, if applicable;
3. **Lease Agreements:** The Lender shall have received executed copies of all lease agreements for the Property (*Satisfied*); and
4. **Amended Security:** Security to be amended and/or extended as deemed necessary by the Lender and its legal counsel to reflect the revised terms specified in this First Amendment.

In the event that the abovementioned First Amendment Conditions Precedent have not been satisfied by March 15, 2022, at the exclusive option of the Lender, the Lender's obligations under this First Amendment shall cease and the Loan will become due and payable in accordance with the terms of the original Commitment. Notwithstanding the same, the Lender shall remain entitled to earn and receive full payment of the First Amendment Fee and to fully recover from the Borrower and Guarantor any expenses incurred by the Lender.

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

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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.

Handwritten initials in black ink, appearing to be 'h' followed by a circled 'e'.




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 February 21, 2022, along with a cheque for the First Amendment Fee in the amount of \$80,000 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: 

Per: Jamie Dysart (Feb 16, 2022 15:09 EST)
Jamie Dysart
Managing Director, Mortgage Investments



Per: Bryan Salazar (Feb 16, 2022 14:54 EST)
Bryan Salazar
Managing Director, Mortgage Underwriting &
Funding

*****Borrower and Guarantor acknowledgement on following page*****

Handwritten initials, possibly "HE", in black ink.



ACKNOWLEDGEMENT

The terms and conditions of this Commitment are hereby acknowledged and agreed to by the Borrower and Guarantors at Woburn this 17th day of FEBRUARY, 2022.

BORROWER:

TFSFD Taurasi Holdings Corp.

Per: _____
Name:
Title:

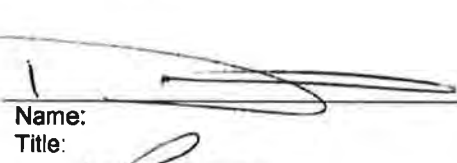
I/we have authority to bind the Corporation.

GUARANTORS:

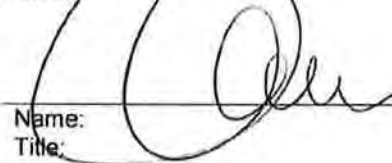
Anthony Taurasi

Per:  _____
Name:
Title:

Dino Taurasi

Per:  _____
Name:
Title:

Carlo Taurasi

Per:  _____
Name:
Title:

Emilio Taurasi

Per:  _____
Name: 089F1D76DD5D43A
Title:

WITNESS

Per:  _____
Name:
Title:

WITNESS

Per:  _____
Name:
Title:

WITNESS

Per:  _____
Name:
Title:

WITNESS


Per:  _____
Name:
Title:



Dennie Taurasi

Per: 
Name: _____
Title:

WITNESS

Per: 
Name: _____
Title:

This is Exhibit....."SS".....*referred to in the*

affidavit of.....Daniel Pollack--
sworn before me, this.....26th.....
day of.....April, 2023.....

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

ASSIGNMENT OF INSURANCE INTEREST

TO: KINGSETT MORTGAGE CORPORATION

RE: KINGSETT MORTGAGE CORPORATION
6 AND 8 BRADWICK DRIVE, VAUGHAN, ONTARIO

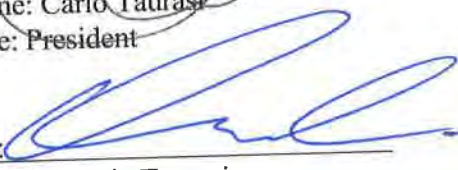
FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby transfers, assigns, and set over unto KingSett Mortgage Corporation (the "Lender") all of its right, title and interest in any and all proceeds with respect to any insurance in effect with respect to the above-noted property (the "Property");

THE UNDERSIGNED hereby irrevocably directs and authorizes any and all insurers of the Property to pay exclusively to the Lender any and all proceeds of such insurance payable to the undersigned pursuant to such insurance policies, subject only to the rights of any prior encumbrancers. This shall be good, sufficient and irrevocable authority to such insurers to do so.

DATED at Vaughan, this 29th day of March, 2021.

TLSFD TAURASI HOLDINGS CORP.

Per: 
Name: Carlo Taurasi
Title: President

Per: 
Name: Dennie Taurasi
Title: Vice-President
We have authority to bind the corporation.

This is Exhibit "TT" *referred to in the*
affidavit of Daniel Pollack
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- (a) For value received, TLSFD Taurasi Holdings Corp. (the "Debtor"), hereby grants to KingSett Mortgage Corporation (the "Lender"), by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in the undertaking of the Debtor and in all Goods (including all parts, accessories, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), including without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:
- i. all inventory of whatever kind and wherever situate ("Inventory");
 - ii. all equipment (other than Inventory) of whatever kind including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles;
 - iii. all book accounts and book debts, rents and leases, all Agreements of Purchase and Sale entered into or to be entered into (including any deposits payable to the Debtor pursuant thereto) and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor ("Debts");
 - iv. all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - v. all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property, licenses and permits;
 - vi. all material contracts and all contractual rights for the provision of materials, equipment and services to the lands described in Schedule "A" in connection with the construction and/or servicing upon the lands, including any applicable working drawings, plans, specifications, development and/or building approvals and permits in connection with the lands;
 - vii. all monies other than trust monies lawfully belonging to others, Certificates and Interest Bearing Accounts;
 - viii. all real property described in Schedule "A" attached hereto and all property described in any schedule now or hereafter annexed hereto.
- (b) Notwithstanding the generality of the foregoing, the Security Interest created by this Agreement affects only such Collateral associated with the Debtor's business and assets situate in the City of Vaughan and more particularly described in Schedule "A" attached hereto (hereinafter called the "Premises").
- (c) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
- (d) The terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Consumer Goods", "Instruments", "Intangibles", "Securities", "Proceeds", "Inventory", and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Ontario, as amended from time to time (herein referred to as the "P.P.S.A."). Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The terms "Proceeds"

whenever used herein and interpreted as above shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected or otherwise disposed of.

2. **INDEBTEDNESS SECURED**

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Lender arising out of a Letter of Commitment dated August 4, 2020 and pursuant thereto, a mortgage between the Debtor as Mortgagor and the Lender as Mortgagee charging the lands described in Schedule "A" hereto and securing for principal the sum of \$10,500,000.00 ("Charge") which indebtedness shall be fully satisfied upon payment in full of the said mortgage (hereinafter collectively called the "Indebtedness").

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

The Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) The Collateral is genuine and owned by the Debtor free of all interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption;
- (b) Each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise; and
- (c) The location specified in Schedule "A" as to business operations and records is accurate and complete and with respect to Goods constituting Collateral.

4. **COVENANTS OF THE DEBTOR**

So long as this Security Agreement remains in effect the Debtor covenants and agrees:

- (a) To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and those shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption and not to sell, exchange, transfer, assign, lease, otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease Inventory and, subject to Clause 6 hereof, use monies available to the Debtor;
- (b) To notify the Lender promptly of:
 - i. any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - ii. the details of any significant acquisition of Collateral;
 - iii. the details of any claims or litigation affecting Collateral;
 - iv. any loss or damage to Collateral;
 - v. any default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
 - vi. the return to or repossession by the Debtor of Collateral;
- (c) To keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement

relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;

- (d) To do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Collateral as and when the same become due and payable;
- (f) To insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct with loss payable to the Lender and the Debtor, as insureds, as their respective interest may appear, and to pay all premiums therefor;
- (g) To prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this Security Agreement;
- (h) To carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) To deliver to the Lender from time to time promptly upon request:
 - i. any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - ii. all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - iii. all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - iv. all policies and certificates of insurance relating to Collateral; and
 - v. such information concerning Collateral, the Debtor and business and affairs as the Lender may reasonably request;
- (j) To have the Premises professionally managed at all times.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with the Debtor's covenants herein and Clause 6 hereof, the Debtor may, until default, possess, operate, use, enjoy and deal with Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where Collateral may be located and to the premises described in Schedule "A".

6. ASSIGNMENT OF RIGHTS UNDER AGREEMENTS OF PURCHASE AND SALE

- (a) Although it is the intention of the parties that the assignment of all agreements of purchase and sale relating to the Premises (as set out in Paragraph 1(a)(iii)) ("Assignment of Rights") or rights arising therefrom shall be a present assignment, it is expressly understood and agreed, notwithstanding anything herein contained to the contrary, that the Lender shall not exercise any of the rights or powers herein conferred upon it except for the Lender's right to receive all sale proceeds (including deposits) received or to be received by the Debtor, pursuant to the agreements

entered into for the sale of any portion of the Premises ("Agreements"), or any one of them, until default shall occur under the terms and provisions of this assignment or under the Charge, but upon the occurrence of any such default, this assignment shall constitute a direction and full authority to any purchaser under the Agreements, or any one of them, to deal with respect to all matters of the Agreements, or any one of them, exclusively with the Lender as if the Lender was the vendor thereunder, and such purchaser is hereby irrevocably authorized and directed by the Debtor to rely upon any notice from the Lender as to the authority to act as the vendor in all respects pursuant to the Agreements, or any one of them, without requiring any further proof of such authority.

- (b) In the exercise of the powers herein granted to the Lender no liability shall be asserted or enforced against the Lender, all such liability being expressly waived and released by the Debtor. The Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Agreements, or any one of them, unless and until the Lender expressly and specifically agrees to do so in writing by separate instrument and until such time all parties shall look strictly to the Debtor for the performance and discharge of any and all obligations under the Agreements, or any one of them. The Debtor shall and does hereby agree to indemnify the Lender for and to save and hold it harmless of and from any and all liabilities, losses, expenses, costs or damages which it may or might incur by reason of this assignment.
- (c) This Assignment of Rights under Agreements of Purchase and Sale is given as further security for the performance of the Debtor's obligations under the Charge and in the event of the exercise of the Lender's rights hereunder the Lender shall have the right to apply any sale proceeds or deposits received by it hereunder at its discretion as against principal, interest or costs owing pursuant to the Charge provided always that upon satisfaction in full of the indebtedness owing to the Lender under the Charge, all rights, benefits, and privileges under the Agreements shall be deemed to be reassigned and the Lender shall account for any excess monies held by it pursuant hereto (if any) to the Debtor.

7. **ASSIGNMENT OF CASH SECURITY**

- (a) As security for the Indebtedness or a letter or letters of credit (the "Letter of Credit") issued or to be issued or arranged by the Lender at the request of and for the benefit of the Debtor in favour of parties as contemplated in the Commitment Letter, the Debtor has agreed to assign and pledge to the Lender one or more Certificates and Interest Bearing Accounts. For purposes of this section the following words and phrases have the following meanings:
 - i. "Act" means the Personal Property Security Act (Ontario), as it may be amended or reenacted from time to time;
 - ii. "Agreement" means this General Security Agreement, together with all schedules annexed hereto, all as the same may be from time to time supplemented, amended or otherwise modified in accordance with paragraph 12 hereof;
 - iii. "Debtor's Liabilities" means all present and future indebtedness and liabilities of the Debtor to the Lender under the Commitment Letter, the Charge and all other agreements, documents and security documents entered into between the Debtor and the Lender, made by the Debtor in favour of the Lender or assigned by the Debtor to the Lender relating to or in connection with the Commitment Letter;
 - iv. "Certificates" means one or more guaranteed investment certificates, certificates of deposit, term deposits and other interest bearing instruments now or hereafter issued by the Lender in the name of or on behalf of the Debtor evidencing the deposit of monies from time to time by the Debtor with the Lender for a specified term bearing a fixed rate of interest or otherwise entitling the bearer of such instruments to receive the principal amount stated therein at the rate of interest stated therein on a fixed date;
 - v. "Commitment Letter" means the Commitment Letter referred to between the parties referable to this transaction dated August 4, 2020, and any amendments thereto;

- vi. **"Charge"** means the Charge issued by the Debtor to the Lender in the principal amount of \$10,500,000.00;
 - vii. **"Deposit"** means the sum to be deducted from the advance of funds or otherwise held by the Lender pursuant to the Commitment Letter, together with any and all interest actually earned thereon, to be invested pursuant to this Agreement, as security for the Debtor's Liabilities;
 - viii. **"Interest Bearing Accounts"** means one or more bank accounts now or hereafter established by the Lender in the name of or on behalf of the Debtor in which the Debtor deposits monies on a current basis from time to time at such rate of interest as is established, quoted or announced from time to time by the Lender;
 - ix. **"Letter of Credit"** means the letter or letters of credit now or hereafter issued or arranged by the Lender at the request of or on behalf of the Debtor in favour of parties as contemplated in the Commitment Letter;
 - x. **"Loan Documents"** means all present and future agreements, instruments and other documents, as same may be amended from time to time, made or assigned by the Debtor to the Lender in connection with the issue of the Letter of Credit; and
 - xi. **"Securities"** means all Interest Bearing Accounts and Certificates together with all renewals, replacements and substitutions therefore and all proceeds therefrom.
- (b) As continuing security for the payment of the Debtor's Liabilities, and for the performance, fulfilment and satisfaction of all covenants, obligations and conditions on the part of the Debtor set out herein, the Debtor:
- i. assigns, transfers and pledges the Deposit and the Securities to and in favour of the Lender; and
 - ii. grants a security interest in the Deposit and the Securities to and in favour of the Lender;
- as and by way of a fixed charge.
- (c) The Lender's only responsibility hereunder in regard to the Securities is limited to exercising the same degree of care which it gives valuable property of the Lender or any other customer of the Lender at the office where the Securities are held.
- (d) The Debtor acknowledges and agrees that the Lender is authorized and directed to invest and reinvest the Deposit and any other funds represented by the Securities in one or more Certificates or Interest Bearing Accounts from time to time for such periods as may be requested in writing by the Debtor; provided that none of the Certificates may be reinvested until its respective maturity date; and provided further that if the Lender has not received such written instructions before 1:00 o'clock in the afternoon on any date that the Deposit or any of the Certificates mature, then all of such funds may be invested or reinvested, as the case may be, for any period determined by the Lender from time to time in its absolute discretion, at rates of interest quoted by the Lender for the respective period or periods of any such Interest Bearing Account or Certificate on the date of any such investment or reinvestment.
- (e) All interest earned on the Securities shall accrue to the account of the Debtor and shall be held by the Lender in accordance with and subject to the same terms and conditions set out in this agreement.
- (f) The Lender and every employee or agent thereof, as the irrevocable attorney of the Debtor, may deal with all or any of the Securities and may fill in all blanks in any documents delivered to it and may complete Schedule "C" annexed hereto with the particulars of the Securities and the Lender may delegate its powers and any delegate may subdelegate the same, and any of the powers hereby given may be exercised in the name and on behalf of the successors of the Debtor.

- (g) Any renewal, replacement or substituted Securities and all proceeds thereof including, without limitation, all Interest Bearing Accounts and Certificates shall be held by the Lender in accordance with and subject to the provisions of this Agreement.
- (h) The Lender is hereby authorized to sign on behalf of and as agent of the Debtor such income tax ownership certificates as may be required or the Lender may, in its discretion, require the Debtor to sign the same and the Debtor hereby covenants so to do.
- (i) This shall be a continuing agreement and the Securities assigned and pledged hereby are in addition to and not in substitution for any other security held by the Lender and shall not operate as a merger of any contract debt. All claims, present or future, of the Debtor against any person other than the Lender who is liable upon or for payment of any of the Securities are hereby assigned to the Lender.
- (j) The Debtor represents and warrants to the Lender that the Debtor is the legal owner of the Securities and that the Securities are unencumbered in any manner save as herein provided and that the Debtor has full power and authority to assign and pledge the Securities to the Lender hereunder.
- (k) Upon the failure by the Debtor to make due and punctual payment and/or satisfaction of the Debtor's Liabilities in the amounts and at the times provided for the Commitment Letter, the Charge or any other agreement, document or security document entered into between the Debtor and the Lender, made by the Debtor in favour of the Lender or assigned by the Debtor to the Lender, the security interest hereby granted shall immediately become enforceable at the option of the Lender, the Lender shall have the right and irrevocable authority to cash the Securities which are then the subject of this pledge and, at its sole and unfettered discretion, shall also have the right and irrevocable authority, without notice to the Debtor except as may be provided in the Act:
 - i. to set-off or otherwise apply all or any part or parts of the proceeds thereof towards the payment of the Debtor's Liabilities and any part or parts thereof;
 - ii. to utilize the proceeds thereof to pay to the beneficiary of the Letter of Credit the amount owing to such beneficiary as a result of any call or demand for payment under such Letter of Credit;
 - iii. to retain an amount equal to the principal amount of the outstanding Letter of Credit as security for the liability of the Lender thereunder, without being obligated to attribute any part or parts of such amount on account of any specific part or parts of the Debtor's Liabilities, for such period or periods of time as any of such letters of credit remain outstanding. The Lender is hereby irrevocably authorized and directed to utilize such amount to pay to the beneficiary of such Letter of Credit any amounts called upon for payment under or pursuant to the terms of any Letter of Credit;
 - iv. to file such proof of claim or other documents as may be necessary or desirable to have its claim lodged in any bankruptcy, winding-up, liquidation, dissolution or other proceedings (voluntary or otherwise) relating to the Debtor;
 - v. to take any action, suit, remedy or proceeding authorized or permitted by this Agreement, the Act or by law or equity.
- (l) For greater certainty, this Agreement shall not preclude the right of the Lender to exercise any right of set-off it might obtain in respect of the Debtor's Liabilities other than pursuant to this Agreement or the Act.
- (m) To the extent not prohibited by law, the Debtor hereby waives the benefit of all of the provisions of the Act or any other legislation which would in any manner affect the rights or remedies of the Lender hereunder.
- (n) The Lender may compound, compromise, grant extensions of time and other

indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Securities, the Debtor and with other parties and other securities as the Lender may reasonably see fit, without prejudice to the Debtor's Liabilities or to the Lender's rights in respect to the security hereby constituted. The Lender shall not be obliged to exhaust its recourses against the Debtor or any other party or parties or against any other security or securities held by the Lender from time to time before realizing or otherwise disposing of or dealing with the Securities in such manner as the Lender sees fit.

- (o) In consideration of the Lender issuing or causing to be issued the Letter of Credit in favour of parties as contemplated in the Commitment Letter from time to time, the Debtor unconditionally and irrevocably agrees:
- i. to indemnify and save the Lender harmless against all actions, losses, costs, charges, damages, expenses, liabilities, claims and demands of whatsoever nature and kind, which the Lender may howsoever incur or sustain by reason of or in connection with the Letter of Credit;
 - ii. to accept any claim or demand on the Lender as conclusive evidence that the Lender was liable to make payment thereunder and any payment made pursuant to such claim or demand which purports to be in accordance with the Letter of Credit or any steps taken by the Lender in good faith under or in connection with the Letter of Credit shall be binding upon the Debtor and shall not place the Lender under any liability to the Debtor;
 - iii. that the Lender shall have no liability or responsibility to the Debtor for the form, sufficiency, correctness, genuineness or legal effect of the Letter of Credit or for the good faith or acts of the holder of the Letter of Credit;
 - iv. that the rights and powers conferred by this paragraph and the indemnity hereinafter are in addition to and without prejudice to any other rights which the Lender may have pursuant to this Agreement, the Commitment Letter, the Charge or any other agreement, document or security document entered into between the Debtor and the Lender, made by the Debtor in favour of the Lender or assigned by the Debtor to the Lender.

8. COLLECTION OF DEBTS

Before or after default under this Security Agreement, the Lender may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to the Lender. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement shall be received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request.

9. DISPOSITION OF MONIES

Subject to any application requirements of the P.P.S.A., all monies collected or received by the Lender pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as the Lender deems best or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Lender hereunder, and any surplus shall be accounted for as required by law.

10. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder (hereinafter referred to as "default"):

- (a) The nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision, or condition contained in this Security Agreement or any other document or agreement between the Debtor and the Lender relating to the Indebtedness;
- (b) The bankruptcy or insolvency of the Debtor; the filing against the Debtor of a

petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;

- (c) Abandonment of the premises by the Debtor for a period in excess of eight (8) consecutive days and which the Debtor has not rectified within ten (10) days after delivery by the Lender to the Debtor of written notice of any abandonment.

11. **REMEDIES**

- (a) Upon default, the Lender may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Lender and the Lender shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instruments appointing him, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on the Debtor's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Lender, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.
- (b) Upon default, the Lender may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in preparing or enforcing

this Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.
- (h) Upon failure of the Debtor to have the Premises professionally managed in accordance with clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or managers, as it may deem necessary in its sole discretion, to manage the Premises at the sole expense of the Debtor.

12. **MISCELLANEOUS**

- (a) The Debtor hereby authorizes the Lender to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral) as the Lender may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints the Lender the true and lawful attorney of the Debtor, with the full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate per annum set forth in the said mortgage.
- (c) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name on any and all cheques, commercial paper, and any other Instrument pertaining to or constituting Collateral.
- (d) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (e) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and notice of any other action taken by the Lender.
- (f) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (h) Subject to any provisions of this Agreement to the contrary, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or

request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purpose hereof.

The address of each party is as follows:

Debtor:

TLSFD Taurasi Holdings Corp.
161 Duncan Road
Richmond Hill, Ontario L4C 6J5

Lender:

KingSett Mortgage Corporation
Scotia Plaza
40 King Street West, Suite 3700, PO Box 110
Toronto, Ontario M5H 3Y2

- (i) This Security Agreement and the security afforded hereby shall remain in full force and effect until all Indebtedness contracted for or created, shall be paid in full.
- (j) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (k) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (l) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (m) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (n) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.

13. **COPY OF AGREEMENT**

The Debtor hereby acknowledges receipt of a copy of this Security Agreement.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement under the hand of its authorized signing officers as of this 20th day of August, 2020.

TLSFD TAURASI HOLDINGS CORP.

Per: 

Name: Carlo Taurasi
Title: President

Per: 

Name: Dennie Taurasi
Title: Vice-President

We have authority to bind the corporation.

SCHEDULE "A"

PIN No. 03273-0069 (LT) – 301 Bradwick Drive

Parcel 24-1 Section M1832; Lot 24 Plan M1832

PIN No. 03274-0132 (LT – 448 North Rivermede Road

Parcel 10-1 Section 65M2330; Lot 10 Plan 65M2330 subject to a Right as in LT332786

PIN No. 03275-0052 (LT) – 596 Oster Lane

Part Lot 11 Plan 7925 Vaughan as in VA68142

City of Vaughan
Regional Municipality of York
York Region Land Registry Office (No. 65)

SCHEDULE "B"

-NIL-

SCHEDULE "C" - Pursuant to Paragraph 7 - Assignment of Cash Security

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GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- (a) For value received, TLSFD Taurasi Holdings Corp. (the "Debtor"), hereby grants to KingSett Mortgage Corporation (the "Lender"), by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in the undertaking of the Debtor and in all Goods (including all parts, accessories, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), including without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:
- i. all inventory of whatever kind and wherever situate ("Inventory");
 - ii. all equipment (other than Inventory) of whatever kind including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles;
 - iii. all book accounts and book debts, rents and leases, all Agreements of Purchase and Sale entered into or to be entered into (including any deposits payable to the Debtor pursuant thereto) and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor ("Debts");
 - iv. all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - v. all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property, licenses and permits;
 - vi. all material contracts and all contractual rights for the provision of materials, equipment and services to the lands described in Schedule "A" in connection with the construction and/or servicing upon the lands, including any applicable working drawings, plans, specifications, development and/or building approvals and permits in connection with the lands;
 - vii. all monies other than trust monies lawfully belonging to others, Certificates and Interest Bearing Accounts;
 - viii. all real property described in Schedule "A" attached hereto and all property described in any schedule now or hereafter annexed hereto.
- (b) Notwithstanding the generality of the foregoing, the Security Interest created by this Agreement affects only such Collateral associated with the Debtor's business and assets situate in the City of Vaughan and more particularly described in Schedule "A" attached hereto (hereinafter called the "Premises").
- (c) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
- (d) The terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Consumer Goods", "Instruments", "Intangibles", "Securities", "Proceeds", "Inventory", and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Ontario, as amended from time to time (herein referred to as the "P.P.S.A."). Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The terms "Proceeds"

whenever used herein and interpreted as above shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected or otherwise disposed of.

2. **INDEBTEDNESS SECURED**

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Lender arising out of a Letter of Commitment dated August 4, 2020 (as amended and restated by Letter of Commitment dated March 16, 2021) and pursuant thereto, a mortgage between the Debtor as Mortgagor and the Lender as Mortgagee charging the lands described in Schedule "A" hereto and securing for principal the sum of \$27,200,000.00 ("Charge") which indebtedness shall be fully satisfied upon payment in full of the said mortgage (hereinafter collectively called the "Indebtedness").

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

The Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) The Collateral is genuine and owned by the Debtor free of all interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption;
- (b) Each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise; and
- (c) The location specified in Schedule "A" as to business operations and records is accurate and complete and with respect to Goods constituting Collateral.

4. **COVENANTS OF THE DEBTOR**

So long as this Security Agreement remains in effect the Debtor covenants and agrees:

- (a) To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and those shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption and not to sell, exchange, transfer, assign, lease, otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease Inventory and, subject to Clause 6 hereof, use monies available to the Debtor;
- (b) To notify the Lender promptly of:
 - i. any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - ii. the details of any significant acquisition of Collateral;
 - iii. the details of any claims or litigation affecting Collateral;
 - iv. any loss or damage to Collateral;
 - v. any default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
 - vi. the return to or repossession by the Debtor of Collateral;
- (c) To keep the Collateral in good order, condition and repair and not to use Collateral in

violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;

- (d) To do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Collateral as and when the same become due and payable;
- (f) To insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct with loss payable to the Lender and the Debtor, as insureds, as their respective interest may appear, and to pay all premiums therefor;
- (g) To prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this Security Agreement;
- (h) To carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) To deliver to the Lender from time to time promptly upon request:
 - i. any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - ii. all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - iii. all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - iv. all policies and certificates of insurance relating to Collateral; and
 - v. such information concerning Collateral, the Debtor and business and affairs as the Lender may reasonably request;
- (j) To have the Premises professionally managed at all times.

5. **USE AND VERIFICATION OF COLLATERAL**

Subject to compliance with the Debtor's covenants herein and Clause 6 hereof, the Debtor may, until default, possess, operate, use, enjoy and deal with Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where Collateral may be located and to the premises described in Schedule "A".

6. **ASSIGNMENT OF RIGHTS UNDER AGREEMENTS OF PURCHASE AND SALE**

- (a) Although it is the intention of the parties that the assignment of all agreements of purchase and sale relating to the Premises (as set out in Paragraph 1(a)(iii)) ("Assignment of Rights") or rights arising therefrom shall be a present assignment, it is expressly understood and agreed, notwithstanding anything herein contained to the contrary, that the Lender shall not exercise any of the rights or powers herein conferred upon it except for the Lender's right to receive all sale proceeds (including

deposits) received or to be received by the Debtor, pursuant to the agreements entered into for the sale of any portion of the Premises ("Agreements"), or any one of them, until default shall occur under the terms and provisions of this assignment or under the Charge, but upon the occurrence of any such default, this assignment shall constitute a direction and full authority to any purchaser under the Agreements, or any one of them, to deal with respect to all matters of the Agreements, or any one of them, exclusively with the Lender as if the Lender was the vendor thereunder, and such purchaser is hereby irrevocably authorized and directed by the Debtor to rely upon any notice from the Lender as to the authority to act as the vendor in all respects pursuant to the Agreements, or any one of them, without requiring any further proof of such authority.

- (b) In the exercise of the powers herein granted to the Lender no liability shall be asserted or enforced against the Lender, all such liability being expressly waived and released by the Debtor. The Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Agreements, or any one of them, unless and until the Lender expressly and specifically agrees to do so in writing by separate instrument and until such time all parties shall look strictly to the Debtor for the performance and discharge of any and all obligations under the Agreements, or any one of them. The Debtor shall and does hereby agree to indemnify the Lender for and to save and hold it harmless of and from any and all liabilities, losses, expenses, costs or damages which it may or might incur by reason of this assignment.
- (c) This Assignment of Rights under Agreements of Purchase and Sale is given as further security for the performance of the Debtor's obligations under the Charge and in the event of the exercise of the Lender's rights hereunder the Lender shall have the right to apply any sale proceeds or deposits received by it hereunder at its discretion as against principal, interest or costs owing pursuant to the Charge provided always that upon satisfaction in full of the indebtedness owing to the Lender under the Charge, all rights, benefits, and privileges under the Agreements shall be deemed to be reassigned and the Lender shall account for any excess monies held by it pursuant hereto (if any) to the Debtor.

7. **ASSIGNMENT OF CASH SECURITY**

- (a) As security for the Indebtedness or a letter or letters of credit (the "Letter of Credit") issued or to be issued or arranged by the Lender at the request of and for the benefit of the Debtor in favour of parties as contemplated in the Commitment Letter, the Debtor has agreed to assign and pledge to the Lender one or more Certificates and Interest Bearing Accounts. For purposes of this section the following words and phrases have the following meanings:
 - i. **"Act"** means the Personal Property Security Act (Ontario), as it may be amended or reenacted from time to time;
 - ii. **"Agreement"** means this General Security Agreement, together with all schedules annexed hereto, all as the same may be from time to time supplemented, amended or otherwise modified in accordance with paragraph 12 hereof;
 - iii. **"Debtor's Liabilities"** means all present and future indebtedness and liabilities of the Debtor to the Lender under the Commitment Letter, the Charge and all other agreements, documents and security documents entered into between the Debtor and the Lender, made by the Debtor in favour of the Lender or assigned by the Debtor to the Lender relating to or in connection with the Commitment Letter;
 - iv. **"Certificates"** means one or more guaranteed investment certificates, certificates of deposit, term deposits and other interest bearing instruments now or hereafter issued by the Lender in the name of or on behalf of the Debtor evidencing the deposit of monies from time to time by the Debtor with the Lender for a specified term bearing a fixed rate of interest or otherwise entitling the bearer of such instruments to receive the principal amount stated therein at the rate of interest stated therein on a fixed date;
 - v. **"Commitment Letter"** means the Commitment Letter referred to between the parties referable to this transaction dated August 4, 2020 (as

amended and restated by Letter of Commitment dated March 16, 2021), and any amendments thereto;

- vi. **"Charge"** means the Charge issued by the Debtor to the Lender in the principal amount of \$27,200,000.00;
- vii. **"Deposit"** means the sum to be deducted from the advance of funds or otherwise held by the Lender pursuant to the Commitment Letter, together with any and all interest actually earned thereon, to be invested pursuant to this Agreement, as security for the Debtor's Liabilities;
- viii. **"Interest Bearing Accounts"** means one or more bank accounts now or hereafter established by the Lender in the name of or on behalf of the Debtor in which the Debtor deposits monies on a current basis from time to time at such rate of interest as is established, quoted or announced from time to time by the Lender;
- ix. **"Letter of Credit"** means the letter or letters of credit now or hereafter issued or arranged by the Lender at the request of or on behalf of the Debtor in favour of parties as contemplated in the Commitment Letter;
- x. **"Loan Documents"** means all present and future agreements, instruments and other documents, as same may be amended from time to time, made or assigned by the Debtor to the Lender in connection with the issue of the Letter of Credit; and
- xi. **"Securities"** means all Interest Bearing Accounts and Certificates together with all renewals, replacements and substitutions therefore and all proceeds therefrom.

(b) As continuing security for the payment of the Debtor's Liabilities, and for the performance, fulfilment and satisfaction of all covenants, obligations and conditions on the part of the Debtor set out herein, the Debtor:

- i. assigns, transfers and pledges the Deposit and the Securities to and in favour of the Lender; and
- ii. grants a security interest in the Deposit and the Securities to and in favour of the Lender;

as and by way of a fixed charge.

(c) The Lender's only responsibility hereunder in regard to the Securities is limited to exercising the same degree of care which it gives valuable property of the Lender or any other customer of the Lender at the office where the Securities are held.

(d) The Debtor acknowledges and agrees that the Lender is authorized and directed to invest and reinvest the Deposit and any other funds represented by the Securities in one or more Certificates or Interest Bearing Accounts from time to time for such periods as may be requested in writing by the Debtor; provided that none of the Certificates may be reinvested until its respective maturity date; and provided further that if the Lender has not received such written instructions before 1:00 o'clock in the afternoon on any date that the Deposit or any of the Certificates mature, then all of such funds may be invested or reinvested, as the case may be, for any period determined by the Lender from time to time in its absolute discretion, at rates of interest quoted by the Lender for the respective period or periods of any such Interest Bearing Account or Certificate on the date of any such investment or reinvestment.

(e) All interest earned on the Securities shall accrue to the account of the Debtor and shall be held by the Lender in accordance with and subject to the same terms and conditions set out in this agreement.

(f) The Lender and every employee or agent thereof, as the irrevocable attorney of the Debtor, may deal with all or any of the Securities and may fill in all blanks in any documents delivered to it and may complete Schedule "C" annexed hereto with the particulars of the Securities and the Lender may delegate its powers and any delegate

may subdelegate the same, and any of the powers hereby given may be exercised in the name and on behalf of the successors of the Debtor.

- (g) Any renewal, replacement or substituted Securities and all proceeds thereof including, without limitation, all Interest Bearing Accounts and Certificates shall be held by the Lender in accordance with and subject to the provisions of this Agreement.
- (h) The Lender is hereby authorized to sign on behalf of and as agent of the Debtor such income tax ownership certificates as may be required or the Lender may, in its discretion, require the Debtor to sign the same and the Debtor hereby covenants so to do.
- (i) This shall be a continuing agreement and the Securities assigned and pledged hereby are in addition to and not in substitution for any other security held by the Lender and shall not operate as a merger of any contract debt. All claims, present or future, of the Debtor against any person other than the Lender who is liable upon or for payment of any of the Securities are hereby assigned to the Lender.
- (j) The Debtor represents and warrants to the Lender that the Debtor is the legal owner of the Securities and that the Securities are unencumbered in any manner save as herein provided and that the Debtor has full power and authority to assign and pledge the Securities to the Lender hereunder.
- (k) Upon the failure by the Debtor to make due and punctual payment and/or satisfaction of the Debtor's Liabilities in the amounts and at the times provided for the Commitment Letter, the Charge or any other agreement, document or security document entered into between the Debtor and the Lender, made by the Debtor in favour of the Lender or assigned by the Debtor to the Lender, the security interest hereby granted shall immediately become enforceable at the option of the Lender, the Lender shall have the right and irrevocable authority to cash the Securities which are then the subject of this pledge and, at its sole and unfettered discretion, shall also have the right and irrevocable authority, without notice to the Debtor except as may be provided in the Act:
 - i. to set-off or otherwise apply all or any part or parts of the proceeds thereof towards the payment of the Debtor's Liabilities and any part or parts thereof;
 - ii. to utilize the proceeds thereof to pay to the beneficiary of the Letter of Credit the amount owing to such beneficiary as a result of any call or demand for payment under such Letter of Credit;
 - iii. to retain an amount equal to the principal amount of the outstanding Letter of Credit as security for the liability of the Lender thereunder, without being obligated to attribute any part of parts of such amount on account of any specific part or parts of the Debtor's Liabilities, for such period or periods of time as any of such letters of credit remain outstanding. The Lender is hereby irrevocably authorized and directed to utilize such amount to pay to the beneficiary of such Letter of Credit any amounts called upon for payment under or pursuant to the terms of any Letter of Credit;
 - iv. to file such proof of claim or other documents as may be necessary or desirable to have its claim lodged in any bankruptcy, winding-up, liquidation, dissolution or other proceedings (voluntary or otherwise) relating to the Debtor;
 - v. to take any action, suit, remedy or proceeding authorized or permitted by this Agreement, the Act or by law or equity.
- (l) For greater certainty, this Agreement shall not preclude the right of the Lender to exercise any right of set-off it might obtain in respect of the Debtor's Liabilities other than pursuant to this Agreement or the Act.
- (m) To the extent not prohibited by law, the Debtor hereby waives the benefit of all of the provisions of the Act or any other legislation which would in any manner affect

the rights or remedies of the Lender hereunder.

- (n) The Lender may compound, compromise, grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Securities, the Debtor and with other parties and other securities as the Lender may reasonably see fit, without prejudice to the Debtor's Liabilities or to the Lender's rights in respect to the security hereby constituted. The Lender shall not be obliged to exhaust its recourses against the Debtor or any other party or parties or against any other security or securities held by the Lender from time to time before realizing or otherwise disposing of or dealing with the Securities in such manner as the Lender sees fit.
- (o) In consideration of the Lender issuing or causing to be issued the Letter of Credit in favour of parties as contemplated in the Commitment Letter from time to time, the Debtor unconditionally and irrevocably agrees:
 - i. to indemnify and save the Lender harmless against all actions, losses, costs, charges, damages, expenses, liabilities, claims and demands of whatsoever nature and kind, which the Lender may howsoever incur or sustain by reason of or in connection with the Letter of Credit;
 - ii. to accept any claim or demand on the Lender as conclusive evidence that the Lender was liable to make payment thereunder and any payment made pursuant to such claim or demand which purports to be in accordance with the Letter of Credit or any steps taken by the Lender in good faith under or in connection with the Letter of Credit shall be binding upon the Debtor and shall not place the Lender under any liability to the Debtor;
 - iii. that the Lender shall have no liability or responsibility to the Debtor for the form, sufficiency, correctness, genuineness or legal effect of the Letter of Credit or for the good faith or acts of the holder of the Letter of Credit;
 - iv. that the rights and powers conferred by this paragraph and the indemnity hereinafter are in addition to and without prejudice to any other rights which the Lender may have pursuant to this Agreement, the Commitment Letter, the Charge or any other agreement, document or security document entered into between the Debtor and the Lender, made by the Debtor in favour of the Lender or assigned by the Debtor to the Lender.

8. **COLLECTION OF DEBTS**

Before or after default under this Security Agreement, the Lender may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to the Lender. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement shall be received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request.

9. **DISPOSITION OF MONIES**

Subject to any application requirements of the P.P.S.A., all monies collected or received by the Lender pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as the Lender deems best or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Lender hereunder, and any surplus shall be accounted for as required by law.

10. **EVENTS OF DEFAULT**

The happening of any of the following events or conditions shall constitute default hereunder (hereinafter referred to as "default"):

- (a) The nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision, or condition contained in this Security Agreement or any other document or agreement between the Debtor and the

Lender relating to the Indebtedness;

- (b) The bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;
- (c) Abandonment of the premises by the Debtor for a period in excess of eight (8) consecutive days and which the Debtor has not rectified within ten (10) days after delivery by the Lender to the Debtor of written notice of any abandonment.

11. **REMEDIES**

- (a) Upon default, the Lender may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Lender and the Lender shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instruments appointing him, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on the Debtor's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Lender, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.
- (b) Upon default, the Lender may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the

Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in preparing or enforcing this Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.
- (h) Upon failure of the Debtor to have the Premises professionally managed in accordance with clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or managers, as it may deem necessary in its sole discretion, to manage the Premises at the sole expense of the Debtor.

12. MISCELLANEOUS

- (a) The Debtor hereby authorizes the Lender to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral) as the Lender may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints the Lender the true and lawful attorney of the Debtor, with the full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate per annum set forth in the said mortgage.
- (c) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name on any and all cheques, commercial paper, and any other Instrument pertaining to or constituting Collateral.
- (d) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (e) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and notice of any other action taken by the Lender.
- (f) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

- (h) Subject to any provisions of this Agreement to the contrary, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purpose hereof.

The address of each party is as follows:

Debtor:

TLSFD Taurasi Holdings Corp.
161 Duncan Road
Richmond Hill, Ontario L4C 6J5

Lender:

KingSett Mortgage Corporation
Scotia Plaza
40 King Street West, Suite 3700, PO Box 110
Toronto, Ontario M5H 3Y2

- (i) This Security Agreement and the security afforded hereby shall remain in full force and effect until all Indebtedness contracted for or created, shall be paid in full.
- (j) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (k) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (l) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (m) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (n) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.

13. **COPY OF AGREEMENT**

The Debtor hereby acknowledges receipt of a copy of this Security Agreement.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement under the hand of its authorized signing officers as of this 29th day of March, 2021.

TLSFD TAURASI HOLDINGS CORP.

Per: 

Name: Carlo Taurasi

Title: President

Per: 

Name: Dennie Taurasi

Title: Vice-President

We have authority to bind the corporation.

SCHEDULE "A"

PIN No. 03274-0044 – 6 Bradwick Drive, Vaughan

Parcel 1-2 Section 65M2049; Part Lots 1, 2 Plan 65M2049; Part 4, 65R4957

PIN No. 03274-0043 – 8 Bradwick Drive, Vaughan

Parcel 1-3 Section 65M2049; Part Lots 1,2 Plan 65M2049; Part 3, 65R4957

City of Vaughan
Regional Municipality of York
York Region Land Registry Office (No. 65)

SCHEDULE "B"

- NIL -

SCHEDULE "C" - Pursuant to Paragraph 7 - Assignment of Cash Security

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

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

Properties

PIN 03273 - 0069 LT *Interest/Estate* Fee Simple
Description PCL 24-1 SEC M1832; LT 24 PL M1832; CITY OF VAUGHAN
Address 301 BRADWICK DR
 VAUGHAN

PIN 03274 - 0132 LT *Interest/Estate* Fee Simple
Description PCL 10-1 SEC 65M2330; LT 10 PL 65M2330; S/T RIGHT AS IN LT332786 ; ; VAUGHAN;
 CITY OF VAUGHAN
Address 448 NORTH RIVERMEDE
 CONCORD

PIN 03275 - 0052 LT *Interest/Estate* Fee Simple
Description PT LT 11 PL 7925 VAUGHAN AS IN VA68142 ;; CITY OF VAUGHAN
Address 596 OSTER LANE
 VAUGHAN

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 TLSFD TAURASI HOLDINGS CORP.
Address for Service 161 Duncan Road
 Richmond Hill, ON L4C 6J5

I, Carlo Taurasi, President and Dennie Taurasi, Vice-President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service Scotia Plaza
 40 King Street West, Suite 3700
 PO Box 110
 Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

Provisions

Principal \$10,500,000.00 *Currency* CDN
Calculation Period monthly, not in advance
Balance Due Date ON DEMAND
Interest Rate see Schedule
Payments
Interest Adjustment Date
Payment Date interest only, on the 1st day of each month
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full insurable value
Guarantor

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2020 08 26
 Toronto Chargor(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9

2020 08 26

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.05

Total Paid \$65.05

File Number

Chargee Client File Number : 6333-154

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated August 4, 2020 (and any amendments thereto, if applicable).

This Charge shall secure any and all amounts owing by the Chargor to the Chargee pursuant to the Letter of Commitment.

All provisions of the Letter of Commitment are hereby incorporated into this Charge.

Any default by the Borrower with regard to any provision of the Letter of Commitment shall constitute a default under this Charge.

2. **DUE ON DEMAND**

The amount owing under this Charge shall be repayable on demand.

In the event interest is not paid as and when due, the Chargee may in its sole discretion advance monies on account of principal to the Chargor to be applied to interest owing, or capitalize the amount of interest owing (which capitalization shall not be an advance of funds) but in no event shall any such advance or capitalization by the Chargee obligate the Chargee to make any further advances or capitalizations to be applied to interest or otherwise.

3. **INTEREST RATE**

The mortgage shall bear interest at the greater rate of: (i) 5.75% per annum compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus 3.30% per annum, adjusted daily and compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

Interest at the aforesaid rate(s) on the amounts advanced from time to time shall be payable on the first day of each and every month.

4. **DEFAULT**

In addition to any other Default Clauses set out in this Charge, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee or the occurrence or happening of any of the following events ("Event(s) of Default"):

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (e) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed or presented against the Chargor;
- (f) any proceedings with respect to the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (g) any execution, sequestration, extent or any other process of any Court becomes enforceable against the Chargor or a distress or analogous process is levied upon the property and assets of the Chargor or any part thereof, which in the opinion of the Chargee is a substantial part, and remains unsatisfied for such period as would permit such property to be sold thereunder, less two (2) business days, provided that such process is not in good faith disputed and, in that event, if the Chargor shall desire to contest such process it shall give security to the Chargee which, in the absolute discretion of the Chargee, shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim;
- (h) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (i) the property hereby mortgaged and charged or any part thereof, other than sales of lots or units containing fully completed single family dwellings to bona fide purchasers for value, prior approved in writing by the Chargee, are sold by the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (j) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee on demand;
- (k) the Chargor makes any default with regard to any provision of the Commitment Letter.

5. **CHARGEES MAY REMEDY DEFAULT**

If the Chargor should fail to perform any covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness secured herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

6. **CONSTRUCTION LIENS**

Provided also that upon the registration of any construction lien against title to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Act, 1990, so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Construction Act, 1990, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be

required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act, 1990.

7. CONSTRUCTION LOAN

Provided that the Chargor and Chargee agree that if this is a construction loan, the following conditions shall apply:

(a) the Chargor further covenants that all installation of services and construction on the lands hereby secured 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 dwellings on the said lands, 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 said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. 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 principal secured hereunder 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.

(e) all advances which are made from time to time hereunder shall be based on Certificate 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.

8. ENVIRONMENTAL

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties

and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop

discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

(d) The Chargor hereby indemnifies and holds harmless the Chargee, its officers, directors, employees, agents, shareholders and any receiver or receiver and manager appointed by or on the application of the Chargee (the "Indemnified Persons") from and against and shall reimburse the Chargee for any and all losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements, suffered, incurred by or assessed against any of the Indemnified Persons whether as holder of the within Charge, as mortgagee in possession, as successor in interest to the Chargor as owner of the Lands by virtue of foreclosure or acceptance of a deed in lieu of foreclosure or otherwise:

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal,

burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

The provisions of this paragraph shall survive foreclosure of this Charge and satisfaction and release of this Charge and satisfaction and repayment of the amount secured hereunder. Any amounts for which the Chargor shall become liable to the Chargee under this paragraph shall, if paid by the Indemnified Person, bear interest from the date of payment at the interest rate stipulated herein and together with such interest shall be secured hereunder.

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

The parties hereto acknowledge and agree that this Charge shall also secure payment by the Chargor to the Chargee of all amounts advanced by the Chargee pursuant to or by way of issuance of any letters of credit, renewals thereof, substitutions therefor and accretions thereto or pursuant to similar instruments issued at the Chargor's request or on its behalf and issued by the Chargee or on behalf of or at the request of or upon the credit of the Chargee and the total amount of such letters of credit shall be deemed to have been advanced and fully secured by this Charge from the date of the issuance of such letters of credit, regardless of when or whether such letters of credit are called upon by the holder(s) thereof. In the event of the enforcement or exercise by the Chargee of any of the remedies or rights provided for in this Charge, the Chargee shall be entitled to retain and shall not be liable to pay or account to the Chargor or any other party in respect of the full amount of any outstanding letters of credit from the proceeds of such enforcement or exercise until such time as the letters of credit have expired, have been cancelled and have been surrendered to the Lender or the issuer(s) thereof.

10. **MISCELLANEOUS**

The Chargor agrees as follows:

- (a) to maintain the project in good repair and in a state of good operating efficiency;
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested;
- (e) to comply with all covenants and reporting requirements set out in the Commitment Letter;

- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **PREPAYMENT PROVISIONS**

Provided that this Charge is not in default, the Chargor shall have the right to prepay the amount outstanding in accordance with the provisions of the Letter of Commitment.

12. **RESTRICTION ON TRANSFER**

In the event of the Chargor selling, transferring or conveying title or its rights to a purchaser, transferee or grantee not approved by the Chargee or in the event of a change in the legal or beneficial ownership of the Property, the Borrower or the Chargor, not approved in writing by the Chargee, then, at the sole option of the Chargee, all monies secured, together with all accrued and unpaid interest thereon and any other amounts due under this Charge shall become due and payable. This restriction shall not prevent the sale of dwelling units to bona fide home Purchasers.

13. **ASSIGNMENT OF CONDOMINIUM VOTING RIGHTS**

In the event that the property or any part thereof is or becomes a unit within a Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Condominium Corporation, in the place of and on behalf of the Chargor, and the Chargor hereby assigns unto the Chargee all such voting rights.

In the event that the property or any part thereof is or becomes a Common Element Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Common Element Condominium Corporation in the place of and on behalf of the Chargor, to the extent that the Chargor would have such rights, and the Chargor hereby assigns unto to the Chargee all such voting rights.

14. **SUBSEQUENT FINANCING**

No financing subsequent to the Chargee's facilities shall be permitted, without the prior written consent of the Chargee.

15. **PARTIAL DISCHARGES**

The Chargor shall be entitled to partial discharges as set out in the Letter of Commitment upon payment of the partial discharge amounts set out therein, the Chargee's discharge fees as set out therein and upon payment of the Chargee's Solicitor's usual discharge fees.

16. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

17. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may

add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

18. **RIGHT OF FIRST REFUSAL**

The Chargee shall have the first right of refusal to provide take out mortgage financing to all unit/lot purchasers.

19. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

20. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

21. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

22. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

23. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

24. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the

Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

25. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee

may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

26. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

27. TAXES

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an

additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

28. **COMPLIANCE WITH LAWS AND REGULATIONS**

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

29. **REPAIR**

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

26. **ALTERATIONS OR ADDITIONS**

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

27. **LANDS INCLUDE ALL ADDITIONS**

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. **CHANGE OF USE**

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. **EVENTS OF DEFAULT**

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any

sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;

(iv) 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 Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;

(v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;

(vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,

(vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;

(viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;

(ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the

Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and

execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting

payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee

of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in

damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

PIN 03275 - 0052 LT
Description PT LT 11 PL 7925 VAUGHAN AS IN VA68142 ;; CITY OF VAUGHAN
Address 596 OSTER LANE
 VAUGHAN

PIN 03274 - 0132 LT
Description PCL 10-1 SEC 65M2330; LT 10 PL 65M2330; S/T RIGHT AS IN LT332786 ;; VAUGHAN;
 CITY OF VAUGHAN
Address 448 NORTH RIVERMEDE
 CONCORD

PIN 03273 - 0069 LT
Description PCL 24-1 SEC M1832; LT 24 PL M1832; CITY OF VAUGHAN
Address 301 BRADWICK DR
 VAUGHAN

Consideration

Consideration \$2.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name TLSFD TAURASI HOLDINGS CORP.
Address for Service 161 Duncan Road
 Richmond Hill, ON L4C 6J5

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.

Party To(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service 40 King Street West
 Suite 3700, PO Box 110
 Toronto, ON M5H 3Y2

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

This document is not authorized under Power of Attorney by this party.

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, YR3133278 registered on 2020/08/26 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration number(s) YR3133278, YR3133279 and YR3231042

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2022 02 24
 Toronto Applicant(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2022 02 24
 Toronto
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Party To Client File Number : 6333-154

MORTGAGE AMENDING AGREEMENT

BETWEEN:

TLSFD TAURASI HOLDINGS CORP.

(hereinafter called the "Borrower")

OF THE FIRST PART,

- and -

KINGSETT MORTGAGE CORPORATION

(hereinafter called the "Lender")

OF THE SECOND PART,

- and -

ANTHONY TAURASI, DINO TAURASI, CARLO TAURASI, EMILIO TAURASI AND DENNIE TAURASI

(hereinafter collectively called the "Guarantor")

OF THE THIRD PART.

WHEREAS the Lender issued a Letter of Commitment to the Borrower dated August 4, 2020 ("Letter of Commitment");

AND WHEREAS the transaction was completed and all security taken pursuant to that Letter of Commitment;

AND WHEREAS the Lender issued an amended and restated Letter of Commitment dated March 16, 2021;

AND WHEREAS the Lender issued a further amendment to Letter of Commitment dated February 16, 2022;

AND WHEREAS the parties wish to enter into this Agreement, in order to reflect the amendments set out in that letter of February 16, 2022;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. The Charge given by the Borrower to the Lender registered August 26, 2020 as Instrument No. YR3133278 as amended by Instrument No. YR3231042 and the Charge given by the Borrower to the Lender registered April 1, 2021 as Instrument No. YR3230933 (collectively "Charge") are hereby increased from \$27,200,000.00 to \$37,200,000.00.
2. The Charge given by the Borrower to the Lender is hereby further amended by deleting paragraph No. 3 of the Additional Provisions to the Charge and substituting it with the following:

“3. INTEREST RATE

The mortgage shall bear interest at the greater rate of: (i) 6.75% per annum compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus 4.30% per annum, adjusted daily and compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

Interest at the aforesaid rate(s) on the amounts advanced from time to time shall be payable on the first day of each and every month.”

3. All other security documentation given pursuant to the Letter of Commitment shall be deemed amended as applicable, by increasing any reference to the principal amount from \$27,200,000.00 to \$37,200,000.00, and all security given shall now be referable to this increased Charge.
4. The Guarantor acknowledges that a Guarantee given by it guaranteeing the indebtedness of the Borrower now relates to the increased amount of principal.
5. All security documentation shall be deemed amended in order to give effect to the provisions herein, and to the provisions of the amended and restated Letter of Commitment dated February 16, 2022.
6. In all other respects, all aspects of the original Letter of Commitment, as amended and all security documentation are hereby confirmed.
7. The Guarantor hereby consents to this amendment.
8. This Amending Agreement may be executed in counterpart.
9. This Agreement may be executed by facsimile or email, and receipt by any party to this agreement of a facsimile or PDF copy showing execution by one or more parties shall be considered firm and binding upon the parties having so executed.

Properties

PIN 03274 - 0044 LT *Interest/Estate* Fee Simple
Description PCL 1-2 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 4, 65R4957 ; VAUGHAN; CITY OF VAUGHAN
Address 6 BRADWICK DRIVE
VAUGHAN

PIN 03274 - 0043 LT *Interest/Estate* Fee Simple
Description PCL 1-3 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 3, 65R4957 ; VAUGHAN
Address 8 BRADWICK DRIVE
VAUGHAN

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 TLSFD TAURASI HOLDINGS CORP.
Address for Service 161 Duncan Road
Richmond Hill, ON L4C 6J5

I, Carlo Taurasi, President and Dennie Taurasi, Vice-President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service 40 King Street West
Suite 3700, PO Box 110
Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

Provisions

Principal \$27,200,000.00 *Currency* CDN
Calculation Period monthly, not in advance
Balance Due Date ON DEMAND
Interest Rate see Schedule
Payments
Interest Adjustment Date
Payment Date interest only, on the 1st day of each month
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full insurable value
Guarantor

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2021 04 01
Toronto
M5C 2V9
Chargor(s)

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2021 04 01
Toronto
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee	\$65.30
Total Paid	\$65.30

File Number

Chargee Client File Number : 6333-154

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated August 4, 2020, as amended and restated by Letter of Commitment dated March 16, 2021 (and any amendments thereto, if applicable).

This Charge shall secure any and all amounts owing by the Chargor to the Chargee pursuant to the Letter of Commitment.

All provisions of the Letter of Commitment are hereby incorporated into this Charge.

Any default by the Borrower with regard to any provision of the Letter of Commitment shall constitute a default under this Charge.

2. **DUE ON DEMAND**

The amount owing under this Charge shall be repayable on demand.

In the event interest is not paid as and when due, the Chargee may in its sole discretion advance monies on account of principal to the Chargor to be applied to interest owing, or capitalize the amount of interest owing (which capitalization shall not be an advance of funds) but in no event shall any such advance or capitalization by the Chargee obligate the Chargee to make any further advances or capitalizations to be applied to interest or otherwise.

3. **INTEREST RATE**

The mortgage shall bear interest at the greater rate of: (i) 6.50% per annum compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus 4.05% per annum, adjusted daily and compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

Interest at the aforesaid rate(s) on the amounts advanced from time to time shall be payable on the first day of each and every month.

4. **DEFAULT**

In addition to any other Default Clauses set out in this Charge, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee or the occurrence or happening of any of the following events ("Event(s) of Default"):

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the

financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

(d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

(e) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed or presented against the Chargor;

(f) any proceedings with respect to the Chargor are commenced under the Companies' Creditors Arrangement Act;

(g) any execution, sequestration, extent or any other process of any Court becomes enforceable against the Chargor or a distress or analogous process is levied upon the property and assets of the Chargor or any part thereof, which in the opinion of the Chargee is a substantial part, and remains unsatisfied for such period as would permit such property to be sold thereunder, less two (2) business days, provided that such process is not in good faith disputed and, in that event, if the Chargor shall desire to contest such process it shall give security to the Chargee which, in the absolute discretion of the Chargee, shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim;

(h) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;

(i) the property hereby mortgaged and charged or any part thereof, other than sales of lots or units containing fully completed single family dwellings to bona fide purchasers for value, prior approved in writing by the Chargee, are sold by the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;

(j) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee on demand;

(k) the Chargor makes any default with regard to any provision of the Commitment Letter.

5. **CHARGEES MAY REMEDY DEFAULT**

If the Chargor should fail to perform any covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness secured herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

6. **CONSTRUCTION LIENS**

Provided also that upon the registration of any construction lien against title to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Act, 1990, so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this

clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Construction Act, 1990, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act, 1990.

7. CONSTRUCTION LOAN

Provided that the Chargor and Chargee agree that if this is a construction loan, the following conditions shall apply:

(a) the Chargor further covenants that all installation of services and construction on the lands hereby secured 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 dwellings on the said lands, 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 said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. 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 principal secured hereunder 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.

(e) all advances which are made from time to time hereunder shall be based on Certificate 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.

8. ENVIRONMENTAL

- (a) The following terms have the following meanings in this Section:
- (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and
 - (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;

- (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;
- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

(d) The Chargor hereby indemnifies and holds harmless the Chargee, its officers, directors, employees, agents, shareholders and any receiver or receiver and manager appointed by or on the application of the Chargee (the "Indemnified Persons") from and against and shall reimburse the Chargee for any and all losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements, suffered, incurred by or assessed against any of the Indemnified Persons whether as holder of the within Charge, as mortgagee in possession, as successor in interest to the Chargor as owner of the Lands by virtue of foreclosure or acceptance of a deed in lieu of foreclosure or otherwise:

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from

the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

The provisions of this paragraph shall survive foreclosure of this Charge and satisfaction and release of this Charge and satisfaction and repayment of the amount secured hereunder. Any amounts for which the Chargor shall become liable to the Chargee under this paragraph shall, if paid by the Indemnified Person, bear interest from the date of payment at the interest rate stipulated herein and together with such interest shall be secured hereunder.

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

The parties hereto acknowledge and agree that this Charge shall also secure payment by the Chargor to the Chargee of all amounts advanced by the Chargee pursuant to or by way of issuance of any letters of credit, renewals thereof, substitutions therefor and accretions thereto or pursuant to similar instruments issued at the Chargor's request or on its behalf and issued by the Chargee or on behalf of or at the request of or upon the credit of the Chargee and the total amount of such letters of credit shall be deemed to have been advanced and fully secured by this Charge from the date of the issuance of such letters of credit, regardless of when or whether such letters of credit are called upon by the holder(s) thereof. In the event of the enforcement or exercise by the Chargee of any of the remedies or rights provided for in this Charge, the Chargee shall be entitled to retain and shall not be liable to pay or account to the Chargor or any other party in respect of the full amount of any outstanding letters of credit from the proceeds of such enforcement or exercise until such time as the letters of credit have expired, have been cancelled and have been surrendered to the Lender or the issuer(s) thereof.

10. **MISCELLANEOUS**

The Chargor agrees as follows:

- (a) to maintain the project in good repair and in a state of good operating efficiency;
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested;

- (e) to comply with all covenants and reporting requirements set out in the Commitment Letter;
- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **PREPAYMENT PROVISIONS**

Provided that this Charge is not in default, the Chargor shall have the right to prepay the amount outstanding in accordance with the provisions of the Letter of Commitment.

12. **RESTRICTION ON TRANSFER**

In the event of the Chargor selling, transferring or conveying title or its rights to a purchaser, transferee or grantee not approved by the Chargee or in the event of a change in the legal or beneficial ownership of the Property, the Borrower or the Chargor, not approved in writing by the Chargee, then, at the sole option of the Chargee, all monies secured, together with all accrued and unpaid interest thereon and any other amounts due under this Charge shall become due and payable. This restriction shall not prevent the sale of dwelling units to bona fide home Purchasers.

13. **SUBSEQUENT FINANCING**

No financing subsequent to the Chargee's facilities shall be permitted, without the prior written consent of the Chargee.

14. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

15. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

16. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

17. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

18. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

19. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

20. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

21. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

22. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

23. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

24. **COMPLIANCE WITH LAWS AND REGULATIONS**

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

25. **REPAIR**

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

26. **ALTERATIONS OR ADDITIONS**

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

27. **LANDS INCLUDE ALL ADDITIONS**

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aeriels, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

26. **CHANGE OF USE**

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

27. **EVENTS OF DEFAULT**

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

28. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

29. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

30. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) 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 Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

31. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

32. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

33. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

34. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

35. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

36. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

37. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

38. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

39. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

40. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

41. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

42. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

43. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

44. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

45. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

46. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

47. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

48. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

49. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

50. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

51. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

52. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

53. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

54. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

55. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

56. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

57. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

58. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

PIN 03274 - 0044 LT
Description PCL 1-2 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 4, 65R4957 ; VAUGHAN; CITY OF VAUGHAN
Address 6 BRADWICK DRIVE
 VAUGHAN

PIN 03274 - 0043 LT
Description PCL 1-3 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 3, 65R4957 ; VAUGHAN
Address 8 BRADWICK DRIVE
 VAUGHAN

Consideration

Consideration \$2.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name TLSFD TAURASI HOLDINGS CORP.
Address for Service 161 Duncan Road
 Richmond Hill, ON L4C 6J5

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.

Party To(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service 40 King Street West
 Suite 3700, PO Box 110
 Toronto, ON M5H 3Y2

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

This document is not authorized under Power of Attorney by this party.

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, YR3230933 registered on 2021/04/01 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration number(s) YR3230933 and YR3230934

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2022 02 24
 Toronto Applicant(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2022 02 24
 Toronto
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$66.30
Total Paid \$66.30

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

File Number

Party To Client File Number : 6333-154

MORTGAGE AMENDING AGREEMENT

BETWEEN:

TLSFD TAURASI HOLDINGS CORP.

(hereinafter called the "Borrower")

OF THE FIRST PART,

- and -

KINGSETT MORTGAGE CORPORATION

(hereinafter called the "Lender")

OF THE SECOND PART,

- and -

ANTHONY TAURASI, DINO TAURASI, CARLO TAURASI, EMILIO TAURASI AND DENNIE TAURASI

(hereinafter collectively called the "Guarantor")

OF THE THIRD PART.

WHEREAS the Lender issued a Letter of Commitment to the Borrower dated August 4, 2020 ("Letter of Commitment");

AND WHEREAS the transaction was completed and all security taken pursuant to that Letter of Commitment;

AND WHEREAS the Lender issued an amended and restated Letter of Commitment dated March 16, 2021;

AND WHEREAS the Lender issued a further amendment to Letter of Commitment dated February 16, 2022;

AND WHEREAS the parties wish to enter into this Agreement, in order to reflect the amendments set out in that letter of February 16, 2022;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. The Charge given by the Borrower to the Lender registered August 26, 2020 as Instrument No. YR3133278 as amended by Instrument No. YR3231042 and the Charge given by the Borrower to the Lender registered April 1, 2021 as Instrument No. YR3230933 (collectively "Charge") are hereby increased from \$27,200,000.00 to \$37,200,000.00.
2. The Charge given by the Borrower to the Lender is hereby further amended by deleting paragraph No. 3 of the Additional Provisions to the Charge and substituting it with the following:

“3. **INTEREST RATE**

The mortgage shall bear interest at the greater rate of: (i) 6.75% per annum compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus 4.30% per annum, adjusted daily and compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

Interest at the aforesaid rate(s) on the amounts advanced from time to time shall be payable on the first day of each and every month.”

3. All other security documentation given pursuant to the Letter of Commitment shall be deemed amended as applicable, by increasing any reference to the principal amount from \$27,200,000.00 to \$37,200,000.00, and all security given shall now be referable to this increased Charge.
4. The Guarantor acknowledges that a Guarantee given by it guaranteeing the indebtedness of the Borrower now relates to the increased amount of principal.
5. All security documentation shall be deemed amended in order to give effect to the provisions herein, and to the provisions of the amended and restated Letter of Commitment dated February 16, 2022.
6. In all other respects, all aspects of the original Letter of Commitment, as amended and all security documentation are hereby confirmed.
7. The Guarantor hereby consents to this amendment.
8. This Amending Agreement may be executed in counterpart.
9. This Agreement may be executed by facsimile or email, and receipt by any party to this agreement of a facsimile or PDF copy showing execution by one or more parties shall be considered firm and binding upon the parties having so executed.

ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made as of the 20th day of August, 2020.

BETWEEN:

TLSFD TAURASI HOLDINGS CORP.

(hereinafter called the "Assignor"),

OF THE FIRST PART,

- AND -

KINGSETT MORTGAGE CORPORATION

(hereinafter called the "Assignee"),

OF THE SECOND PART.

WHEREAS:

- A. TLSFD TAURASI HOLDINGS CORP. is the registered and beneficial owner of the lands described as Parcel 24-1 Section M1832; Lot 24 Plan M1832; Parcel 10-1 Section 65M2330; Lot 10 Plan 65M2330 subject to a Right as in LT332786; Part Lot 11 Plan 7925 Vaughan as in VA68142, City of Vaughan, Regional Municipality of York, York Region Land Registry Office (No. 65) and municipally known as: 301 Bradwick Drive, 448 North Rivermede Road & 596 Oster Lane, Vaughan, Ontario ("Lands");
- B. pursuant to the Mortgage, the Assignor mortgaged and charged in favour of the Assignee all of its right, title and interest in and to the Project as security, *inter alia*, for the due payment of all principal, interest and other monies payable under the Mortgage;
- C. 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 commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee pursuant to the Mortgage, the Assignor agreed to assign to the Assignee the Rents and the Leases, together with all benefits, powers and advantages of the Assignor to be derived therefrom.

NOW THEREFORE THIS ASSIGNMENT WITNESSES that in consideration of the sum of Ten Dollars (\$10.00) paid by the Assignee 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 that validity and truth of the above-noted recitals, which have 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) **"Building"** means any construction, erection or structure located on, placed upon or erected in, under or on the Lands, any additions, alterations, expansions, improvements and replacements thereof and includes, without limitation, all equipment, chattels and fixtures which may be owned by the Assignor and may now or hereafter be located in the Building or in any additions, alterations, expansions, improvements and replacements of the foregoing;

- (c) **"Default"** has the meaning ascribed thereto in Section 8 hereof;
- (d) **"Dispute"** has the meaning ascribed thereto in Sub-section 8(b) hereof;
- (e) **"Indebtedness"** has the meaning ascribed thereto in Section 3 hereof;
- (f) **"Lands"** means the lands described above;
- (g) **"Leases"** means any and all present and future leases or subleases, offers to lease or sublease, letters of intent to lease or sublease and all other agreements to lease or sublease including, without limitation, all other occupancy agreements relating to the whole or any part of parts of the Project made by the Assignor or any predecessor in title of the Assignor, as landlord, and all present and future licences or concessions whereby the Assignor gives any person the right (other than an easement or a right in the nature of an easement) to use or occupy the whole or any part or parts of the Project, in each case for the time being in effect, and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements or substitutions thereof or therefor which may hereafter be effected or entered into and **"Lease"** means any of the Leases;
- (h) **"Mortgage"** means the indenture given by or to be given by the Assignor in favour of the Assignee on the Lands;
- (i) **"Prime Rate"** means the applicable interest rates set out in the letter of commitment referable to this transaction;
- (j) **"Project"** means the Lands and the Building;
- (k) **"Rents"** means all present and future income, rents, issues, profits and any other monies including rental insurance proceeds and expropriation awards to be derived from, reserved or payable under the Leases; and
- (l) **"Tenant"** means any person who is hereafter a party to a Lease or has any right of use or occupancy to all or any part of the Project, whether as a tenant, licensee or concessionaire under a Lease, and **"Tenants"** means all such persons.

3. **Assignment:** As continuing and additional security for:

- (a) the repayment to the Assignee of all amounts (the "Indebtedness") owing from time to time by the Assignor to the Assignee under, in connection with or arising out of or from any agreement entered into by the Assignor with the Assignee with respect to the Project, made by the Assignor in favour of the Assignee with respect to the Project or assigned by the Assignor to the Assignee including, without limitation, the Mortgage; 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 and all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee with respect to the Project, made by the Assignor in favour of the Assignee with respect to the Project or assigned by the Assignor to the Assignee;

the Assignor, upon and subject to the terms of this Agreement, assigns, sets over and transfers to the Assignee 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; and
- (f) 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 Subsection 3(c) to and including 3(f) together with all proceeds therefrom are hereinafter collectively called the "Premises Hereby Assigned".

4. **Acknowledgement of Assignor:** The Assignor acknowledges that neither this Agreement nor the assignment constituted hereby:

- (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, provisions, conditions, obligation and covenant set out in any of the Premises Hereby Assigned; and
 - (ii) any liability of the Assignor to each Tenant, the Assignee or to any other person, firm or corporation;
- (b) imposes any obligation on the Assignee to assume any liability or obligations 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 Assignee for any act or omission on its part in connection with this Agreement or the assignment constituted hereby including, without limitation, the fulfillment or non-fulfillment by the Assignee of the obligations, covenants and agreements of the Assignor set out in the Premises Hereby Assigned;
- (d) obligates the Assignee 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 Assignee may, in its absolute discretion, give any such notice at any time or from time to time without further notice to the Assignor; and
- (e) authorizes the Assignor to dispose of or transfer by way of conveyance, mortgage, lease, assignment or otherwise, the Project, the Assignor's interest in the Project or any part of either, except as specifically approved herein.

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 under or pursuant to, the Premises Hereby Assigned;
- (b) to deliver to the Assignee 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 Assignee 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 suffered or incurred by the Assignee in connection with, on account of or by

reason of:

- (i) the assignment to the Assignee of the Premises Hereby Assigned;
 - (ii) any alleged obligation of the Assignee 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 including without limitation, subparagraphs 5(a), (b), (d), (e), (f), (g), (h), (i), (j) and (k) hereof; and
 - (iv) the enforcement of the assignment constituted by this Agreement;
- (d) to notify the Assignee in writing as soon as the Assignor becomes aware of any Dispute, 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 obtain such consents from third parties including, without limitation, Tenants as may be necessary or required by the Assignee in connection with the assignment constituted by this Agreement;
- (f) upon the written request of the Assignee, to execute and deliver to the Assignee specific assignments of any of the Leases duly acknowledged by the respective Tenants under such Leases, which specific assignments shall be in form and substance acceptable to the Assignee;
- (g) to use its best efforts to ensure that each Lease shall be entered into by it in good faith, at arm's length, at a rent and otherwise upon such terms and conditions as are reasonable and proper in the circumstances and are upon prevailing market terms and conditions;
- (h) to deliver to the Assignee, at the request of the Assignee 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;
- (i) to execute and deliver to each Tenant and the Assignee, at the request of the Assignee 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 Assignee;
- (j) that each of the warranties and representations of the Assignor set out in this Agreement is now and will continue to be true and correct until the Indebtedness is paid in full; and
- (k) that it will pay or cause to be paid to the Assignee or pursuant to the Assignee'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 Assignee 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 Assignee 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; and
- (v) all amounts incurred or paid by the Assignor pursuant to paragraph 8 hereof;

together with interest thereon from the date of the incurring of such expenses at the then Prime Rate calculated monthly and adjusted daily. Whether any action or any judicial proceedings to enforce the aforesaid payments has been taken or not, the amount owing to the Assignee under this subparagraph shall be added to the Indebtedness.

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 Assignee may be prevented or hindered from so doing;
- (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 Assignee;
- (c) cancel, terminate or forfeit or take any action to cancel, terminate or forfeit or suffer or permit anything allowing any Tenant under any Lease to cancel, terminate, forfeit any of the Premises Hereby Assigned, or accept or agree to the surrender of, or take any action or suffer or permit anything allowing the surrender of any of the Premises Hereby Assigned;
- (d) 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; or
- (e) 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;

however, the Assignor may do those matters referred to in Subsections 6(c), (d) and (e) hereof, if:

- (f) the Tenant has been declared or adjudged bankrupt; or
- (g) the action taken is in accordance with good business practice, on an arm's length basis and in good faith and the action is one which a prudent owner of property similar to the Project would take, considering all the relevant circumstances including, without limitation, the then current leasing practices and market conditions.

7. **Representations and Warranties of Assignor:** The Assignor represents and warrants

to the Assignee 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 Assignee the Premises Hereby Assigned, free and clear of all assignments, mortgages, charges, pledges, security interest and other encumbrances other than those in favour of the Assignee;
- (c) 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;
- (d) the execution, delivery and performance of this Agreement and the assignment constituted hereby will not conflict with, be in or contribute to a contravention, breach or default under the Assignor's constating documents, by-laws, resolutions or the provisions of any indenture, instrument, agreement or undertaking to which the Assignor is a party or by which it is bound, or under any valid regulation, order, writ or decree of any court, tribunal, arbitration panel or governmental authority;
- (e) 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;
- (f) there is no pending or threatened litigation, action, claim or fact known to the Assignor and not disclosed to the Assignee 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 Assignee under this Agreement;
- (g) none of the Premises Hereby Assigned in existence on the date hereof is incapable of assignment to the Assignee in accordance with the provisions of this Agreement, nor is any of the Premises Hereby Assigned incapable of further assignment by the Assignee 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 Assignee; and
- (h) 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 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 Assignee's rights, remedies, and recourses pursuant to this Agreement, by operation of law or otherwise, if the Assignor has defaulted in the performance, fulfillment or satisfaction of any of the terms, agreements, provisions, conditions, obligations or covenants set out in this Agreement, the mortgage or any other agreement, document, instrument, commitment or undertaking entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee or if the Assignor is otherwise in breach of or in default (hereinafter collectively called a "Default") under this Agreement, the Mortgage or any other agreement, document, instrument, commitment or undertaking entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee, then the Assignee and any receiver or any receiver and manager appointed by the Assignee, 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) 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, amending and renewing the Leases and otherwise dealing with the Tenants and others 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; and
- (c) collect any Rents, proceeds, receipts or income arising from or out of the Premises Hereby Assigned including, without limitation, the institution of proceedings, whether in the name of the Assignor or the Assignee or both, for the collection of same.

The Assignor further acknowledges and agrees that all costs, charges and expenses incurred by the Assignee in connection with doing anything permitted in this paragraph 8 including, without limitation, legal fees and disbursements on a solicitor and his own client basis, shall be forthwith paid by the Assignor to the Assignee.

9. **Assignee Not Liable:** The Assignee 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 Assignee shall not be liable or responsible to the Assignor or any other person for the fulfillment or non-fulfillment 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 Assignee 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 (but not the willful misconduct) of any officer, servant, agent, counsel or other attorney or substitute employed by the Assignee in the exercise of the rights afforded to the Assignee hereunder, or in the collection disposition, realization, preservation or enforcement of the Premises Hereby Assigned.

10. **Application of Funds:** Any amount received by the Assignee arising out of or from the collection, disposition, realization or enforcement of any of the Premises Hereby Assigned, after all costs, charges and expenses incurred by the Assignee in connection therewith have been deducted therefrom, shall be applied in reduction of the Indebtedness. Notwithstanding the generality of the foregoing, the Assignee 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 Assignee deems best and the Assignee 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 consent which are required by the Assignee, from time to time, to more effectively assign, set over and transfer the Premises Hereby Assigned to the Assignee 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 Assignee, to perfect and keep perfected the security interest constituted hereby and to assist in the collection, disposition, realization or enforcement thereof, and the Assignee 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 Assignee it shall furnish to the Assignee in writing all information requested by the Assignee relating to the Premises Hereby Assigned.

13. **Payment of Rent Under Leases:** Until a Default occurs the Assignor shall have the authority:

- (a) to collect any Rents and other moneys properly payable or arising out of or from the Premises Hereby Assigned; and
- (b) subject to Section 6 hereof, to exercise in good faith all of the benefits, advantages and powers as landlord under the Premises Hereby Assigned;

and upon the occurrence of a Default such authority shall immediately cease without further notice and thereafter 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 Assignee and forthwith remitted to the Assignee. The Assignee may, at any time or times, by notice to any Tenant, direct such Tenant to pay Rent and other moneys to the Assignee and such notice shall be good and sufficient authority for any Tenant so doing. Any payment of Rents and other moneys by a Tenant to the Assignee shall not constitute a default under such Tenant's Lease. The receipt by the Assignee of Rent or other moneys from a Tenant shall constitute and be deemed receipt thereof by the Assignor.

14. **No Novation:** This assignment and transfer to the Assignee of the Premises Hereby Assigned:

- (a) is continuing security granted to the Assignee without novation or impairment of any other existing or future security held by the Assignee in order to secure payment to the Assignee of the Indebtedness and the due performance of the Assignor's obligation's under the Mortgage and all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee relating to the Project;
- (b) is in addition to and not in substitution for any other security now or hereafter granted to or held by the Assignee 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 or any other security or securities (the "Additional Securities") now or hereafter held by or on behalf of the Assignee 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 Mortgage or the Additional Securities;
 - (iii) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement, the Mortgage 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 or the Additional Security;
 - (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 Assignee 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 including, without limitation, all of the Assignee's rights, benefits, title and interest in and to the Premises Hereby Assigned.

16. **Enurement:** This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted 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 served personally upon 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:

- (a) if to the Assignor, addressed to it at:

TLSPD Taurasi Holdings Corp.
161 Duncan Road
Richmond Hill, Ontario L4C 6J5

- (b) if to the Assignee, addressed to it at:

KingSett Mortgage Corporation
Scotia Plaza, 40 King Street West, Suite 3700
PO Box 110
Toronto, Ontario M5H 3Y2

Any of the parties hereto may, from time to time, change its address or stipulate another address from the address described above in the manner provided in this paragraph. The date of receipt of any such notice, demand, request, consent, agreement or approval, if served personally, shall be deemed to be the date of delivery thereof, or if mailed as aforesaid, the fourth business day following the date of mailing. For the purposes hereof, personal service on the Assignor shall be effectively given by delivery to an officer, director or employee of the Assignor.

18. **Waiver:** No consent or waiver, express or implied, by the Assignee 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 Assignee 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 Assignee of its rights hereunder.

19. **Amendments:** This Agreement may not be modified or amended except with the written consent of the Assignee and the Assignor.

20. **Entire Agreement:** This Agreement constitutes the entire agreement between the Assignee 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 Assignee 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 Assignee in connection with the interest so assigned shall be enforceable against the Assignor as the same would have been by the Assignee but for such assignment.

22. **No Agency, Joint Venture or Partnership:** The Assignee 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 Assignee, and this Agreement shall not be construed to make the Assignee 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 Assignee 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 Assignee from time to time and no such exercise shall exhaust the rights, remedies or powers of the Assignee or preclude the Assignee from exercising any one or more of such rights, remedies and powers or any combination thereof from time to time thereafter or simultaneously.

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 Assignee 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 Assignee.

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, shall bind the Assignee to make an advance under the Mortgage.

30. **Receipt of Copy:** The Assignor acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF the Assignor has executed this Agreement as of the date and year first above-written.

TLSFD TAURASI HOLDINGS CORP.

Per: 

Name: Carlo Taurasi

Title: President

Per: 

Name: Dennie Taurasi

Title: Vice-President

We have authority to bind the corporation.

ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made as of the 29th day of March, 2021.

B E T W E E N:

TLSFD TAURASI HOLDINGS CORP.

(hereinafter called the "Assignor"),

OF THE FIRST PART,

- AND -

KINGSETT MORTGAGE CORPORATION

(hereinafter called the "Assignee"),

OF THE SECOND PART.

WHEREAS:

A. TLSFD TAURASI HOLDINGS CORP. is the registered and beneficial owner of the lands described as Parcel 1-2 Section 65M2049; Part Lots 1, 2 Plan 65M2049; Part 4, 65R4957 and Parcel 1-3 Section 65M2049; Part Lots 1,2 Plan 65M2049; Part 3, 65R4957, City of Vaughan, Regional Municipality of York, York Region Land Registry Office (No. 65) and municipally known as: 6 and 8 Bradwick Drive, Vaughan, Ontario ("Lands");

B. pursuant to the Mortgage, the Assignor mortgaged and charged in favour of the Assignee all of its right, title and interest in and to the Project as security, inter alia, for the due payment of all principal, interest and other monies payable under the Mortgage;

C. 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 commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee pursuant to the Mortgage, the Assignor agreed to assign to the Assignee the Rents and the Leases, together with all benefits, powers and advantages of the Assignor to be derived therefrom.

NOW THEREFORE THIS ASSIGNMENT WITNESSES that in consideration of the sum of Ten Dollars (\$10.00) paid by the Assignee 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 that validity and truth of the above-noted recitals, which have 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) **"Building"** means any construction, erection or structure located on, placed upon or erected in, under or on the Lands, any additions, alterations, expansions, improvements and replacements thereof and includes, without limitation, all equipment, chattels and fixtures which may be owned by the Assignor and may now or hereafter be located in the Building or in any additions, alterations, expansions, improvements and replacements of the foregoing;

- (c) **"Default"** has the meaning ascribed thereto in Section 8 hereof;
- (d) **"Dispute"** has the meaning ascribed thereto in Sub-section 8(b) hereof;
- (e) **"Indebtedness"** has the meaning ascribed thereto in Section 3 hereof;
- (f) **"Lands"** means the lands described above;
- (g) **"Leases"** means any and all present and future leases or subleases, offers to lease or sublease, letters of intent to lease or sublease and all other agreements to lease or sublease including, without limitation, all other occupancy agreements relating to the whole or any part of parts of the Project made by the Assignor or any predecessor in title of the Assignor, as landlord, and all present and future licences or concessions whereby the Assignor gives any person the right (other than an easement or a right in the nature of an easement) to use or occupy the whole or any part or parts of the Project, in each case for the time being in effect, and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements or substitutions thereof or therefor which may hereafter be effected or entered into and **"Lease"** means any of the Leases;
- (h) **"Mortgage"** means the indenture given by or to be given by the Assignor in favour of the Assignee on the Lands;
- (i) **"Prime Rate"** means the applicable interest rates set out in the letter of commitment referable to this transaction;
- (j) **"Project"** means the Lands and the Building;
- (k) **"Rents"** means all present and future income, rents, issues, profits and any other monies including rental insurance proceeds and expropriation awards to be derived from, reserved or payable under the Leases; and
- (l) **"Tenant"** means any person who is hereafter a party to a Lease or has any right of use or occupancy to all or any part of the Project, whether as a tenant, licensee or concessionaire under a Lease, and **"Tenants"** means all such persons.

3. **Assignment:** As continuing and additional security for:

- (a) the repayment to the Assignee of all amounts (the "Indebtedness") owing from time to time by the Assignor to the Assignee under, in connection with or arising out of or from any agreement entered into by the Assignor with the Assignee with respect to the Project, made by the Assignor in favour of the Assignee with respect to the Project or assigned by the Assignor to the Assignee including, without limitation, the Mortgage; 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 and all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee with respect to the Project, made by the Assignor in favour of the Assignee with respect to the Project or assigned by the Assignor to the Assignee;

the Assignor, upon and subject to the terms of this Agreement, assigns, sets over and transfers to the Assignee 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; and
- (f) 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 Subsection 3(c) to and including 3(f) together with all proceeds therefrom are hereinafter collectively called the "Premises Hereby Assigned".

4. **Acknowledgement of Assignor:** The Assignor acknowledges that neither this Agreement nor the assignment constituted hereby:

- (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, provisions, conditions, obligation and covenant set out in any of the Premises Hereby Assigned; and
 - (ii) any liability of the Assignor to each Tenant, the Assignee or to any other person, firm or corporation;
- (b) imposes any obligation on the Assignee to assume any liability or obligations 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 Assignee for any act or omission on its part in connection with this Agreement or the assignment constituted hereby including, without limitation, the fulfillment or non-fulfillment by the Assignee of the obligations, covenants and agreements of the Assignor set out in the Premises Hereby Assigned;
- (d) obligates the Assignee 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 Assignee may, in its absolute discretion, give any such notice at any time or from time to time without further notice to the Assignor; and
- (e) authorizes the Assignor to dispose of or transfer by way of conveyance, mortgage, lease, assignment or otherwise, the Project, the Assignor's interest in the Project or any part of either, except as specifically approved herein.

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 under or pursuant to, the Premises Hereby Assigned;
- (b) to deliver to the Assignee 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 Assignee 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 suffered or incurred by the Assignee in connection with, on account of or by reason of:

- (i) the assignment to the Assignee of the Premises Hereby Assigned;
 - (ii) any alleged obligation of the Assignee 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 including without limitation, subparagraphs 5(a), (b), (d), (e), (f), (g), (h), (i), (j) and (k) hereof; and
 - (iv) the enforcement of the assignment constituted by this Agreement;
- (d) to notify the Assignee in writing as soon as the Assignor becomes aware of any Dispute, 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 obtain such consents from third parties including, without limitation, Tenants as may be necessary or required by the Assignee in connection with the assignment constituted by this Agreement;
- (f) upon the written request of the Assignee, to execute and deliver to the Assignee specific assignments of any of the Leases duly acknowledged by the respective Tenants under such Leases, which specific assignments shall be in form and substance acceptable to the Assignee;
- (g) to use its best efforts to ensure that each Lease shall be entered into by it in good faith, at arm's length, at a rent and otherwise upon such terms and conditions as are reasonable and proper in the circumstances and are upon prevailing market terms and conditions;
- (h) to deliver to the Assignee, at the request of the Assignee 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;
- (i) to execute and deliver to each Tenant and the Assignee, at the request of the Assignee 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 Assignee;
- (j) that each of the warranties and representations of the Assignor set out in this Agreement is now and will continue to be true and correct until the Indebtedness is paid in full; and
- (k) that it will pay or cause to be paid to the Assignee or pursuant to the Assignee'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 Assignee 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 Assignee 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; and
- (v) all amounts incurred or paid by the Assignor pursuant to paragraph 8 hereof;

together with interest thereon from the date of the incurring of such expenses at the then Prime Rate calculated monthly and adjusted daily. Whether any action or any judicial proceedings to enforce the aforesaid payments has been taken or not, the amount owing to the Assignee under this subparagraph shall be added to the Indebtedness.

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 Assignee may be prevented or hindered from so doing;
- (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 Assignee;
- (c) cancel, terminate or forfeit or take any action to cancel, terminate or forfeit or suffer or permit anything allowing any Tenant under any Lease to cancel, terminate, forfeit any of the Premises Hereby Assigned, or accept or agree to the surrender of, or take any action or suffer or permit anything allowing the surrender of any of the Premises Hereby Assigned;
- (d) 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; or
- (e) 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;

however, the Assignor may do those matters referred to in Subsections 6(c), (d) and (e) hereof, if:

- (f) the Tenant has been declared or adjudged bankrupt; or
- (g) the action taken is in accordance with good business practice, on an arm's length basis and in good faith and the action is one which a prudent owner of property similar to the Project would take, considering all the relevant circumstances including, without limitation, the then current leasing practices and market conditions.

7. **Representations and Warranties of Assignor:** The Assignor represents and warrants to the Assignee 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 Assignee the Premises Hereby Assigned, free and clear of all assignments, mortgages, charges, pledges, security interest and other encumbrances other than those in favour of the Assignee;
- (c) 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;
- (d) the execution, delivery and performance of this Agreement and the assignment constituted hereby will not conflict with, be in or contribute to a contravention, breach or default under the Assignor's constating documents, by-laws, resolutions or the provisions of any indenture, instrument, agreement or undertaking to which the Assignor is a party or by which it is bound, or under any valid regulation, order, writ or decree of any court, tribunal, arbitration panel or governmental authority;
- (e) 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;
- (f) there is no pending or threatened litigation, action, claim or fact known to the Assignor and not disclosed to the Assignee 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 Assignee under this Agreement;
- (g) none of the Premises Hereby Assigned in existence on the date hereof is incapable of assignment to the Assignee in accordance with the provisions of this Agreement, nor is any of the Premises Hereby Assigned incapable of further assignment by the Assignee 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 Assignee; and
- (h) 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 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 Assignee's rights, remedies, and recourses pursuant to this Agreement, by operation of law or otherwise, if the Assignor has defaulted in the performance, fulfillment or satisfaction of any of the terms, agreements, provisions, conditions, obligations or covenants set out in this Agreement, the mortgage or any other agreement, document, instrument, commitment or undertaking entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee or if the Assignor is otherwise in breach of or in default (hereinafter collectively called a "Default") under this Agreement, the Mortgage or any other agreement, document, instrument, commitment or undertaking entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee, then the Assignee and any receiver or any receiver and manager appointed by the Assignee, 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) 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, amending and renewing the Leases and otherwise dealing with the Tenants and others 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; and
- (c) collect any Rents, proceeds, receipts or income arising from or out of the Premises Hereby Assigned including, without limitation, the institution of proceedings, whether in the name of the Assignor or the Assignee or both, for the collection of same.

The Assignor further acknowledges and agrees that all costs, charges and expenses incurred by the Assignee in connection with doing anything permitted in this paragraph 8 including, without limitation, legal fees and disbursements on a solicitor and his own client basis, shall be forthwith paid by the Assignor to the Assignee.

9. **Assignee Not Liable:** The Assignee 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 Assignee shall not be liable or responsible to the Assignor or any other person for the fulfillment or non-fulfillment 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 Assignee 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 (but not the willful misconduct) of any officer, servant, agent, counsel or other attorney or substitute employed by the Assignee in the exercise of the rights afforded to the Assignee hereunder, or in the collection disposition, realization, preservation or enforcement of the Premises Hereby Assigned.

10. **Application of Funds:** Any amount received by the Assignee arising out of or from the collection, disposition, realization or enforcement of any of the Premises Hereby Assigned, after all costs, charges and expenses incurred by the Assignee in connection therewith have been deducted therefrom, shall be applied in reduction of the Indebtedness. Notwithstanding the generality of the foregoing, the Assignee 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 Assignee deems best and the Assignee 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 consent which are required by the Assignee, from time to time, to more effectively assign, set over and transfer the Premises Hereby Assigned to the Assignee 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 Assignee, to perfect and keep perfected the security interest constituted hereby and to assist in the collection, disposition, realization or enforcement thereof, and the Assignee 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 Assignee it shall furnish to the Assignee in writing all information requested by the Assignee relating to the Premises Hereby Assigned.

13. **Payment of Rent Under Leases:** Until a Default occurs the Assignor shall have the authority:

- (a) to collect any Rents and other moneys properly payable or arising out of or from the Premises Hereby Assigned; and
- (b) subject to Section 6 hereof, to exercise in good faith all of the benefits, advantages and powers as landlord under the Premises Hereby Assigned;

and upon the occurrence of a Default such authority shall immediately cease without further notice and thereafter 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 Assignee and forthwith remitted to the Assignee. The Assignee may, at any time or times, by notice to any Tenant, direct such Tenant to pay Rent and other moneys to the Assignee and such notice shall be good and sufficient authority for any Tenant so doing. Any payment of Rents and other moneys by a Tenant to the Assignee shall not constitute a default under such Tenant's Lease. The receipt by the Assignee of Rent or other moneys from a Tenant shall constitute and be deemed receipt thereof by the Assignor.

14. **No Novation:** This assignment and transfer to the Assignee of the Premises Hereby Assigned:

- (a) is continuing security granted to the Assignee without novation or impairment of any other existing or future security held by the Assignee in order to secure payment to the Assignee of the Indebtedness and the due performance of the Assignor's obligation's under the Mortgage and all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee relating to the Project;
- (b) is in addition to and not in substitution for any other security now or hereafter granted to or held by the Assignee 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 or any other security or securities (the "Additional Securities") now or hereafter held by or on behalf of the Assignee 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 Mortgage or the Additional Securities;
 - (iii) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement, the Mortgage 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 or the Additional Security;
 - (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 Assignee 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 including, without limitation, all of the Assignee's rights, benefits, title and interest in and to the Premises Hereby Assigned.

16. **Enurement:** This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted 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 served personally upon 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:

- (a) if to the Assignor, addressed to it at:

TLISFD Taurasi Holdings Corp.
161 Duncan Road
Richmond Hill, Ontario L4C 6J5

- (b) if to the Assignee, addressed to it at:

KingSett Mortgage Corporation
Scotia Plaza, 40 King Street West, Suite 3700
PO Box 110
Toronto, Ontario M5H 3Y2

Any of the parties hereto may, from time to time, change its address or stipulate another address from the address described above in the manner provided in this paragraph. The date of receipt of any such notice, demand, request, consent, agreement or approval, if served personally, shall be deemed to be the date of delivery thereof, or if mailed as aforesaid, the fourth business day following the date of mailing. For the purposes hereof, personal service on the Assignor shall be effectively given by delivery to an officer, director or employee of the Assignor.

18. **Waiver:** No consent or waiver, express or implied, by the Assignee 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 Assignee 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 Assignee of its rights hereunder.

19. **Amendments:** This Agreement may not be modified or amended except with the written consent of the Assignee and the Assignor.

20. **Entire Agreement:** This Agreement constitutes the entire agreement between the Assignee 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 Assignee 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 Assignee in connection with the interest so

assigned shall be enforceable against the Assignor as the same would have been by the Assignee but for such assignment.

22. **No Agency, Joint Venture or Partnership:** The Assignee 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 Assignee, and this Agreement shall not be construed to make the Assignee 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 Assignee 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 Assignee from time to time and no such exercise shall exhaust the rights, remedies or powers of the Assignee or preclude the Assignee from exercising any one or more of such rights, remedies and powers or any combination thereof from time to time thereafter or simultaneously.

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 Assignee 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 Assignee.

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, shall bind the Assignee to make an advance under the Mortgage.

30. **Receipt of Copy:** The Assignor acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF the Assignor has executed this Agreement as of the date and year first above-written.

TLSFD TAURASI HOLDINGS CORP.

Per: 

Name: Carlo Taurasi

Title: President

Per: 

Name: Dennie Taurasi

Title: Vice-President

We have authority to bind the corporation.

This is Exhibit "VV" *referred to in the*
affidavit of Daniel Pollack--
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

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

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1997/04/07

OWNERS' NAMES
TLSFD TAURASI HOLDINGS CORP.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/04/07 ON THIS PIN**</p> <p>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1997/04/07**</p> <p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1997/04/04 **</p>						
VA41945	1959/05/22	BYLAW				C
<p>REMARKS: LN03141, LB237508 AFFECTS ALL/PART VARIOUS LANDS (ADDED 98/01/26 BY B.WILLSON, ADLR) BY-LAW 2298</p>						
LT179543	1984/06/28	NOTICE AGREEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
<p>REMARKS: ALL/PART VARIOUS LANDS (ADDED TO PIN 99/4/26 BY B.WILLSON)</p>						
LT226824	1985/05/28	NO SUB AGREEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
LT226825	1985/05/28	NOTICE AGREEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
<p>REMARKS: AMENDING LT226824</p>						
LT332786	1986/10/29	TRANSFER		*** COMPLETELY DELETED ***	CERUNDOLO, RALPH TAURASI, TONY COB T. & R. CONSTRUCTION	
LT332787Z	1986/10/29	APL ANNEX REST COV				C
LT678560	1990/06/07	NOTICE				C
<p>REMARKS: LT226824</p>						
LT1037504	1995/05/10	CHARGE		*** COMPLETELY DELETED ***		
YR1680788	2011/07/19	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE	CERUNDOLO, RALPH	
<p>REMARKS: TAX LIEN</p>						

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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR1680791	2011/07/19	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		REMARKS: TAX LIEN				
YR1703099	2011/08/29	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		REMARKS: YR1680788.				
YR1981246	2013/05/27	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		REMARKS: YR1680791.				
YR2020483	2013/08/19	TRANSFER		*** COMPLETELY DELETED *** TAURASI, TONY	TAURASI, TONY TAURASI, TINA	
YR2052033	2013/10/25	CERTIFICATE		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF VAUGHAN		
		REMARKS: TAX ARREARS				
YR2081470	2014/01/08	APL (GENERAL)		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF VAUGHAN		
		REMARKS: YR2052033				
YR2174460	2014/08/20	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** CERUNDOLO, RAFFAELE TAURASI, TINA TAURASI, TONY	CERUNDOLO, RAFFAELE CERUNDOLO, THERESA TAURASI, TINA TAURASI, TONY	
YR2271575	2015/03/27	TRANSFER		*** COMPLETELY DELETED *** CERUNDOLO, RAFFAELE CERUNDOLO, THERESA	TLSFD TAURASI HOLDINGS CORP.	
YR2278526	2015/04/15	TRANSFER		*** COMPLETELY DELETED *** CERUNDOLO, RAFFAELE CERUNDOLO, THERESA	TLSFD TAURASI HOLDINGS CORP.	
YR2284506	2015/04/30	TRANSFER	§2	TAURASI, TINA	TLSFD TAURASI HOLDINGS CORP.	C

LAND
REGISTRY
OFFICE #65

03274-0132 (LT)

PREPARED FOR Nasim001
ON 2023/04/24 AT 11:13:29

* 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
YR2656502	2017/04/21	DISCH OF CHARGE <i>REMARKS: LT1037504.</i>		TAURASI, TONY TLSFD TAURASI HOLDINGS CORP. *** COMPLETELY DELETED *** CERUNDOLO, RALPH		
YR2668266	2017/05/15	CHARGE		*** COMPLETELY DELETED *** TLSFD TAURASI HOLDINGS CORP.	THE TORONTO-DOMINION BANK	
YR2668267	2017/05/15	NO ASSGN RENT GEN <i>REMARKS: YR2668266.</i>		*** COMPLETELY DELETED *** TLSFD TAURASI HOLDINGS CORP.	THE TORONTO-DOMINION BANK	
YR3133278	2020/08/26	CHARGE	\$10,500,000	TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
YR3133279	2020/08/26	NO ASSGN RENT GEN <i>REMARKS: YR3133278.</i>		TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
YR3144480	2020/09/24	DISCH OF CHARGE <i>REMARKS: YR2668266.</i>		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
YR3231042	2021/04/01	NOTICE <i>REMARKS: YR3133278</i>	\$2	TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
YR3385451	2022/02/24	NOTICE <i>REMARKS: YR3133278</i>	\$2	TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
YR3539471	2023/04/06	CHARGE	\$37,134,091	TLSFD TAURASI HOLDINGS CORP.	THE TORONTO-DOMINION BANK	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: PCL 1-2 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 4, 65R4957 ; VAUGHAN; CITY OF VAUGHAN

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1997/04/07

OWNERS' NAMES
TLSFD TAURASI HOLDINGS CORP.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
EFFECTIVE	2000/07/29	THE NOTATION OF THE	"BLOCK IMPLEMENTATION DATE" OF 1997/04/07 ON THIS PIN			
WAS REPLACED WITH THE	"PIN CREATION DATE"	OF 1997/04/07				
** PRINTOUT	INCLUDES ALL	DOCUMENT TYPES AND	DELETED INSTRUMENTS SINCE 1997/04/04 **			
VA41945	1959/05/22	BYLAW				C
	REMARKS: LN03141,	LB237508 AFFECTS	ALL/PART VARIOUS LANDS (ADDED 98/01/26 BY B.WILLSON, ADLR) BY-LAW 2298			
LA701836	1978/07/13	NO SUB AGREEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
LT44703	1981/05/26	NOTICE AGREEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
	REMARKS: ALL/PT	VARIOUS LANDS ADDED	2004/02/04 BY M.MUDIE			
65R4957	1982/04/07	PLAN REFERENCE				C
LT91246	1982/08/19	NOTICE AGREEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
LT94278	1982/09/24	APL (GENERAL)				C
	REMARKS: SEC. 29(5) OF THE PLANNING	ACT DOES NOT APPLY				
LT160528Z	1984/01/17	APL ANNEX REST COV				C
LT253077	1985/10/08	TRANSFER		*** COMPLETELY DELETED ***	CERUNDOLO, RALPH TAURASI, TONY	
LT287295	1986/04/18	CHARGE		*** COMPLETELY DELETED ***	CANADA TRUSTCO MORTGAGE COMPANY	
LT287296	1986/04/18	NOTICE OF LEASE		*** COMPLETELY DELETED ***	MATCOM RIGGING LIMITED	
LT287297	1986/04/18	NOTICE OF LEASE		*** COMPLETELY DELETED ***	TRILLIUM FOREST PRODUCTS LTD.	

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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
				CANADA TRUSTCO MORTGAGE COMPANY CANADA TRUSTCO MORTGAGE COMPANY CANADA TRUSTCO MORTGAGE COMPANY CANADA TRUSTCO MORTGAGE COMPANY CANADA TRUSTCO MORTGAGE COMPANY CANADA TRUSTCO MORTGAGE COMPANY CANADA TRUSTCO MORTGAGE COMPANY		
				<i>REMARKS: MULTI</i>		
YR1509167	2010/06/30	CHARGE		*** COMPLETELY DELETED *** CERUNDOLO, TERESA TAURASI, TINA CERUNDOLO, RALPH TAURASI, TONY	SUN LIFE ASSURANCE COMPANY OF CANADA	
YR1509168	2010/06/30	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** CERUNDOLO, TERESA TAURASI, TERESA CERUNDOLO, RALPH TAURASI, TONY	SUN LIFE ASSURANCE COMPANY OF CANADA	
				<i>REMARKS: YR1509167.</i>		
YR1558529	2010/10/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE CANADA TRUST COMPANY		
				<i>REMARKS: LT287295.</i>		
YR1558530	2010/10/06	APL (GENERAL)		*** COMPLETELY DELETED *** CERUNDOLO, RALPH TAURASI, TONY		
				<i>REMARKS: DELETE LT287296 & LT287297</i>		
YR1680711	2011/07/19	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
				<i>REMARKS: TAX LIEN</i>		
YR1680721	2011/07/19	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
				<i>REMARKS: TAX LIEN</i>		
YR1703070	2011/08/29	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
				THE MINISTER OF NATIONAL REVENUE		
	<i>REMARKS: YR1680711.</i>					
YR1981202	2013/05/27	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
	<i>REMARKS: YR1680721.</i>					
YR2020482	2013/08/19	TRANSFER		*** COMPLETELY DELETED *** TAURASI, TONY	TAURASI, TONY TAURASI, TINA	
YR2174460	2014/08/20	TRANSFER	\$2	CERUNDOLO, RAFFAELE TAURASI, TINA TAURASI, TONY	CERUNDOLO, RAFFAELE CERUNDOLO, THERESA TAURASI, TINA TAURASI, TONY	C
YR2757532	2017/11/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** SUN LIFE ASSURANCE COMPANY OF CANADA		
	<i>REMARKS: YR1509167.</i>					
YR2760836	2017/11/17	CHARGE		*** COMPLETELY DELETED *** TAURASI, TINA CERUNDOLO, RAFFAELE CERUNDOLO, THERESA TAURASI, TONY	CIBC MORTGAGES INC.	
YR2760837	2017/11/17	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** TAURASI, TINA TAURASI, TONY CERUNDOLO, RAFFAELE CERUNDOLO, THERESA	CIBC MORTGAGES INC.	
	<i>REMARKS: YR2760836</i>					
YR3201952	2021/02/01	TRANSFER	\$1,200,000	CERUNDOLO, RAFFAELE CERUNDOLO, THERESA TAURASI, TINA TAURASI, TONY	TLSFD TAURASI HOLDINGS CORP.	C
YR3230933	2021/04/01	CHARGE	\$27,200,000	TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
YR3230934	2021/04/01	NO ASSGN RENT GEN		TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CAPITAL LTD.	C
	<i>REMARKS: YR3230933</i>					

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

03274-0044 (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
YR3289414	2021/07/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** CIBC MORTGAGES INC.		
	REMARKS: YR2760836.					
YR3385452	2022/02/24	NOTICE	\$2	TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
	REMARKS: YR3230933					
YR3539470	2023/04/06	CHARGE	\$37,134,091	TLSFD TAURASI HOLDINGS CORP.	THE TORONTO-DOMINION BANK	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: PCL 1-3 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 3, 65R4957 ; VAUGHAN

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1997/04/07

OWNERS' NAMES
TLSFD TAURASI HOLDINGS CORP.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/04/07 ON THIS PIN**</p> <p>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1997/04/07**</p> <p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1997/04/04 **</p>						
VA41945	1959/05/22	BYLAW				C
<p>REMARKS: LN03141, LB237508 AFFECTS ALL/PART VARIOUS LANDS (ADDED 98/01/26 BY B.WILLSON, ADLR) BY-LAW 2298</p>						
LA701836	1978/07/13	NO SUB AGREEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
LT44703	1981/05/26	NOTICE AGREEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
<p>REMARKS: ALL/PT VARIOUS LANDS ADDED 2004/02/04 BY M.MUDIE</p>						
65R4957	1982/04/07	PLAN REFERENCE				C
LT91246	1982/08/19	NOTICE AGREEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
LT94278	1982/09/24	APL (GENERAL)				C
<p>REMARKS: SEC. 29(5) OF THE PLANNING ACT DOES NOT APPLY</p>						
LT160821	1984/01/19	TRANSFER		*** COMPLETELY DELETED ***	CERUNDOLO, TERESA TAURASI, TINA	
LT160821Z	1984/01/19	APL ANNEX REST COV				C
LT160824	1984/01/19	NOTICE				C
<p>REMARKS: SPECIFIC ASSIGNMENT OF RENTALS</p>						
LT160825	1984/01/19	NOTICE				C
<p>REMARKS: ASSIGNMENT OF RENTALS</p>						
LT287295	1986/04/18	CHARGE		*** COMPLETELY DELETED ***	CANADA TRUSTCO MORTGAGE COMPANY	

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* 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
YR3201952	2021/02/01	TRANSFER	\$1,200,000	CERUNDOLO, RAFFAELE CERUNDOLO, THERESA TAURASI, TINA TAURASI, TONY	TLSFD TAURASI HOLDINGS CORP.	C
YR3230933	2021/04/01	CHARGE	\$27,200,000	TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
YR3230934	2021/04/01	NO ASSGN RENT GEN <i>REMARKS: YR3230933</i>		TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CAPITAL LTD.	C
YR3289414	2021/07/28	DISCH OF CHARGE <i>REMARKS: YR2760836.</i>		*** COMPLETELY DELETED *** CIBC MORTGAGES INC.		
YR3385452	2022/02/24	NOTICE <i>REMARKS: YR3230933</i>	\$2	TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
YR3539470	2023/04/06	CHARGE	\$37,134,091	TLSFD TAURASI HOLDINGS CORP.	THE TORONTO-DOMINION BANK	C

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

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1997/04/07

OWNERS' NAMES
TLSFD TAURASI HOLDINGS CORP.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/04/07 ON THIS PIN**</p> <p>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1997/04/07**</p> <p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1997/04/04 **</p>						
LA701836	1978/07/13	NO SUB AGREEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
LT28105	1980/10/31	TRANSFER		*** COMPLETELY DELETED ***	TAURASI, TONY CERUNDOLO, RALPH	
LT28105Z	1980/10/31	APL ANNEX REST COV				C
LT34685	1981/01/21	NOTICE AGREEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
LT163147	1984/02/03	CHARGE		*** COMPLETELY DELETED ***	CANADA TRUSTCO MORTGAGE COMPANY	
LT163148	1984/02/03	NOTICE		*** COMPLETELY DELETED ***		
REMARKS: RENTS, LT163147						
LT170616	1984/04/16	NOTICE AGREEMENT		*** COMPLETELY DELETED ***		
REMARKS: LT163147						
LT582422	1989/05/15	NOTICE		*** COMPLETELY DELETED ***		
REMARKS: LT163147						
LT774787	1991/08/02	CHARGE		*** COMPLETELY DELETED ***	THE TORONTO-DOMINION BANK	
LT1036905	1995/05/05	NOTICE		*** COMPLETELY DELETED ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		<i>REMARKS: LT163147</i>				
YR484582	2004/06/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADA TRUSTCO MORTGAGE COMPANY		
		<i>REMARKS: RE: LT163147</i>				
YR636241	2005/05/10	NOTICE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK	TAURASI, TONY CERUNDOLO, RALPH	
		<i>REMARKS: LT774787</i>				
YR1680731	2011/07/19	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		<i>REMARKS: TAX LIEN</i>				
YR1680736	2011/07/19	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		<i>REMARKS: TAX LIEN</i>				
YR1703079	2011/08/29	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		<i>REMARKS: YR1680731.</i>				
YR1981193	2013/05/27	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		<i>REMARKS: YR1680736.</i>				
YR2020485	2013/08/19	TRANSFER		*** COMPLETELY DELETED *** TAURASI, TONY	TAURASI, TONY TAURASI, TINA	
		<i>REMARKS: THIS DOCUMENT WAS RE-INSTATED ON 2016/04/05 AT 14:34 BY BULMER, CATHY.</i>				
YR2174460	2014/08/20	TRANSFER	\$2	CERUNDOLO, RAFFAELE TAURASI, TINA TAURASI, TONY	CERUNDOLO, RAFFAELE CERUNDOLO, THERESA TAURASI, TINA TAURASI, TONY	C
		<i>REMARKS: THIS DOCUMENT WAS RE-INSTATED ON 2016/04/05 AT 14:35 BY BULMER, CATHY.</i>				

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR2435670	2016/02/25	TRANSFER	\$250,000	CERUNDOLO, RAFFAELE CERUNDOLO, THERESA	TLSFD TAURASI HOLDINGS CORP.	C
YR2453367	2016/04/05	LR'S ORDER <i>REMARKS: OWNERSHIP FIELD CB</i>		LAND REGISTRAR FOR YORK REGION		C
YR2453802	2016/04/06	TRANSFER	\$270,000	CERUNDOLO, RAFFAELE CERUNDOLO, THERESA	TLSFD TAURASI HOLDINGS CORP.	C
YR2461627	2016/04/22	TRANSFER	\$2	TAURASI, TINA TAURASI, TONY	TLSFD TAURASI HOLDINGS CORP.	C
YR3133278	2020/08/26	CHARGE	\$10,500,000	TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
YR3133279	2020/08/26	NO ASSGN RENT GEN <i>REMARKS: YR3133278.</i>		TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
YR3154626	2020/10/15	DISCH OF CHARGE <i>REMARKS: LT774787.</i>		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
YR3231042	2021/04/01	NOTICE <i>REMARKS: YR3133278</i>	\$2	TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
YR3385451	2022/02/24	NOTICE <i>REMARKS: YR3133278</i>	\$2	TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
YR3539469	2023/04/06	CHARGE	\$37,134,091	TLSFD TAURASI HOLDINGS CORP.	THE TORONTO-DOMINION BANK	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: PT LT 11 PL 7925 VAUGHAN AS IN VA68142 ;; CITY OF VAUGHAN

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 03275-0137

PIN CREATION DATE:
1999/06/25

OWNERS' NAMES
TLSFD TAURASI HOLDINGS CORP.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/04/07 ON THIS PIN**</p> <p>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/06/25**</p> <p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1999/06/25 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</p> <p>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</p> <p>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</p> <p>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</p> <p>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</p> <p>** CONVENTION.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 1999/06/28 **</p>						
VA41945	1959/05/22	BYLAW				C
REMARKS: LN03141, LB237508 AFFECTS ALL/PART VARIOUS LANDS (ADDED 98/01/26 BY B.WILLSON, ADLR) BY-LAW 2298						
VA58745	1966/10/20	AGREEMENT			TOWNSHIP OF VAUGHAN	C
REMARKS: SKETCH ATTACHED. DELETED PER VA60719 AS PER DENIS BLAIS 2004/12/13 VA58745 DELETED AS TO PIN 03275 0072 THIS DOCUMENT WAS RE-INSTATED ON 2011/11/09 AT 10:08 BY MARTINO, SUSY.						
VA59357	1967/02/08	AGREEMENT			TOWNSHIP OF VAUGHAN	C
REMARKS: DELETED PER RELEASE VA60719 - PER DENIS BLAIS, 2004/12/13-- ONLY DELETED AS TO 03275-0072 (THIS REMARK ADDED ON NOV 9-11 FOR CLARIFICATION)SM. THIS DOCUMENT WAS RE-INSTATED ON 2011/11/09 AT 10:10 BY MARTINO, SUSY.						
VA60712Z	1967/09/19	REST COV APL ANNEX		*** COMPLETELY DELETED ***		
REMARKS: DELETED 2014/08/15 EXPIRED.						
VA60719	1967/09/19	RELEASE				C

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #65

03275-0052 (LT)

PREPARED FOR Nasim001
ON 2023/04/24 AT 11:12:33

* 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
<i>REMARKS: VA58745, VA59357</i>						
VA62157	1968/05/10	AGREEMENT			TOWNSHIP OF VAUGHAN	C
VA63934	1969/03/11	BYLAW				C
VA64198	1969/04/18	QUIT CLAIM NON TR				C
VA68142	1971/03/12	TRANSFER		*** DELETED AGAINST THIS PROPERTY ***		
					CERUNDOLO, RAFFAELE TAURASI, TONY	
VA77028	1976/02/13	AGREEMENT			TOWN OF VAUGHAN	C
VA78794	1977/02/15	AGREEMENT			TOWN OF VAUGHAN	C
R265114	1981/01/21	AGREEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
R313765	1983/04/15	CHARGE		*** COMPLETELY DELETED ***		
					THE TORONTO-DOMINION BANK	
YR268970	2003/02/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
<i>REMARKS: RE: R313765</i>						
YR268972	2003/02/17	CHARGE		*** COMPLETELY DELETED *** CERUNDOLO, RAFFAELE TAURASI, TONY	THE TORONTO-DOMINION BANK	
YR268980	2003/02/17	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** CERUNDOLO, RAFFAELE TAURASI, TONY	THE TORONTO-DOMINION BANK	
<i>REMARKS: RE: YR268972 & RENTS</i>						
YR1680817	2011/07/19	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
<i>REMARKS: TAX LIEN</i>						
YR1680822	2011/07/19	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
<i>REMARKS: TAX LIEN</i>						

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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR1703115	2011/08/29	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
	REMARKS: YR1680817.					
YR1981239	2013/05/27	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
	REMARKS: YR1680822.					
YR2020478	2013/08/19	TRANSFER		*** COMPLETELY DELETED *** TAURASI, TONY	TAURASI, TONY TAURASI, TINA	
YR2174460	2014/08/20	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** CERUNDOLO, RAFFAELE TAURASI, TINA TAURASI, TONY	CERUNDOLO, RAFFAELE CERUNDOLO, THERESA TAURASI, TINA TAURASI, TONY	
YR2324107	2015/07/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
	REMARKS: YR268972.					
YR3117275	2020/07/09	TRANSFER	\$800,000	CERUNDOLO, RAFFAELE CERUNDOLO, THERESA TAURASI, TINA TAURASI, TONY	TLSFD TAURASI HOLDINGS CORP.	C
YR3133278	2020/08/26	CHARGE	\$10,500,000	TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
YR3133279	2020/08/26	NO ASSGN RENT GEN		TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
	REMARKS: YR3133278.					
YR3231042	2021/04/01	NOTICE	\$2	TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
	REMARKS: YR3133278					
YR3385451	2022/02/24	NOTICE	\$2	TLSFD TAURASI HOLDINGS CORP.	KINGSETT MORTGAGE CORPORATION	C
	REMARKS: YR3133278					
YR3539471	2023/04/06	CHARGE	\$37,134,091	TLSFD TAURASI HOLDINGS CORP.	THE TORONTO-DOMINION BANK	C

This is Exhibit "WW" *referred to in the*
affidavit of Daniel Pollack--
sworn before me, this 26th
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: TLSFD Taurasi Holdings Corp.

FILE CURRENCY: April 13, 2023

RESPONSE CONTAINS: APPROXIMATELY 3 FAMILIES and 6 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: TLSFD Taurasi Holdings Corp.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 3 ENQUIRY PAGE : 1 OF 6

SEARCH : BD : TLSFD TAURASI HOLDINGS CORP.

00 FILE NUMBER : 764908515 EXPIRY DATE : 19AUG 2025 STATUS :
01 CAUTION FILING : PAGE : 01 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20200819 1702 1462 8901 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: TLSFD TAURASI HOLDINGS CORP.
OCN : 002295946
04 ADDRESS : 161 DUNCAN ROAD
CITY : RICHMOND HILL PROV: ON POSTAL CODE: L4C6J5
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 : 40 KING STREET WEST, SUITE 3700
CITY : TORONTO PROV: ON POSTAL CODE: M5H3Y2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 GENERAL SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES, GENERAL
14 ASSIGNMENT OF CONTRACTS, SPECIFIC ASSIGNMENT OF CONTRACTS &
15 AGREEMENTS AND ASSIGNMENT OF COMMERCIAL & RESIDENTIAL PROPERTY
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CJC - 6333-154)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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: TLSFD Taurasi Holdings Corp.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 3 ENQUIRY PAGE : 2 OF 6

SEARCH : BD : TLSFD TAURASI HOLDINGS CORP.

00 FILE NUMBER : 764908515 EXPIRY DATE : 19AUG 2025 STATUS :
01 CAUTION FILING : PAGE : 02 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20200819 1702 1462 8901 REG TYP: P PPSA REG PERIOD: 5
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 :
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 MANAGEMENT CONTRACTS RELATING TO THOSE PROPERTIES BEING 301 BRADWICK
14 DRIVE, 448 NORTH RIVERMEDE ROAD & 596 OSTER LANE, VAUGHAN, ONTARIO
15

16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CJC - 6333-154)

17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801

CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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: TLSFD Taurasi Holdings Corp.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 3 ENQUIRY PAGE : 3 OF 6

SEARCH : BD : TLSFD TAURASI HOLDINGS CORP.

00 FILE NUMBER : 770921046 EXPIRY DATE : 25MAR 2026 STATUS :
01 CAUTION FILING : PAGE : 01 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20210325 1705 1462 4361 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: TLSFD TAURASI HOLDINGS CORP.
OCN : 002295946
04 ADDRESS : 161 DUNCAN ROAD
CITY : RICHMOND HILL PROV: ON POSTAL CODE: L4C6J5
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 : 40 KING STREET WEST, SUITE 3700
CITY : TORONTO PROV: ON POSTAL CODE: M5H3Y2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 GENERAL SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES, GENERAL
14 ASSIGNMENT OF CONTRACTS, SPECIFIC ASSIGNMENT OF CONTRACTS &
15 AGREEMENTS AND ASSIGNMENT OF COMMERCIAL & RESIDENTIAL PROPERTY
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CJC - 6333-154)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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: TLSFD Taurasi Holdings Corp.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 3 ENQUIRY PAGE : 4 OF 6

SEARCH : BD : TLSFD TAURASI HOLDINGS CORP.

00 FILE NUMBER : 770921046 EXPIRY DATE : 25MAR 2026 STATUS :
01 CAUTION FILING : PAGE : 02 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20210325 1705 1462 4361 REG TYP: P PPSA REG PERIOD: 5
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 :
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 MANAGEMENT CONTRACTS RELATING TO 6 & 8 BRADWICK DRIVE, VAUGHAN,
14 ONTARIO

15

16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CJC - 6333-154)

17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801

CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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: TLSFD Taurasi Holdings Corp.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 3 ENQUIRY PAGE : 5 OF 6

SEARCH : BD : TLSFD TAURASI HOLDINGS CORP.

00 FILE NUMBER : 775823247 EXPIRY DATE : 27AUG 2024 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20210827 0858 4085 0283 REG TYP: P PPSA REG PERIOD: 03
02 IND DOB : IND NAME:
03 BUS NAME: TLSFD TAURASI HOLDINGS CORP.
OCN :
04 ADDRESS : 82 VITLOR DR
CITY : RICHMOND HILL PROV: ON POSTAL CODE: L4E4P9
05 IND DOB : 15MAR1946 IND NAME: TINA TAURASI
06 BUS NAME:
OCN :
07 ADDRESS : 82 VITLOR DR.
CITY : RICHMOND HILL PROV: ON POSTAL CODE: L4E4P9

08 SECURED PARTY/LIEN CLAIMANT :
MERCEDES-BENZ FINANCIAL
09 ADDRESS : 2680 MATHESON BLVD. E. STE 500
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W0A5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X 166613.13 26AUG2024
YEAR MAKE MODEL V.I.N.
11 2021 MERCEDES-BENZ S580V4M W1K6G7GB5MA028422
12

GENERAL COLLATERAL DESCRIPTION

13

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16 AGENT: D + H LIMITED PARTNERSHIP

17 ADDRESS : 2 ROBERT SPECK PARKWAY, 15TH FLOOR

CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 1H8

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: TLSFD Taurasi Holdings Corp.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 3 ENQUIRY PAGE : 6 OF 6

SEARCH : BD : TLSFD TAURASI HOLDINGS CORP.

00 FILE NUMBER : 775823247 EXPIRY DATE : 27AUG 2024 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20210827 0858 4085 0283 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 :
MERCEDES-BENZ FINANCIAL SERVICES CANADA CORPORATION
09 ADDRESS : 2680 MATHESON BLVD. E. STE 500
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W0A5
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

14

15

16 AGENT:

17 ADDRESS :

CITY : PROV: POSTAL CODE:

LAST SCREEN

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

This is Exhibit....."XX".....*referred to in the*

affidavit of Daniel Pollack--
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS



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

June 17, 2021

Stateview Homes
 410 Chrislea Road, Unit 6
 Woodbridge, ON L4L 8B5

Attention: Mr. Daniel Ciccone

Dear Mr. Ciccone

Re: Second Mortgage Non-Revolving Demand Loan
Project Name: High Crown Estates, King City, ON
Loan No.: 21002.1

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

Borrower Name: Stateview Homes (High Crown Estates) Inc. (the "**Borrower**")

Lender: Dorr Capital Corporation (the "**Lender**")

Servicer: Dorr Capital Corporation ("**DCC**")

Guarantor(s): Joint and several guarantees from: Dino and Carlo Taurasi and any other parties as the Lender may deem advisable collectively known as (the "**Guarantor**" and/or "**Guarantors**").

Loan Facility: \$ 5,000,000 Second Mortgage Non-Revolving Demand Loan

Project Description: 13151 – 13165 Keele Street, King City, Ontario - A 5-acre site to be developed with 48 townhouse units. (the "**Project**")

Collateral Security: 6853 & 6871 Main Street, Whitchurch-Stouffville, ON
 A 52-unit townhouse development at 6853 & 6871 Main Street in Whitchurch-Stouffville, ON (the "**Collateral Security**"). Provided the loan is in good standing and has never been in default, and provided the Lender has received executed contracts confirming not less than 70% of the Project hard costs have been fixed, the Lender will release the Collateral Security upon a \$1,100,000 partial paydown of the Second Mortgage loan.

Purpose: To provide second mortgage financing for the servicing and construction of the Project.

Interest Rate: Greater of RBC Prime + 10.55%, and 13.00%

Interest to be funded monthly from the Interest Reserve if available, otherwise to be paid by the Borrower.



Interest Reserve:	Interest on the Loan Facility shall accrue at the Interest Rate. The Borrower shall establish an interest reserve (the " Interest Reserve ") in the amount of \$650,000 representing the Lender estimated interest on the Loan for the term of 12 months, to be withheld from the initial advance of the Loan. Monthly interest will be capitalized to the Interest Reserve monthly until fully utilized (if applicable) and then paid current monthly by the Borrower.
Term:	Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, 12 months from the date of initial advance of the Loan if the same occurs on the first calendar day of a month otherwise 12 months from the first calendar day of the month next following the date of initial advance of the Loan (the " Maturity Date "). Loan Amount repayable in full on the Maturity Date.
Optional extension:	No earlier than 90 days prior to, but not less than 60 days prior to the Maturity Date, and subject to there having been no default by the Borrower or the Guarantor during the original term of the loan, two 3 month extensions may be granted at the Borrower's request under the same terms and conditions, subject to payment of the Extension Fee.
Commitment Fee:	<p>\$ 87,500 (1.75% of the loan amount)</p> <p>Total Commitment fee of \$87,500 is deemed earned upon acceptance of this Commitment (the "Commitment Fee") with \$25,000 payable upon acceptance and the balance of \$62,500 payable upon funding. The Borrower acknowledges that this fee 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 these fees are still earned by the Lender and payable by the Borrower if the Loan is not advanced. In the event that the funding of the Loan is not completed for any reason other than the Lender's default, the full Commitment Fee will be payable and retained as liquidated damages without prejudice to and in addition to any other remedy available to the Lender. If the Lender suffers losses, costs and damages more than the amount of the Commitment Fee, the Lender shall be entitled to seek compensation from the Borrower in addition to the Commitment Fee. The Borrower directs the Lender to deduct the amount of the Commitment Fee from the proceeds of the first advance of the Loan.</p>
Placement Fee:	<p>\$ 37,500 (0.75% of the loan amount)</p> <p>Total Placement Fees of \$37,500 is deemed earned upon acceptance of this Commitment and payable upon funding.</p>
Administration Fee:	The Lender shall charge an administration fee (" Administration Fee ") of \$500 per advance throughout the term of the loan.
Discharge Fee:	<p>A partial discharge fee ("Discharge Fee") of \$500 per document shall be deemed earned by the Lender and payable by the Borrower prior to the delivery of a partial discharge.</p> <p>The final discharge for the project that discharges the mortgage will be \$1,000 deemed earned by the Lender and payable by the Borrower prior to the delivery of the discharge.</p> <p>Discharge statements will be provided to the Borrowers within three business days of written notice.</p>
Other Fees:	A maximum amount of \$500 for any other applicable fees including but not limited to regulatory application fees, wire fees and other miscellaneous fees
Extension Fee:	If an extension is granted by the Lender, the following fees will apply:

- Extension Fee of 0.44% (per extension period) of the outstanding loan amount under the Loan Facility shall become due and payable upon the first day of the Extension period.
- Placement Fee of 0.20% (per extension period) of the outstanding loan amounts under the Loan Facility shall become due and payable upon the first day of the Extension period.

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

Repayment: Interest only, payable monthly in arrears. Monthly interest will be capitalized to the Interest Reserve. Upon full utilization of the Interest Reserve, the Borrower agrees to make payments of interest when due by way of pre-authorized debits to the Borrower's Project account.

Unit sale proceeds from the Project will be used to repay the Loan Facility.

Partial Discharges: Provided there has been no default, the Lender will provide partial discharges on the closing of each lot, upon payment of 100% Net Sales Proceeds defined as Gross Sale Price (includes closing adjustments) less HST, less deposits used in the Project, less reasonable closing costs to be no more than \$10,000 per unit and trade credits or deferred costs which shall be applied as follows. Refer to Sales List under Schedule E.

1. Firstly, to be applied towards the First Mortgage until fully repaid.
2. Secondly, to be applied to the Letters of Credit until they are fully cash secured.
3. Thirdly, upon full repayment of the First Mortgage and Letters of Credit fully cash secured, the remaining Net Sales Proceeds will be used to repay the Second Mortgage in full.

Prepayment: Closed for prepayment save and except for the partial discharges via unit sales and partial paydown of \$1,100,000 via Collateral Security loan paydown and release of Collateral Security.

Permitted Encumbrances: Property: None, save and except for a first mortgage in the amount of \$30,850,000 with an additional \$2,000,000 Letter of Credit facility held by Dorr Capital Corporation.

Collateral Security: None, save and except for a first mortgage in the amount of \$24,450,000 held by DUCA and a second mortgage in the amount of \$4,300,000 held by KingSett Mortgage Corporation.

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

1. Registered \$6,250,000 Second Mortgage over the Project.
2. Registered \$6,250,000 Third Mortgage on the Collateral Security.
3. A general assignment of rents and leases registered against title to the Project.
4. The guarantee of the Guarantors for the full amount of the Loan and all other costs, expenses and amounts owing hereunder or under the Security, together with an assignment and postponement of claims by the Guarantors and all shareholders of the Borrower relating to any claims against the Borrower and the other Guarantors. The Borrower and the Guarantors shall



Always Open

High Crown Estates, King City, ON
File No: 21002.1

represent and warrant to the Lender the amount (if any) of any existing claims by any shareholders of the Borrower and the Guarantors against the Borrower or any Guarantors.

5. The guarantees from the Borrower and Guarantors to fund any and all cost overruns in excess of the various components of the Project Budget as set out in the Financing Program as and when such overruns occur and prior to any further funding by the Lender. In addition, the Borrower and Guarantors covenant to continue construction and complete the Project once construction has begun, in accordance with the plans approved by the Lender.
6. General Security Agreement registered under the Personal Property Security Act of Ontario granting a second and fourth security interest in all personal property of the Borrower, including without limitation:
 - Accounts and Book Debts of the Borrower in respect of the Project.
 - Agreements of Purchase and Sale inclusive of Purchasers' Deposits
 - All present and after acquired personal property of the Borrower in respect of Project.
 - Rights of the Borrower (a) under all building/development permits and the monies paid thereunder, (b) to all plans, specifications and drawings related to the Project, and (c) under all contracts and agreements relating to the Property and the Project.
7. The Lender shall have received an acceptable insurance binder, certificate or cover note, to be followed, within 30 days of the issuance of the binder or cover note, with a certified copy of a policy or policies of insurance, satisfactory to the Lender, containing the requirements of Schedule "A" hereto and including evidence of a Comprehensive General Liability Insurance policy for the Project in an amount of not less than \$5,000,000 per occurrence. The Commercial General Liability Policy must reference the Property and the Lender is to be added as an additional insured.

Additionally, upon the commencement of construction, the Borrower shall maintain Builder's Risk Insurance which is satisfactory to the Lender for at least \$6,000,000 which incorporates a standard mortgage clause and which names the Lender as first mortgagee and loss payee.

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

8. If registered title to the Property is held by a nominee or trustee, the beneficial owner or owners will execute a beneficial owners agreement, pursuant to which, among other things, it or they charge its or their beneficial interest or interests in the Property in favour of the Lender, authorizes the nominee or trustee to execute all documentation as required pursuant to the Commitment (including, if such nominee or trustee is not the Borrower, a guarantee and postponement and assignment of claims), and agree to be bound thereby as if it or they executed the same itself or themselves.
9. The Lender's solicitors shall obtain Title Insurance, at the cost of the Borrower, on the mortgage and the Property.
10. Hypothecation and Pledge of all shares/units of the Borrower.
11. Priority and Standstill Agreement from the Permitted Encumbrances for the Project and Collateral Security Property.
12. Indemnification Agreement in respect to any Letters of Credit.





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High Crown Estates, King City, ON
File No: 21002.1

13. Assignment or charge over the cash, term deposit or GIC securing any Letters of Credit, if applicable.
14. Assignment of all condominium voting rights upon registration of the condominium corporation to be exercisable in the event of default.
15. Negative pledge by Borrower and Guarantors to not repay any shareholder loans, redeem shares, pay out dividends or increase compensation to principals of any of the Borrower or Guarantors until the Loan has been fully repaid.
16. Joint and several environmental warranty and indemnity agreement by the Borrower and Guarantors stated to survive repayment of the Loan.
17. Acknowledgement and positive pledge from Guarantors to provide KingSett Mortgage Corporation with Right Of First Offer ("ROFO") for KingSett Mortgage Corporation to provide construction financing for the 'On the Mark Phase 2' and 'NAO Phase 1 & 2' projects.
18. Such other and further security and documentation as may be required by the Lender or its counsel to complete and perfect the Security.

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

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

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

Funding Conditions:

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

1. Title to the Property must be satisfactory to the Lender and the Lender's solicitors, with no encumbrances other than Permitted Encumbrance and no work orders.
2. All Security documents must be executed and registered, the Lender's solicitors must provide a satisfactory report on registration of the Security. The Lender shall have received such off-title inquiry responses for the Property, including from the applicable Tax Department and the Building and Zoning Department, as it may require.
3. The Borrower shall have provided evidence in sufficient detail, satisfactory to the Lender and verified by the Lender's cost consultant, that the total construction budget shall be no greater than \$43,013,896.
4. The Lender to receive satisfactory confirmation that the Borrower has injected \$2,593,896 of equity into the Project prior to advancing funds under the Loan which shall remain invested until such time as the Lender has been fully repaid all principal and interest.





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High Crown Estates, King City, ON
File No: 21002.1

5. The Lender to receive satisfactory confirmation that the Borrower has received purchaser deposits of not less than \$4,050,000.
6. Receipt of the Agreement of Purchase and Sale of the Project lands.
7. Inspection of the Property by the Lender.
8. The Lender shall have received from an approved appraiser a satisfactory AACI appraisal of the Project confirming a fair market "as complete" value of \$48,917,639 (Gross Sale Price). Such appraisal report must be accompanied by the Form of Reliance Certificate (attached to this Commitment as Schedule "D") from the appraiser to the Lender and shall confirm that the Lender and its assigns can rely upon such appraisal for lending purposes.
9. A soils test report by an acceptable professional engineer or such other similar report as is acceptable to the Lender, must be provided, demonstrating to the satisfaction of the Lender that the proposed construction and site improvements of the Project are feasible under existing soil conditions, together with evidence that the construction specifications for the Project provide for construction in compliance with such conditions and with the recommendations, if any, which may be contained in such soils test report. Such report must be accompanied by the Form of Reliance Certificate (attached to this Commitment as Schedule "D") from the consultant to the Lender and shall confirm that the Lender and its assigns can rely upon such report for lending purposes.
10. The Borrower will obtain at its own expense an environmental audit, from a firm approved by the Lender, confirming that in their professional opinion there is no evidence that the site or any structures thereon are contaminated by any environmental hazards and recommending that no further action need be taken or will provide evidence of a remediation plan that will leave the site environmentally acceptable to the relevant Provincial and Federal Agencies and further evidence that said remediation plan is being performed, as budgeted for in the approved Budget, and has been formally approved by the Ontario Ministry of the Environment and Climate Change. Such environmental audit must be accompanied by the Form of Reliance Certificate (attached to this Commitment as Schedule "D") from the consultant to the Lender and shall confirm that the Lender and its assigns can rely upon such report for lending purposes.
11. All levies, impost fees, local improvement charges, property taxes and other charges affecting the Project due and payable shall have been paid to the date of the first advance of funds unless they are to be funded as part of the first advance.

Survey coverage in a loan policy of title insurance



12. The Borrower and the Project shall be fully registered with Tanion.
13. The Borrower shall have provided the Lender with a survey of the Project by an Ontario licensed land surveyor, indicating no encroachments, easements or rights of way, save those which the Lender may specifically accept and showing the relationship of the Property to public thoroughfares for access purposes. OR
14. Receipt and satisfactory review of municipal approvals for the development of the Project including ~~but not limited to draft plan approval, zoning, site plan approval, registration of subdivision and building permits~~

Confirmation from the Borrower's engineer that a conditional permit for internal servicing is obtainable given the current levels of municipal approvals. Confirmation of site plan approval, draft plan approval and building permits will be available in due process.





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15. Receipt and satisfactory review by the Lender of the Project sales list showing all sold and unsold units which shall include the sale price, unit size, date of sale, purchaser name and address, deposit amount.
16. Receipt and satisfactory review of 48 firm and binding purchase and sale agreements on terms and conditions acceptable to the Lender. Sales summary including complete copies of all duly signed and unconditional offers to purchase (pre-sales) along with financing approval for the qualified purchasers, generating total gross sale proceeds not less than \$48,917,639 on terms and conditions acceptable to the Lender. Qualified purchasers are defined by the following criteria:
 - Purchaser is arms length to the Borrower and Guarantor(s).
 - Each purchaser shall be contracted to make deposits of not less than an average of \$84,375 per unit and not less than \$75,000 from any individual unit purchaser.
 - Sale price not less than minimum sale price per Sales Schedule.
 - Purchasers must not be in default of its payment obligations under their respective sales agreement.
 - Confirmation that no individual buyer has purchased more than two (2) units in the Project.
 - Exclude non-residents of Canada, non-arms length purchasers, bulk purchasers of more than two (2) units, and corporate entities.
17. Receipt and satisfactory review of the payout statements from all existing lenders on the Project.
18. Receipt and satisfactory review of ~~Borrower's solicitors trust~~ ^{deposit} ledger evidencing all purchaser deposits received.
19. Receipt and satisfactory review of an organizational chart for the Borrower and Guarantor, if applicable.
20. Receipt and satisfactory Anti-Money Laundering and Client Information inclusive of beneficial owners within the Project.
21. The Borrower and each Guarantor and beneficial owner authorize the Lender to make inquiries concerning its character, general reputation, personal characteristics, financial and credit data, including its respective directors, officers, shareholders, and principals, and to verify any information provided to the Lender hereunder, all for the purpose of underwriting and servicing the Loan.
22. Receipt and satisfactory review of a personal net worth and/or financial statement(s) for the last three years from the Borrower and the Guarantors on DCC's standard form (attached to this Commitment as Schedule "C"), duly signed and witnessed. In addition, the Lender is to receive satisfactory bank references and credit reports for the Borrower and Guarantors, both prior to the initial advance and at any time thereafter, as required by the Lender, until the Loan is fully repaid.
23. This Commitment is conditional on the Lender receiving full approval by the Lender's investment committee.
24. The Borrower is to provide a copy of all outstanding Letters of Credit to the Lender. The Project Monitor will confirm that all letters of credit are duplicates of project costs included within the Project Budget.
25. A statutory declaration regarding the Borrower's compliance with the Construction Lien Act (Ontario).



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

Other Conditions:

1. Advances of the Loan shall take place only (a) if no Event of Default exists and (b) on title to the Project being acceptable to our solicitors and all matters in connection with the Security and other documentation deemed necessary or advisable by our solicitors being complied with by the Borrower and Guarantors and all Security and other instruments and agreements to evidence and secure the Loan are duly executed, with evidence of registration where applicable.
2. The Lender approved total project budget shall be no greater than \$43,013,896. The same may be increased or reduced in amount from time to time subject to the prior written consent of the Lender. Consent to increase the budget may be unreasonably withheld, conditioned and/or delayed by the Lender unless 100% of the Project budget increase is forthwith funded by additional cash equity injected into the Project by the Borrower.
3. The Project may not be sold by the Borrower, in whole or in part, other than by individual unit sales in the normal course of business without the Lender's prior written consent, which consent may be unreasonably withheld, conditioned and/or delayed by the Lender.

Additionally, the Loan may not be assumed by a purchaser of the Project, in whole or in part, without the Lender's prior written consent, which consent may be unreasonably withheld, conditioned and/or delayed by the Lender.
4. Lender shall be entitled to Project reports from time to time including, without limitation, the following:
 - one copy of each and every Project Monitor report within five business days of the date of such report until the Loan is repaid in full; and
 - an updated sales report once per month in scope, form and content acceptable to the Lender.
5. The Lender shall require a satisfactory opinion and report from its solicitors indicating, among other things, the validity, enforceability and priority of all Security and the state of title of the Project. The Borrower shall be entitled to pay for title insurance to replace any title opinion, if it wishes.
6. The Lender shall require for the Borrower, any corporate beneficial owners and corporate Guarantors, evidence of corporate existence and authority, including without limitation certified copies of articles, by-laws and authorizing resolutions of directors, a certificate of non-restriction and incumbency and a certificate of status, all as the Lender and its counsel may require, together with an opinion of counsel to the Borrower and the Guarantors as to usual matters such as: corporate existence, powers and authority, absence of material litigation, and execution, delivery and enforceability of all Security.
7. The Borrower shall establish a separate bank account for the Project at a financial institution acceptable to the Lender, through which all advances and disbursements shall be made in respect to the Project.
8. The Lender will require a satisfactory Letter of Transmittal regarding all professional reports including, without limiting, the environmental report. A Transmittal Letter is to be issued for each report, addressed to DCC and state that the report can be relied upon by the Lender, and its assigns, for mortgage financing purposes.

9. The representations and warranties of the Borrower and the Guarantors set out herein and in the Security must be true and correct and there shall be no Event of Default that shall have occurred and be continuing.
10. The Borrower acknowledges that the Lender may inspect the Property or Collateral at any time at the expense of the Borrower.
11. In the event of a default of the Borrower on the Property or Collateral, 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 or the Collateral and do all things necessary as an owner would be entitled to do, including sell the Property or the Collateral, subject to the terms of the Mortgage and all applicable governmental legislation.
12. Such other information that the Lender and/or its solicitor may reasonably require.

Availability:

Land and Servicing Advances

Subject to the satisfactory review of the Funding Conditions, funding under the Loan Facility will be on the basis of the Lender receiving a satisfactory report from the Project Monitor confirming:

1. Requested advance amount based on a total Construction Budget not exceeding \$43,013,896 costs-in-place less minimum required equity of \$2,593,896, less deposit of \$4,050,000, less deferred costs of \$520,000 confirmed by the Project Monitor, payables not to be funded from the advance, cost overruns funded from the Borrower's own cash resources outside of the Project subject to the unadvanced Construction Loan amount being equal to or greater than the cost-to-complete, net holdbacks & unpaid payables.
2. Fixed price land servicing contract from a contractor satisfactory to the Lender.

Construction Advances

Funding under the Loan Facility will be on the basis of the Lender receiving a satisfactory report from the Project Monitor confirming:

1. Confirmation that a minimum of 70% hard construction cost budget is supported with fixed price contracts including all major cost items including but not limited to foundation, framing/lumber, windows, and mechanical.
2. Confirmation that the loan is in good standing and has never been in default.

For greater clarity, no loan proceeds for house construction will be advanced until the above noted condition has been met.

All Loan Advances

A satisfactory sub search must be obtained by the Lender's solicitor prior to any advance. All liens must be discharged with the Borrower's own cash resources prior to any advances.

Advances will be funded not more than once per month, shall be not be less than \$350,000 and will be subject to an advance fee of \$500 per advance. Each advance shall at no time exceed the costs of work in place less the Borrower's equity, less any holdbacks as required under the applicable provincial construction lien legislation, less the amount previously advanced by the Lender.

Financing Program:
Total Project

USES					
	Total	Per Unit	P.S.F.	%	
Land Costs	\$ 20,136,000	\$ 419,500	\$ 217.0	46.8 %	
Servicing Costs	1,941,050	\$ 40,439	\$ 20.9	4.5 %	
Development Costs	5,601,062	116,689	60.4	13.0 %	
Construction Costs (Hard)	11,725,400	244,279	126.4	27.3 %	
Construction Costs (Soft)	174,205	3,629	1.9	0.4 %	
Soft Costs	60,000	1,250	0.6	0.1 %	
Legal & Administration	1,259,000	26,229	13.6	2.9 %	
Marketing, Sales & Leasin	604,950	12,603	6.5	1.4 %	
Finance Costs	1,930,600	40,221	20.8	4.5 %	
Net Occupancy	(1,004,641)	(20,930)	(10.8)	(2.3%)	
Contingency	586,270	12,214	6.3	1.4 %	
Total Project Costs	\$ 43,013,896	\$ 896,123	\$ 463.5	100.0 %	

SOURCES					
	Total	Per Unit	P.S.F.	%	
Construction Loan	\$ 30,850,000	\$ 642,708	\$ 332.5	71.72%	
Mezzanine Loan	5,000,000	104,167	\$ 53.9	11.62%	
Purchaser Deposits	4,050,000	84,375	\$ 43.6	9.42%	
Deferred Costs	520,000	10,833	\$ 5.6	1.21%	
Borrower's Equity	2,593,896	54,039	\$ 28.0	6.03%	
Total Source of Funds	\$ 43,013,896	\$ 896,123	\$ 463.5	100.00%	

Closing Date:

On or before July 15, 2021 or such other date as is agreed to by the Lender and the Borrower. In any event if the initial advance of the Loan is not funded by August 15, 2021 for any reason other than Lender default, this Commitment, at the option of the Lender, shall be null and void and the Lender shall be released of any present or further obligations hereunder. Notwithstanding the foregoing, the Borrower and Guarantors shall remain liable for any outstanding fees and costs as set out herein.

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

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



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- (ii) The legal description of the Property is accurately set out above. The legal and beneficial owner of the Property is the Borrower. Title to the Property is good and marketable and free from all easements, rights-of-way, agreements, restrictions, mortgages, charges, liens, executions and other encumbrances, save and except for the Permitted Encumbrance. The Borrower and the Guarantors have not withheld any information of a material nature relating to the Property, the Borrower or the Guarantors;
- (iii) The execution and delivery by the Borrower and the Guarantors of this Commitment and the applicable Security and the performance of their respective obligations hereunder and thereunder do not and will not conflict with or result in a breach of any of the terms, conditions or provisions of their articles, charter documents, by-laws or any unanimous shareholder agreement, as applicable;
- (iv) The execution and delivery by the Borrower and the Guarantors of this Commitment and the applicable Security and the performance of their respective obligations hereunder and thereunder have been duly authorized or will, prior to funding, have been ratified by all necessary corporate action, and no authorization under any applicable law and no registration, qualification, approval, designation, declaration or filing with any government body, agency, or authority having jurisdiction over the Borrower or any of the Guarantors is or was necessary therefor, except as contemplated herein;
- (v) The Borrower possesses all consents, approvals, permits and authorizations under any applicable law and under any agreement to which it is a party or by which it is bound, which are necessary in connection with the operation of its business, the Project, and the performance of its obligations hereunder and under the Security. All such consents, approvals, permits and authorizations are in full force and effect and the Borrower is not in default in any respect thereunder, which default would have a material adverse effect. No action exists, is pending or threatened which has as its object the revocation, amendment or qualification of any such consent or authorization and all applicable appeal periods in respect of such actions have expired. The Project and its development and construction are in compliance with all laws;
- (vi) The Borrower is not in default under any indenture, mortgage, deed of trust, agreement or other instrument to which it is a party or by which it or any of its property may be bound;
- (vii) Each of the Borrower and the Guarantors has filed all tax returns which is required to be filed by it and has paid or remitted when due all taxes, assessment and government charges imposed upon it except such tax, assessment or charge which is being contested in good faith and for which each of the Borrower or Guarantors, as the case may be, has made adequate reserves;
- (viii) With respect to the Property the Borrower has obtained and is in compliance with: (a) all terms and conditions of all authorizations which are required under any environmental law; and (b) all environmental laws. The Borrower does not generate hazardous materials or transport, treat or dispose of any hazardous materials nor is the Borrower aware of any underground storage tanks or surface contaminants located on the Property. The Borrower has never caused or permitted (A) a release of any contaminant from or on the Property or (B) any hazardous materials to be placed, held, located, or disposed of on or under the Property. No enforcement action, investigation or outstanding order from any official body in respect of any hazardous materials or release of contaminants is existing, threatened or pending with respect to the





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Borrower or the Property. No hazardous substances are used, stored, discharged or present on the Property, except in compliance with environmental laws;

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



Reporting Requirements:

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

1. Within 120 days of each fiscal year end during the term of the Loan, accountant prepared financial statements for the Borrower and each corporate Guarantor;
2. Updated financial statements and/or net worth statements annually for each personal Guarantor;
3. Quarterly updates regarding zoning approval and servicing progress, costs, and sales activity relating to the Project;
4. The Borrower and Guarantors agree to be fully responsible for remittance and payment of any and all HST collected by or due to any of them and submission of HST credits or claims, and will provide monthly accounting of same to the Lender if requested by the Lender; and
5. Such other financial and supporting information as the Lender may request acting reasonably.

No Transfer

In the event of the Borrower selling, transferring or conveying the Property or any of its rights therein to a purchaser, transferee or grantee not approved by the Lender, in the sole and unfettered discretion of the Lender, all monies outstanding under the Loan, including without limitation all accrued and unpaid interest and any other amounts due under this Commitment or the Security, shall become due and payable. The voting control of the Borrower shall not change without the prior written consent of the Lender.

No Further Encumbrances:

No financing subsequent to the Loan Facility shall be permitted without the prior written consent of the Lender, which consent may be unreasonably delayed, conditioned or withheld by the Lender. Failure by the Borrower to comply with the covenant contained in the previous sentence shall constitute an event of default under the Loan and the Security therefor. The Borrower shall disclose to the Lender all existing or proposed financing related to the Project and shall not pledge or otherwise encumber its interest in the Project to any party other than the first and second mortgagees set out in this Letter of Intent.

Assignment:

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

Sign:

DCC shall have the right to erect a sign on the Project, at its own expense, indicating it has provided financing on the Project during the period for which the financing or any portion thereof, remains outstanding. DCC may also refer to this Project in its advertising at any time after the first advance under the Loan.



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Defaults:

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

1. in the event of the Borrower failing to pay any amount when due hereunder;
2. in the event of the Borrower or any Guarantor being in breach of any covenant, condition or term of the Commitment or the Security;
3. if any representation made by the Borrower, the Guarantors or their agents, or any information provided by them is found to be materially untrue or incorrect;
4. if any of the Borrower or Guarantors commits an act of bankruptcy or becomes insolvent or bankrupt or has a receiver or receiver and manager appointed for it or over any of its material assets or if any creditor takes possession of any of its material assets or if any execution, distress or other like process is levied or enforced upon the Property or any part thereof or if any compromise or arrangement with creditors is made by any of them;
5. if any of the Borrower or Guarantors shall be deceased or be the subject of any bankruptcy, arrangement with creditors, proposal, amalgamation, reorganization, liquidation, winding-up, dissolution, receivership or material proceedings, material litigation or continuation under the laws of any other jurisdiction, including without limitation the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada), whether initiated or commenced by them or not;
6. in the event of any default by the Borrower or any Guarantor under any other mortgages or encumbrances registered against title to or otherwise affecting the Property or any part thereof;
7. in the event of the registration of any construction lien against title to the Property or any part thereof which is not discharged or vacated within a period of ten (10) days after the date of registration thereof;
8. in the event that the Property or any material part thereof is abandoned or there is any cessation of the business activities now being conducted thereupon by the Borrower or any beneficial owner thereof or any of their respective officers, agents, employees, tenants or invitees or any material part thereof;
9. if any Event of Default as defined in the Security occurs;
10. if in the sole opinion of the Lender, a material adverse change occurs relating to the Borrower, any of the Guarantors, the Property, the Project, or the risk associated with the Loan; and
11. if any default occurs under any loan made by the Lender or DCC to the Borrower or any of the Guarantors or any person controlled by any of the Guarantors.

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



Construction Liens:	If a construction lien is filed or registered against title to the Property or if the Borrower, any Guarantor or Lender receives notice of any such lien, then, at the option of the Lender, and in addition to any other remedies it may have, the Lender shall not be required to make any further advance of the Loan until funds sufficient to satisfy such construction lien have been deposited with the Lender or until such time as such lien has been vacated, deleted or discharged.
Costs:	All appraisal, engineering, inspection, title, survey, legal, insurance review and other customary underwriting, inspection, securing or enforcement expenses of the Lender, are for the account of and shall be paid by the Borrower and may at the Lender's option be deducted from an advance of the Loan and the Borrower hereby irrevocably directs and authorizes the Lender to pay such expenses and costs, together with any outstanding balance of the Commitment Fee, or any other amount due to the Lender, from and out of any advance of funds under this Loan, in the event the same have not been paid at the time thereof.
Waiver:	No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on its behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to, or waiver of any provision of, this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantors. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.
Governing Law:	The Commitment and Loan shall be governed by and construed under laws of the Province of Ontario.
Time:	Time is of the essence in this Commitment.
Severance:	The Borrower and Guarantors agree that if any one or more of the provisions contained in this Commitment shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment and this Commitment shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
Joint and Several:	If the Borrower or the Guarantors are comprised of more than one person or corporation, the obligations hereunder shall be the joint and several obligations of each such person or corporation comprising the Borrower or Guarantors unless otherwise specifically stated herein.
First Right:	The Lender shall have a right of first refusal to finance or arrange financing for any subsequent phases of the development, of which the Project forms a part, or any further development to be developed on the lands adjacent thereto and shall be given the first opportunity and a reasonable period of time, after delivery to the Lender of all reasonably requested information, to provide a commitment to fund such further development.
Indemnity:	The Borrower and Guarantors, jointly and severally, shall indemnify and save harmless the Lender and its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever arising out of the provisions of this Commitment and the Security, any letters of credit or letters of guarantee issued, sale or lease of the Project and/or the use or occupation of the Project including, without limitation, those arising from the right to enter the Project from time to time and to carry out the various tests, inspections

and other activities permitted by the Commitment and the Security. In addition to any liability imposed on the Borrower and Guarantors under any instrument evidencing or securing the Loan indebtedness, the Borrower and Guarantors shall be liable for any and all of the Lender's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Project of any hazardous or noxious substances. The representations, warranties, covenants and agreements of the Borrower and Guarantor set forth in this subparagraph:

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

Lender's Solicitors:

The Lender's solicitor shall be:

Garfinkle, Biderman LLP
1 Adelaide Street East
Toronto Ontario
M5C 2V9

Attention: Avrom Brown

Lender's Insurance Consultant:

The Lender's insurance consultant shall be:

Proincon Limited
300-570 Portage Avenue
Winnipeg, Manitoba
R3C 0G4

Attention: Wayne Fast

Lender's Cost Consultant:

The Lender's project monitor/ cost consultant shall be:

Altus Group
33 Yonge Street, Suite 500
Toronto, ON
M5E 1G4

Attention: Alanna Boucher

No Merger; Conflict:

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

Confidentiality:

The Borrower and Guarantors acknowledge and agree that the terms and conditions recited herein are confidential between themselves and the Lender, its solicitors, cost consultant, insurance consultant and Project monitor. The Borrower



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and Guarantors agree not to disclose the information contained herein to a third party, other than their lawyer, without the Lender's prior written consent.

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

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

Material Changes:

If at any time before the Closing Date there is or has been any material change, discrepancy or inaccuracy in any information, statements, representations or warranties made or furnished to the Lender by or on behalf of the Borrower or upon the occurrence of an Event of Default under this Commitment which cannot be or is not rectified or nullified by the Borrower to the Lender's satisfaction within ten (10) days after written notification thereof by the Lender to the Borrower or the Lender's due diligence investigations regarding the Act produces a materially adverse result, the Lender shall be entitled forthwith to withdraw and cancel its obligations hereunder and to declare any funds which have been advanced, together with Interest and other amounts, to be forthwith due and repayable in full.

Further Assurances:

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

Timing of Payments:

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

Privacy Act Consent:

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

- a) Use your Personal Information (as hereinafter defined) to assess your ability to obtain your loan and to evaluate your ability to meet your financial obligations. This use includes disclosing and exchanging your Personal Information on an on-going basis with credit bureaus, credit reporting agencies and financial institutions or their agents, or to service providers, in order to determine and verify, on an on-going basis, your continuing eligibility for your loan and your continuing ability to meet your financial obligations. This use, disclosure and exchange of your Personal Information will continue as long as your loan is outstanding, and will help protect you from fraud and will also protect the integrity of the credit-granting system;
- b) If the security for your loan includes an insured mortgage, to disclose your Personal Information to the mortgage insurer and to exchange, on an on-going basis, your Personal Information with such mortgage insurer, for all purposes related to the provision of mortgage insurance; and;
- c) Use, disclose and exchange, on an on-going basis, all the personal information collected by us or delivered by you to us from time to time in connection with your loan and any information obtained by us from time to time pursuant to paragraphs (a) and (b) above (collectively your "**Personal Information**") to other organizations (including members of the Dorr Capital Corp) which may fund all or any part of your loan and/or own all or any part of your loan and the security securing your loan from time to time and permit prospective investors in your loan to inspect your Personal Information



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

This Commitment shall be open for acceptance by the Borrower until 2 pm on June 21, 2021 after which the Commitment shall be deemed to have expired. If you are in agreement with the foregoing terms and conditions, please return a signed copy of this Commitment along with a cheque for \$25,000 payable to Dorr Capital Corporation representing a deposit for the Commitment Fee. If the Loan is not advanced for any reason other than a Lender default, any Deposits received on account of this loan will be applied against due diligence expenses of the Lender and fees owing hereunder and will not be refundable. If this letter is not returned to us, duly executed, with such good faith deposit, by such date and time, this letter shall be deemed null and void.

Yours truly,

Dorr Capital Corporation

Brian Dorr – President and Principal Broker

ACCEPTANCE

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

DATED AT Windsor, ON, this 24th day of June, 2021.

Stateview Homes (High Crown Estates) Inc.

Name:

Title:

I/we have the authority to bind the corporation

Name:

Title:

I/we have the authority to bind the corporation

-signatures continued-

b



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Personal Guarantors

[Witness] _____
[Witness] _____

Dino Taurasi

Carlo Taurasi



SCHEDULE "A"
INSURANCE REQUIREMENTS

1. GENERAL

- a. All insurance policies referred to herein shall be in form and with insurers reasonably acceptable to Lender and contain the original signatures of the insurers, not just the insurance broker or agent, unless otherwise agreed, and shall be delivered to the Lender within 30 days of issuance of the insurance cover note or binder.
- b. All policies shall be permitted to contain reasonable deductibles.
- c. The Insurance shall contain a Standard Mortgage Clause and show the lender as Mortgagee and Loss Payee and shall provide for sixty days (60) prior notice to Lender of any adverse material change or cancellation.
- d. If the Borrower fails to take out and keep in force such minimum insurance as is required hereunder, then Lender may, but shall not be obligated to, take out and keep in force such insurance at the immediate sole cost and expense of the Borrower plus costs incurred, or use other means at its disposal under the terms of the Mortgage.
- e. It is clearly understood and agreed that the Insurance Requirements contained herein are a minimum guide and, although must be adhered to throughout the life of the Mortgage, in no way represent an opinion as to the full scope of insurance cover a prudent Borrower would arrange to adequately protect its interest and the interest of Lender, and the Borrower must govern itself accordingly.

2. COURSE OF CONSTRUCTION

The following policies of insurance must be submitted:

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

SCHEDULE "B"

TERMS OF REFERENCE

Confirmation that the Borrower has opened a separate project bank account

Review of all purchaser deposit cheques and the applicable Borrower's bank account into which said deposits have been placed. Further, reconciliation of the purchaser deposits against total project costs incurred to date with said calculation to confirm that all purchaser deposits received to date have been utilized solely to pay for project related costs.

Review of the Borrower's proposed project budget and comment on the adequacy of same. Hard costs are to be supported by trade contracts. In the event trade contracts are not available, costs are to be based on industry standards.

Review of all major trade contracts such as:

- Foundation Formwork;
- Concrete and drain;
- Lumber;
- Carpentry;
- Brick, Drywall, and
- Finishing contracts.

Review of all contracts to also include:

- Confirmation that contractual obligations are complete on completion of each unit, and
- Obtain copies of all major contracts.

Review of all change orders in respect of contract work to ensure adequacy of cost(s) and provide any suitable recommendations.

Review of the project plans and specifications in the context of budget preparation.

Review of soil tests and environmental audits:

- To understand how the analysis and recommendations therein will impact the project construction budget;
- To ascertain that any recommendations therein appear to be incorporated into the plans and specifications.

Review the Borrower's construction time schedule in the context of the project plans and specifications, general contract and head contracts with a view to determining that it is realistic.

Review invoices, canceled cheques and bank statements to confirm the borrower's equity.

Review all material cost items which are or ought to be included in the project with a view to determining that such allowances are reasonable, adequate and complete.

Review insurance certificates to ensure that the sum insured, insured parties, loss payable and period of coverage is appropriate. (This does not include a detailed review of the policies themselves. We are not qualified insurance experts and a proper review should only be undertaken by a specialist insurance consultant).

Review such documents and data as is made available to us in the course of reviewing the project budget with a view to ensuring to the fullest reasonable extent the adequacy of such budget, including but not restricted to:

- (a) Building Permits;
- (b) Land Purchase Agreement;
- (c) The Lender's Commitment Agreement;
- (d) Development and other Municipal and Regional Agreements;
- (e) Management Agreements; and
- (f) Consultants' Agreements including Design, Sales, Marketing, Management and Legal.

During any period of construction related site activity or actual construction within the project, submit monthly inspection and cost reports in order for the Lender to process the advance.

The monthly report shall incorporate the following:



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- Funding and advance calculation pursuant to the Letter of Commitment;
- Confirmation of up to date sales and closing schedule;
- Confirmation of work-in-place, cost-to-complete and holdback amounts;
- Full reconciliation of all project related trade payables;
- Site inspection including photographs of all units under construction;
- Confirmation from the project consultants and municipal building department that the work has been constructed in accordance with approved plans and specifications, applicable building codes and municipal by-laws and regulations;
- Obtain affidavits/statutory declaration from the Borrower attesting to proper use of funds;
- Obtain affidavits/statutory declaration from the major trade contractors;
- Review and/or spot check of the Borrower's bank statement including a review of canceled cheques, evidence of inter-company payables and deposits, etc.;
- Distribution of project related payments directly to the applicable trades.

Note: The Lender shall reserve the right to instruct the Project Monitor to provide such a monthly report, at any time and at its sole discretion, regardless of whether the Borrower has made a formal draw request for funds or actually utilized the Construction Loan Facility.

Such other services as the Project Monitor may be directed to perform from time to time.





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**SCHEDULE "C"
PERSONAL NET WORTH STATEMENT**

PERSONAL & EMPLOYMENT INFORMATION

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

SUMMARY ~ FINANCIAL INFORMATION

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

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(Supporting Schedules)

ASSETS

Page 2 of 2

SECTION "A" ~ SECURITIES AND TAX SHELTERS

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

SECTION "B" ~ REAL ESTATE

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

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

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

LIABILITIES

SECTION "D" ~ SECURITY

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

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

Dated this _____ day of _____, _____

Signature (in ink) _____





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SCHEDULE "D"
RELIANCE CERTIFICATE

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

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

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby certifies, agrees and confirms that the addressees hereof, and their respective successors and assigns, shall be entitled to rely on the Report to the same extent and with such effect as if such Report were prepared for and addressed to them.

DATED the _____ day of _____, 20__.

By: _____
Name:
Title:



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SCHEDULE "E"
SALES LIST

Lot Number	Sq Feet	Purchase Price	HST	Price (net of HST)	Deposit	Deferred Cost	Minium Discharge Amount
1	2,448	904,990	82,875	822,115	80,000	10,833	731,282
2	2,312	929,990	85,751	844,239	80,000	10,833	753,406
3	2,312	859,990	77,698	782,292	80,000	10,833	691,459
4	2,253	919,990	84,601	835,389	80,000	10,833	744,556
5	2,253	909,990	83,450	826,540	80,001	10,833	735,705
6	2,292	889,990	81,149	808,841	100,000	10,833	698,007
7	2,292	889,990	81,149	808,841	100,000	10,833	698,007
8	2,448	899,990	82,300	817,690	180,000	10,833	626,857
9	2,448	899,990	82,300	817,690	180,000	10,833	626,857
10	2,292	1,023,999	96,566	927,433	60,000	10,833	856,599
11	2,292	1,023,999	96,566	927,433	60,000	10,833	856,599
12	2,253	909,990	83,450	826,540	100,000	10,833	715,706
13	2,253	899,990	82,300	817,690	80,000	10,833	726,857
14	2,312	869,990	78,848	791,142	100,000	10,833	680,308
15	2,312	860,000	77,699	782,301	80,000	10,833	691,468
16	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
17	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
18	2,253	899,990	82,300	817,690	80,000	10,833	726,857
19	2,253	899,990	82,300	817,690	80,000	10,833	726,857
20	2,312	874,990	79,424	795,566	100,000	10,833	684,733
21	2,312	874,990	79,424	795,566	100,000	10,833	684,733
22	2,253	909,990	83,450	826,540	100,000	10,833	715,706
23	2,253	899,990	82,300	817,690	80,000	10,833	726,857
24	2,312	874,990	79,424	795,566	100,000	10,833	684,733
25	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
26	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
27	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
28	2,448	899,990	82,300	817,690	80,000	10,833	726,857
29	2,448	1,179,000	114,398	1,064,602	100,000	10,833	953,768
31	2,292	1,333,999	132,230	1,201,769	60,000	10,833	1,130,936
32	2,292	1,333,999	132,230	1,201,769	60,000	10,833	1,130,936
33	2,959	1,065,990	101,397	964,593	30,000	10,833	923,760
34	2,959	979,990	91,503	888,487	100,000	10,833	777,653
35	2,959	1,179,000	114,398	1,064,602	100,000	10,833	953,768
36	2,959	1,050,990	99,671	951,319	100,000	10,833	840,485
37	2,959	1,135,990	109,450	1,026,540	100,000	10,833	915,706
38	2,959	959,990	89,202	870,788	100,000	10,833	759,954
39	2,959	1,333,999	132,230	1,201,769	60,000	10,833	1,130,936
40	2,959	1,179,999	114,513	1,065,486	100,000	10,833	954,653
42	2,959	1,119,990	107,609	1,012,381	80,000	10,833	921,547
43	2,959	1,119,990	107,609	1,012,381	50,000	10,833	951,547
44	2,959	1,175,990	114,052	1,061,938	50,000	10,833	1,001,105
45	2,959	1,175,990	114,052	1,061,938	80,000	10,833	971,105
47	3,033	1,134,990	109,335	1,025,655	80,000	10,833	934,822
48	2,959	1,114,990	107,034	1,007,956	80,000	10,833	917,122
49	2,959	1,114,990	107,034	1,007,956	80,000	10,833	917,122
50	2,959	1,129,980	108,759	1,021,221	80,000	10,833	930,388
51	2,959	1,149,990	111,061	1,038,929	100,000	10,833	928,096



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SCHEDULE "F"
MORTGAGE DISCLOSURE STATEMENT

Mortgage Brokerages, Lenders and Administrators Act

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

Disclosure to Borrower

Cost of Borrowing Disclosure

Property to be mortgaged: 13151 – 13165 Keele Street, King City, Ontario

Details of Mortgage:

The principal amount of the mortgage **\$5,000,000** will be repayable monthly in arrears, interest only, paid on the 1st day of each month, starting one month after Interest Adjustment Date (IAD). The total amount of all payments over the **12-month** term will be **\$650,000**. The mortgage will be amortized over **n/a** years.

Interest:

The date on which interest begins to accrue is the first day of the month following the date of the first advance of funds under the Loan, if any grace period is given, the details are:

The annual interest rate is **13.00%**. Interest on the Loan shall be calculated daily, and compounded and payable monthly not in advance based on the number of days that the Loan is outstanding.

Where the annual interest rate may change, the method of determining the annual interest rate is: **N/A**

Fees and Costs Payable by Borrower:

	Comments	Value	Included in APR
Commitment Fee		\$87,500	Yes
Placement Fee		\$37,500	Yes
Legal Fees and Other Transactions		\$25,000	Yes
Total Costs:		\$150,000	

Total Cost of Borrowing:

Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: **\$800,000** APR: **16.00%**

The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.

Terms and Conditions:

Prepayment Privileges: See commitment for detail

Transferability: See commitment for details

Method of Payment: See commitment for details

Special Conditions: See commitment for details

Particulars / Penalties: See commitment for details



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High Crown Estates, King City, ON
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Mortgage Brokerages, Lenders and Administrators Act

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

Disclosure to Borrower

Conflict of Interest Disclosure:

Referral Fees to Brokerage and/or Broker/Agent:

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

Mortgage

Commissions

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

Other Compensation

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

Information on Brokerage:

The Brokerage is representing the Lender in this transaction.

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

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

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

Date: June 17, 2021

Authorized Signature:

Disclosure of Material Risks:

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

Acknowledgement

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

Date: 06/28/2021

Borrower:

Date: 06/28/2021

Borrower:

Date: _____

Borrower: _____

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

Date: 06/28/2021

Borrower:

Date: 06/28/2021

Borrower:

Date: _____

Borrower: _____

This is Exhibit "YY" *referred to in the*
affidavit of Daniel Pollack--
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS



Dorr Capital Corporation

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

July 23, 2021

Stateview Homes (High Crown Estates) Inc.
410 Chrislea Road, Unit 6
Woodbridge, ON L4L 8B5

Attention: Dino Taurasi and Carlo Taurasi

Via: Email

Dear Sirs:

**Re: Second Mortgage Non-Revolving Demand Loan
 High Crown Estates, King City, ON
 Loan No.: 21002.1**

Reference is made to the commitment letter dated June 17, 2021 from Dorr Capital Corporation ("DCC") to Stateview Homes (High Crown Estates) Inc. (the "Original Commitment"). DCC is pleased to provide the following amendment (the "Amendment") to the Original Commitment, subject to the terms and conditions outlined below. Together, this Amendment and the Original Commitment shall collectively be known as the "Commitment", and references to the Commitment in the Original Commitment and in the Security (as defined in the Original Commitment) shall be deemed to be references to the Commitment as defined herein.

DELETE:

Partial Discharges:

Provided there has been no default, the Lender will provide partial discharges on the closing of each lot, upon payment of 100% Net Sales Proceeds defined as Gross Sale Price (includes closing adjustments) less HST, less deposits used in the Project, less reasonable closing costs to be no more than \$10,000 per unit and trade credits or deferred costs which shall be applied as follows. Refer to Sales List under Schedule E.

1. Firstly, to be applied towards the First Mortgage until fully repaid.
2. Secondly, to be applied to the Letters of Credit until they are fully cash secured.
3. Thirdly, upon full repayment of the First Mortgage and Letters of Credit fully cash secured, the remaining Net Sales Proceeds will be used to repay the Second Mortgage in full.

Note: This proposal is intended to be distributed by Dorr Capital directly. Please do not distribute this document without the express written permission of Dorr Capital.

Mortgage Brokerage License # 12099 Administrative License # 12087

A handwritten signature in blue ink, appearing to be the letter 'D' inside a circle.



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High Crown Estates, King City
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INSERT:

Partial Discharges:

Provided there has been no default, the Lender will provide partial discharges on the closing of each lot, upon payment of the greater of (a) the Lender's minimum discharge amount as set forth on the Sales List in Schedule E attached hereto for such Unit, and (b) 100% Net Sales Proceeds defined as Gross Sale Price (includes closing adjustments) less HST, less deposits used in the Project, less reasonable closing costs to be no more than \$10,000 per unit and trade credits or deferred costs which shall be applied as follows.

1. Firstly, to be applied towards the First Mortgage until fully repaid.
2. Secondly, to be applied to the Letters of Credit until they are fully cash secured.
3. Thirdly, upon full repayment of the First Mortgage and Letters of Credit fully cash secured, the remaining Net Sales Proceeds will be used to repay the Second Mortgage in full.



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High Crown Estates, King City
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DELETE:
Schedule "E" – Sales List

Lot Number	Sq Feet	Purchase Price	HST	Price (net of HST)	Deposit	Deferred Cost	Minium Discharge Amount
1	2,448	904,990	82,875	822,115	80,000	10,833	731,282
2	2,312	929,990	85,751	844,239	80,000	10,833	753,406
3	2,312	859,990	77,698	782,292	80,000	10,833	691,459
4	2,253	919,990	84,601	835,389	80,000	10,833	744,556
5	2,253	909,990	83,450	826,540	80,001	10,833	735,705
6	2,292	889,990	81,149	808,841	100,000	10,833	698,007
7	2,292	889,990	81,149	808,841	100,000	10,833	698,007
8	2,448	899,990	82,300	817,690	180,000	10,833	626,857
9	2,448	899,990	82,300	817,690	180,000	10,833	626,857
10	2,292	1,023,999	96,566	927,433	60,000	10,833	856,599
11	2,292	1,023,999	96,566	927,433	60,000	10,833	856,599
12	2,253	909,990	83,450	826,540	100,000	10,833	715,706
13	2,253	899,990	82,300	817,690	80,000	10,833	726,857
14	2,312	869,990	78,848	791,142	100,000	10,833	680,308
15	2,312	860,000	77,699	782,301	80,000	10,833	691,468
16	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
17	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
18	2,253	899,990	82,300	817,690	80,000	10,833	726,857
19	2,253	899,990	82,300	817,690	80,000	10,833	726,857
20	2,312	874,990	79,424	795,566	100,000	10,833	684,733
21	2,312	874,990	79,424	795,566	100,000	10,833	684,733
22	2,253	909,990	83,450	826,540	100,000	10,833	715,706
23	2,253	899,990	82,300	817,690	80,000	10,833	726,857
24	2,312	874,990	79,424	795,566	100,000	10,833	684,733
25	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
26	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
27	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
28	2,448	899,990	82,300	817,690	80,000	10,833	726,857
29	2,448	1,179,000	114,398	1,064,602	100,000	10,833	953,768
31	2,292	1,333,999	132,230	1,201,769	60,000	10,833	1,130,936
32	2,292	1,333,999	132,230	1,201,769	60,000	10,833	1,130,936
33	2,959	1,065,990	101,397	964,593	30,000	10,833	923,760
34	2,959	979,990	91,503	888,487	100,000	10,833	777,653
35	2,959	1,179,000	114,398	1,064,602	100,000	10,833	953,768
36	2,959	1,050,990	99,671	951,319	100,000	10,833	840,485
37	2,959	1,135,990	109,450	1,026,540	100,000	10,833	915,706
38	2,959	959,990	89,202	870,788	100,000	10,833	759,954
39	2,959	1,333,999	132,230	1,201,769	60,000	10,833	1,130,936
40	2,959	1,179,999	114,513	1,065,486	100,000	10,833	954,653
42	2,959	1,119,990	107,609	1,012,381	80,000	10,833	921,547
43	2,959	1,119,990	107,609	1,012,381	50,000	10,833	951,547
44	2,959	1,175,990	114,052	1,061,938	50,000	10,833	1,001,105
45	2,959	1,175,990	114,052	1,061,938	80,000	10,833	971,105
47	3,033	1,134,990	109,335	1,025,655	80,000	10,833	934,822
48	2,959	1,114,990	107,034	1,007,956	80,000	10,833	917,122
49	2,959	1,114,990	107,034	1,007,956	80,000	10,833	917,122
50	2,959	1,129,980	108,759	1,021,221	80,000	10,833	930,388
51	2,959	1,149,990	111,061	1,038,929	100,000	10,833	928,096



Always Open

High Crown Estates, King City
File # 21002.1

INSERT:
Schedule "E" – Sales List

Lot Number	Sq Feet	Purchase Price	HST	Price (net of HST)	Deposit	Deferred Cost	Minium Discharge
							Amount
1	2,448	904,990	82,875	822,115	80,000	10,833	731,282
2	2,312	929,990	85,751	844,239	80,000	10,833	753,406
3	2,312	859,990	77,698	782,292	80,000	10,833	691,459
4	2,253	919,990	84,601	835,389	80,000	10,833	744,556
5	2,253	909,990	83,450	826,540	80,000	10,833	735,706
6	2,292	889,990	81,149	808,841	100,000	10,833	698,007
7	2,292	889,990	81,149	808,841	100,000	10,833	698,007
10	2,292	1,023,999	96,566	927,433	60,000	10,833	856,599
11	2,292	1,023,999	96,566	927,433	60,000	10,833	856,599
12	2,253	909,990	83,450	826,540	100,000	10,833	715,706
13	2,253	899,990	82,300	817,690	80,000	10,833	726,857
14	2,312	869,990	78,848	791,142	100,000	10,833	680,308
15	2,312	860,000	77,699	782,301	80,000	10,833	691,468
16	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
17	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
18	2,253	899,990	82,300	817,690	80,000	10,833	726,857
19	2,253	899,990	82,300	817,690	80,000	10,833	726,857
20	2,312	874,990	79,424	795,566	100,000	10,833	684,733
21	2,312	874,990	79,424	795,566	100,000	10,833	684,733
22	2,253	909,990	83,450	826,540	100,000	10,833	715,706
23	2,253	899,990	82,300	817,690	80,000	10,833	726,857
24	2,312	874,990	79,424	795,566	100,000	10,833	684,733
25	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
26	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
27	2,312	1,023,999	96,566	927,433	60,000	10,833	856,599
28	2,448	899,990	82,300	817,690	80,000	10,833	726,857
29	2,448	1,179,000	114,398	1,064,602	100,000	10,833	953,768
30	2,292	1,333,999	132,230	1,201,769	60,000	10,833	1,130,936
31	2,292	1,333,999	132,230	1,201,769	60,000	10,833	1,130,936
32	2,959	1,065,990	101,397	964,593	80,000	10,833	873,760
33	2,959	1,149,990	111,061	1,038,929	100,000	10,833	928,096
34	2,959	1,129,990	108,760	1,021,230	100,000	10,833	910,397
36	2,959	1,050,990	99,671	951,319	100,000	10,833	840,485
37	2,959	1,135,990	109,450	1,026,540	100,000	10,833	915,706
38	2,959	959,990	89,202	870,788	100,000	10,833	759,954
39	2,959	1,333,999	132,230	1,201,769	60,000	10,833	1,130,936
40	2,959	1,179,999	114,513	1,065,486	100,000	10,833	954,653
41	2,959	1,081,490	103,180	978,310	80,000	10,833	887,477
42	2,959	1,119,990	107,609	1,012,381	80,000	10,833	921,547
43	2,959	1,119,990	107,609	1,012,381	80,000	10,833	921,547
44	3,033	1,129,980	108,759	1,021,221	80,000	10,833	930,388
45	2,959	1,114,990	107,034	1,007,956	80,000	10,833	917,122
46	2,959	1,175,990	114,052	1,061,938	80,000	10,833	971,105
47	2,959	1,175,981	114,051	1,061,930	80,000	10,833	971,097
48	2,959	1,179,000	114,398	1,064,602	100,000	10,833	953,768
Unsold Units							
Lot Number	Sq Feet	Purchase Price	HST	Price (net of HST)	Average Deposit	Deferred Cost	Minium Discharge
							Amount
8	2,448	958,990	89,087	869,903	110,000	10,833	749,069
9	2,448	958,990	89,087	869,903	110,000	10,833	749,069
35	2,959	1,179,990	114,512	1,065,478	110,000	10,833	944,645





Always Open

High Crown Estates, King City
File # 21002.1

All other terms and conditions of the Original Commitment shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment.

If you are in agreement of the foregoing terms and conditions, please indicate by signing and returning one (1) copy of this letter to the Lender's office by July 26th, 2021, failing which this letter shall be deemed null and void.

Yours very truly,

Dorr Capital Corporation

Brian Dorr
President and Principal Broker

ACCEPTANCE

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

DATED AT WOODBRIDGE, this 26th day of July, 2021.

Borrower

Stateview Homes (High Crown Estates) Inc

Per: D. CICCONI
Title: CEO
I/we have the authority to bind the corporation

Guarantor (s)

Witness:

Mr. Dino Taurasi

Mr. Carlo Taurasi

Dorr Capital Corporation

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



DELIVERED VIA EMAIL

February 8, 2022

Stateview Homes
410 Chrislea Road, Unit 6
Woodbridge, ON L4L 8B5

Attention: Mr. Daniel Ciccone

Dear Mr. Ciccone

Re: Second Mortgage Non-Revolver Demand Loan
Project Name: High Crown Estates, King City, ON
Loan No.: 21002.1

Reference is made to the commitment letter dated June 17, 2021 from Dorr Capital Corporation (“DCC”) to Stateview Homes (High Crown Estates) Inc. (the “Original Commitment”). DCC is pleased to provide the following amendment (the “Amendment”) to the Original Commitment, subject to the terms and conditions outlined below. Together, this Amendment and the Original Commitment and Amendment dated July 23, 2021 shall collectively be known as the “Commitment”, and references to the Commitment in the Original Commitment and in the Security (as defined in the Original Commitment) shall be deemed to be references to the Commitment as defined herein.

Purpose:

- To replace the current Collateral Security which is expected to be repaid on February 10, 2022 with a collateral charge over the NAO & MiNu Townhome projects as detailed herein.
- To permit the original \$1.1MM partial paydown of the Loan Facility to be held in a trust account until 70% of the hard costs have been fixed. Upon confirmation of same, the \$1.1MM would first be injected into the project to cover cost overruns (if any), and secondly, released to the Borrower.

Delete:

Collateral Security:

6853 & 6871 Main Street, Whitchurch-Stouffville, ON

52-unit townhouse development at 6853 & 6871 Main Street in Whitchurch-Stouffville, ON (the “Collateral Security”). Provided the loan is in good standing and has never been in default, and provided the Lender has received executed contracts confirming not less than 70% of

the Project hard costs have been fixed, the Lender will release the Collateral Security upon a \$1,100,000 partial paydown of the Second Mortgage loan.

INSERT:

Collateral Security:

MiNu Townhomes

A 7.0-acre site to be developed with 147 townhomes located along Donald Cousens Parkway, Markham Ontario ("MiNu Townhomes"), and

NAO Townhomes

A 4.5-acre site to be developed with 96 townhomes located at 7768, 7778, 7788, 7798 McGowan Road and 5112, 5122, 524814th Avenue, Markham, Ontario ("NAO Townhomes").

(Collectively, the "Collateral Security")

The amendments detailed herein are subject to syndicate Lender's approval.

All other terms and conditions of the Commitment shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment.

If you are in agreement with the foregoing terms and conditions, please indicate by signing and returning one (1) copy of this Letter to the Lender's office by February 9, 2022.

Yours very truly,

Dorr Capital Corporation



Brian Dorr
President and Principal Broker




ACCEPTANCE

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

DATED AT WOODBRIDGE, this 10th day of FEBRUARY, 2022.

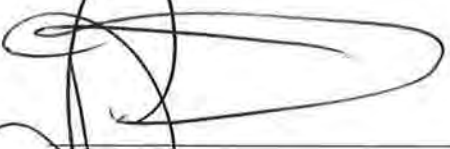
Borrower

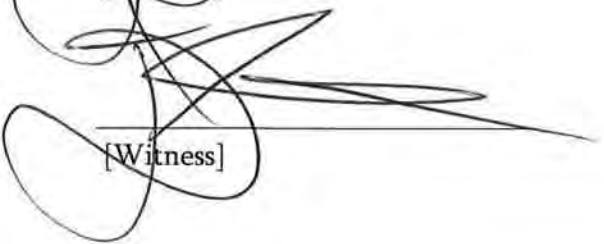
Stateview Homes (High Crown Estates) Inc.



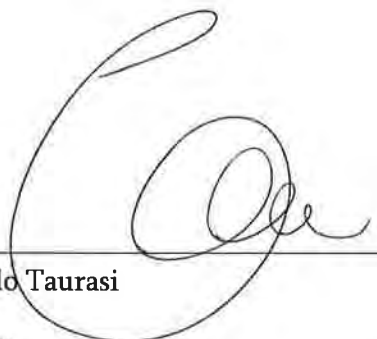
Name: Doreen
Title: CO
I have the authority to bind the corporation


Guarantors



[Witness]


[Witness]



Carlo Taurasi


Dino Taurasi



All other terms and conditions of the Original Commitment shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment.

Please confirm the extension by signing and returning one (1) copy of this Letter to the Lender's office by August 22nd, 2022, together with applicable fees, failing which this letter shall be deemed null and void.

Yours very truly,

Dorr Capital Corporation



Brian Dorr
President and Principal Broker

ACCEPTANCE

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

DATED AT WATERLOO, this 22nd day of AUGUST, 2022.

Borrower

Stateview Homes (High Crown Estates) Inc




Per:

Title:

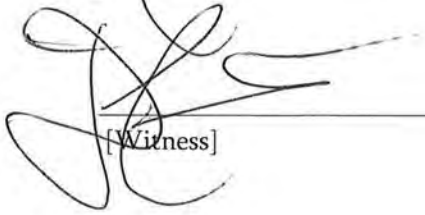
I/we have the authority to bind the corporation

-signatures continued-


Guarantor (s)




[Witness]



[Witness]



Dino Taurasi



Carlo Taurasi

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



November 24, 2022

Stateview Homes (High Crown Estates) Inc.
410 Chrislea Road, Unit 6
Woodbridge, ON L4L 8B5

Attention: Dino Taurasi and Carlo Taurasi

Via: Email

Dear Sirs:

Re: Second Mortgage Non-Revolving Demand Loan
High Crown, King City, ON
Loan No.: 21002.1

Reference is made to the commitment letter dated June 17, 2021 from Dorr Capital Corporation ("DCC") to Stateview Homes (High Crown Estates) Inc. (the "Original Commitment"). DCC is pleased to provide the following amendment (the "Amendment") to the Original Commitment, subject to the terms and conditions outlined below. Together, this Amendment and the Original Commitment and Amendment(s) dated July 23, 2021, February 8, 2022 and August 15, 2022 shall collectively be known as the "Commitment", and references to the Commitment in the Original Commitment and in the Security (as defined in the Original Commitment) shall be deemed to be references to the Commitment as defined herein.

Purpose: To apply the second 3-month extension to the existing \$5,000,000 Loan Facility.

Interest Rate: RBC Prime + 10.55% (unchanged)
Interest to be funded monthly from the Interest Reserve if available, otherwise to be paid by the Borrower.

Term of Extension: 3 months

Extended Maturity
Date: March 1, 2023

Extension Fee: \$22,000 deemed earned upon acceptance of this Amendment.



High Crown Estates, King City, ON
File # 21002.1

All other terms and conditions of the Original Commitment shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment.

Please confirm the extension by signing and returning one (1) copy of this Letter to the Lender's office by November 28th , 2022, together with applicable fees, failing which this letter shall be deemed null and void.

Yours very truly,

Dorr Capital Corporation

Brian Dorr
President and Principal Broker

ACCEPTANCE

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

DATED AT WATERBURY, this 25 day of NOV, 2022.

Borrower

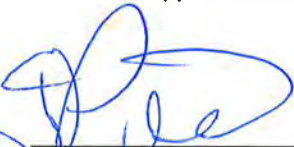
Stateview Homes (High Crown Estates) Inc

Per:
Title:
I/we have the authority to bind the corporation


-signatures continued-

High Crown Estates, King City, ON
File # 21002.1


Guarantor (s)




[Witness]




[Witness]



DocuSigned by:


31CAB8C17B514BF...
Dino Taurasi

DocuSigned by:


30E01E733F9B420...
Carlo Taurasi

This is Exhibit **"ZZ"** *referred to in the*
affidavit of Daniel Pollack--
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- (a) For value received, Stateview Homes (High Crown Estates) Inc. (the "Debtor"), hereby grants to Dorr Capital Corporation (the "Lender"), by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in the undertaking of the Debtor and in all Goods (including all parts, accessories, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), including without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:
- i. all inventory of whatever kind and wherever situate ("Inventory");
 - ii. all equipment (other than Inventory) of whatever kind including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles;
 - iii. all book accounts and book debts, rents and leases, all Agreements of Purchase and Sale entered into or to be entered into (including any deposits payable to the Debtor pursuant thereto) and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor ("Debts");
 - iv. all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - v. all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property, licenses and permits;
 - vi. all material contracts and all contractual rights for the provision of materials, equipment and services to the lands described in Schedule "A" in connection with the construction and/or servicing upon the lands, including any applicable working drawings, plans, specifications, development and/or building approvals and permits in connection with the lands;
 - vii. all monies other than trust monies lawfully belonging to others, Certificates and Interest Bearing Accounts;
 - viii. all real property described in Schedule "A" attached hereto and all property described in any schedule now or hereafter annexed hereto.
- (b) Notwithstanding the generality of the foregoing, the Security Interest created by this Agreement affects only such Collateral associated with the Debtor's business and assets situate in the Township of King City and more particularly described in Schedule "A" attached hereto (hereinafter called the "Premises").
- (c) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
- (d) The terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Consumer Goods", "Instruments", "Intangibles", "Securities", "Proceeds", "Inventory", and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Ontario, as amended from time to time (herein referred to as the "P.P.S.A."). Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The terms "Proceeds" whenever used herein and interpreted as above shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper,

goods, contract rights, accounts and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected or otherwise disposed of.

2. **INDEBTEDNESS SECURED**

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Lender arising out of a Letter of Commitment dated June 17, 2021 and pursuant thereto, a mortgage between the Debtor as Mortgagor and the Lender as Mortgagee charging the lands described in Schedule "A" hereto and securing for principal the sum of \$6,250,000.00("Charge") which indebtedness shall be fully satisfied upon payment in full of the said mortgage (hereinafter collectively called the "Indebtedness").

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

The Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) The Collateral is genuine and owned by the Debtor free of all interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption;
- (b) Each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise; and
- (c) The location specified in Schedule "A" as to business operations and records is accurate and complete and with respect to Goods constituting Collateral.

4. **COVENANTS OF THE DEBTOR**

So long as this Security Agreement remains in effect the Debtor covenants and agrees:

- (a) To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and those shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption and not to sell, exchange, transfer, assign, lease, otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease Inventory and, subject to Clause 6 hereof, use monies available to the Debtor;
- (b) To notify the Lender promptly of:
 - i. any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - ii. the details of any significant acquisition of Collateral;
 - iii. the details of any claims or litigation affecting Collateral;
 - iv. any loss or damage to Collateral;
 - v. any default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
 - vi. the return to or repossession by the Debtor of Collateral;
- (c) To keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating

to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;

- (d) To do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Collateral as and when the same become due and payable;
- (f) To insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct with loss payable to the Lender and the Debtor, as insureds, as their respective interest may appear, and to pay all premiums therefor;
- (g) To prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this Security Agreement;
- (h) To carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) To deliver to the Lender from time to time promptly upon request:
 - i. any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - ii. all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - iii. all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - iv. all policies and certificates of insurance relating to Collateral; and
 - v. such information concerning Collateral, the Debtor and business and affairs as the Lender may reasonably request;
- (j) To have the Premises professionally managed at all times.

5. **USE AND VERIFICATION OF COLLATERAL**

Subject to compliance with the Debtor's covenants herein and Clause 6 hereof, the Debtor may, until default, possess, operate, use, enjoy and deal with Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where Collateral may be located and to the premises described in Schedule "A".

6. **ASSIGNMENT OF RIGHTS UNDER AGREEMENTS OF PURCHASE AND SALE**

- (a) Although it is the intention of the parties that the assignment of all agreements of purchase and sale relating to the Premises (as set out in Paragraph 1(a)(iii)) ("Assignment of Rights") or rights arising therefrom shall be a present assignment, it is expressly understood and agreed, notwithstanding anything herein contained to the contrary, that the Lender shall not exercise any of the rights or powers herein conferred upon it except for the Lender's right to receive all sale proceeds (including deposits) received or to be received by the Debtor, pursuant to the agreements entered into for

the sale of any portion of the Premises ("Agreements"), or any one of them, until default shall occur under the terms and provisions of this assignment or under the Charge, but upon the occurrence of any such default, this assignment shall constitute a direction and full authority to any purchaser under the Agreements, or any one of them, to deal with respect to all matters of the Agreements, or any one of them, exclusively with the Lender as if the Lender was the vendor thereunder, and such purchaser is hereby irrevocably authorized and directed by the Debtor to rely upon any notice from the Lender as to the authority to act as the vendor in all respects pursuant to the Agreements, or any one of them, without requiring any further proof of such authority.

- (b) In the exercise of the powers herein granted to the Lender no liability shall be asserted or enforced against the Lender, all such liability being expressly waived and released by the Debtor. The Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Agreements, or any one of them, unless and until the Lender expressly and specifically agrees to do so in writing by separate instrument and until such time all parties shall look strictly to the Debtor for the performance and discharge of any and all obligations under the Agreements, or any one of them. The Debtor shall and does hereby agree to indemnify the Lender for and to save and hold it harmless of and from any and all liabilities, losses, expenses, costs or damages which it may or might incur by reason of this assignment.
- (c) This Assignment of Rights under Agreements of Purchase and Sale is given as further security for the performance of the Debtor's obligations under the Charge and in the event of the exercise of the Lender's rights hereunder the Lender shall have the right to apply any sale proceeds or deposits received by it hereunder at its discretion as against principal, interest or costs owing pursuant to the Charge provided always that upon satisfaction in full of the indebtedness owing to the Lender under the Charge, all rights, benefits, and privileges under the Agreements shall be deemed to be reassigned and the Lender shall account for any excess monies held by it pursuant hereto (if any) to the Debtor.

7. ASSIGNMENT OF CASH SECURITY

- (a) As security for the Indebtedness or a letter or letters of credit (the "Letter of Credit") issued or to be issued or arranged by the Lender at the request of and for the benefit of the Debtor in favour of parties as contemplated in the Commitment Letter, the Debtor has agreed to assign and pledge to the Lender one or more Certificates and Interest Bearing Accounts. For purposes of this section the following words and phrases have the following meanings:
 - i. **"Act"** means the Personal Property Security Act (Ontario), as it may be amended or reenacted from time to time;
 - ii. **"Agreement"** means this General Security Agreement, together with all schedules annexed hereto, all as the same may be from time to time supplemented, amended or otherwise modified in accordance with paragraph 12 hereof;
 - iii. **"Debtor's Liabilities"** means all present and future indebtedness and liabilities of the Debtor to the Lender under the Commitment Letter, the Charge and all other agreements, documents and security documents entered into between the Debtor and the Lender, made by the Debtor in favour of the Lender or assigned by the Debtor to the Lender relating to or in connection with the Commitment Letter;
 - iv. **"Certificates"** means one or more guaranteed investment certificates, certificates of deposit, term deposits and other interest bearing instruments now or hereafter issued by the Lender in the name of or on behalf of the Debtor evidencing the deposit of monies from time to time by the Debtor with the Lender for a specified term bearing a fixed rate of interest or otherwise entitling the bearer of such instruments to receive the principal amount stated therein at the rate of interest stated therein on a fixed date;
 - v. **"Commitment Letter"** means the Commitment Letter referred to between the parties referable to this transaction dated June 17, 2021, and any amendments thereto;

- vi. **"Charge"** means the Charge issued by the Debtor to the Lender in the principal amount of \$6,250,000.00;
 - vii. **"Deposit"** means the sum to be deducted from the advance of funds or otherwise held by the Lender pursuant to the Commitment Letter, together with any and all interest actually earned thereon, to be invested pursuant to this Agreement, as security for the Debtor's Liabilities;
 - viii. **"Interest Bearing Accounts"** means one or more bank accounts now or hereafter established by the Lender in the name of or on behalf of the Debtor in which the Debtor deposits monies on a current basis from time to time at such rate of interest as is established, quoted or announced from time to time by the Lender;
 - ix. **"Letter of Credit"** means the letter or letters of credit now or hereafter issued or arranged by the Lender at the request of or on behalf of the Debtor in favour of parties as contemplated in the Commitment Letter;
 - x. **"Loan Documents"** means all present and future agreements, instruments and other documents, as same may be amended from time to time, made or assigned by the Debtor to the Lender in connection with the issue of the Letter of Credit; and
 - xi. **"Securities"** means all Interest Bearing Accounts and Certificates together with all renewals, replacements and substitutions therefore and all proceeds therefrom.
- (b) As continuing security for the payment of the Debtor's Liabilities, and for the performance, fulfilment and satisfaction of all covenants, obligations and conditions on the part of the Debtor set out herein, the Debtor:
- i. assigns, transfers and pledges the Deposit and the Securities to and in favour of the Lender; and
 - ii. grants a security interest in the Deposit and the Securities to and in favour of the Lender;
- as and by way of a fixed charge.
- (c) The Lender's only responsibility hereunder in regard to the Securities is limited to exercising the same degree of care which it gives valuable property of the Lender or any other customer of the Lender at the office where the Securities are held.
- (d) The Debtor acknowledges and agrees that the Lender is authorized and directed to invest and reinvest the Deposit and any other funds represented by the Securities in one or more Certificates or Interest Bearing Accounts from time to time for such periods as may be requested in writing by the Debtor; provided that none of the Certificates may be reinvested until its respective maturity date; and provided further that if the Lender has not received such written instructions before 1:00 o'clock in the afternoon on any date that the Deposit or any of the Certificates mature, then all of such funds may be invested or reinvested, as the case may be, for any period determined by the Lender from time to time in its absolute discretion, at rates of interest quoted by the Lender for the respective period or periods of any such Interest Bearing Account or Certificate on the date of any such investment or reinvestment.
- (e) All interest earned on the Securities shall accrue to the account of the Debtor and shall be held by the Lender in accordance with and subject to the same terms and conditions set out in this agreement.
- (f) The Lender and every employee or agent thereof, as the irrevocable attorney of the Debtor, may deal with all or any of the Securities and may fill in all blanks in any documents delivered to it and may complete Schedule "C" annexed hereto with the particulars of the Securities and the Lender may delegate its powers and any delegate may subdelegate the same, and any of the powers hereby given may be exercised in the name and on behalf of the successors of the Debtor.

- (g) Any renewal, replacement or substituted Securities and all proceeds thereof including, without limitation, all Interest Bearing Accounts and Certificates shall be held by the Lender in accordance with and subject to the provisions of this Agreement.
- (h) The Lender is hereby authorized to sign on behalf of and as agent of the Debtor such income tax ownership certificates as may be required or the Lender may, in its discretion, require the Debtor to sign the same and the Debtor hereby covenants so to do.
- (i) This shall be a continuing agreement and the Securities assigned and pledged hereby are in addition to and not in substitution for any other security held by the Lender and shall not operate as a merger of any contract debt. All claims, present or future, of the Debtor against any person other than the Lender who is liable upon or for payment of any of the Securities are hereby assigned to the Lender.
- (j) The Debtor represents and warrants to the Lender that the Debtor is the legal owner of the Securities and that the Securities are unencumbered in any manner save as herein provided and that the Debtor has full power and authority to assign and pledge the Securities to the Lender hereunder.
- (k) Upon the failure by the Debtor to make due and punctual payment and/or satisfaction of the Debtor's Liabilities in the amounts and at the times provided for the Commitment Letter, the Charge or any other agreement, document or security document entered into between the Debtor and the Lender, made by the Debtor in favour of the Lender or assigned by the Debtor to the Lender, the security interest hereby granted shall immediately become enforceable at the option of the Lender, the Lender shall have the right and irrevocable authority to cash the Securities which are then the subject of this pledge and, at its sole and unfettered discretion, shall also have the right and irrevocable authority, without notice to the Debtor except as may be provided in the Act:
 - i. to set-off or otherwise apply all or any part or parts of the proceeds thereof towards the payment of the Debtor's Liabilities and any part or parts thereof;
 - ii. to utilize the proceeds thereof to pay to the beneficiary of the Letter of Credit the amount owing to such beneficiary as a result of any call or demand for payment under such Letter of Credit;
 - iii. to retain an amount equal to the principal amount of the outstanding Letter of Credit as security for the liability of the Lender thereunder, without being obligated to attribute any part of parts of such amount on account of any specific part or parts of the Debtor's Liabilities, for such period or periods of time as any of such letters of credit remain outstanding. The Lender is hereby irrevocably authorized and directed to utilize such amount to pay to the beneficiary of such Letter of Credit any amounts called upon for payment under or pursuant to the terms of any Letter of Credit;
 - iv. to file such proof of claim or other documents as may be necessary or desirable to have its claim lodged in any bankruptcy, winding-up, liquidation, dissolution or other proceedings (voluntary or otherwise) relating to the Debtor;
 - v. to take any action, suit, remedy or proceeding authorized or permitted by this Agreement, the Act or by law or equity.
- (l) For greater certainty, this Agreement shall not preclude the right of the Lender to exercise any right of set-off it might obtain in respect of the Debtor's Liabilities other than pursuant to this Agreement or the Act.
- (m) To the extent not prohibited by law, the Debtor hereby waives the benefit of all of the provisions of the Act or any other legislation which would in any manner affect the rights or remedies of the Lender hereunder.
- (n) The Lender may compound, compromise, grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Securities, the Debtor and with other parties and other securities as the Lender may reasonably see fit, without prejudice to the

Debtor's Liabilities or to the Lender's rights in respect to the security hereby constituted. The Lender shall not be obliged to exhaust its recourses against the Debtor or any other party or parties or against any other security or securities held by the Lender from time to time before realizing or otherwise disposing of or dealing with the Securities in such manner as the Lender sees fit.

- (o) In consideration of the Lender issuing or causing to be issued the Letter of Credit in favour of parties as contemplated in the Commitment Letter from time to time, the Debtor unconditionally and irrevocably agrees:
- i. to indemnify and save the Lender harmless against all actions, losses, costs, charges, damages, expenses, liabilities, claims and demands of whatsoever nature and kind, which the Lender may howsoever incur or sustain by reason of or in connection with the Letter of Credit;
 - ii. to accept any claim or demand on the Lender as conclusive evidence that the Lender was liable to make payment thereunder and any payment made pursuant to such claim or demand which purports to be in accordance with the Letter of Credit or any steps taken by the Lender in good faith under or in connection with the Letter of Credit shall be binding upon the Debtor and shall not place the Lender under any liability to the Debtor;
 - iii. that the Lender shall have no liability or responsibility to the Debtor for the form, sufficiency, correctness, genuineness or legal effect of the Letter of Credit or for the good faith or acts of the holder of the Letter of Credit;
 - iv. that the rights and powers conferred by this paragraph and the indemnity hereinafter are in addition to and without prejudice to any other rights which the Lender may have pursuant to this Agreement, the Commitment Letter, the Charge or any other agreement, document or security document entered into between the Debtor and the Lender, made by the Debtor in favour of the Lender or assigned by the Debtor to the Lender.

8. **COLLECTION OF DEBTS**

Before or after default under this Security Agreement, the Lender may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to the Lender. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement shall be received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request.

9. **DISPOSITION OF MONIES**

Subject to any application requirements of the P.P.S.A., all monies collected or received by the Lender pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as the Lender deems best or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Lender hereunder, and any surplus shall be accounted for as required by law.

10. **EVENTS OF DEFAULT**

The happening of any of the following events or conditions shall constitute default hereunder (hereinafter referred to as "default"):

- (a) The nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision, or condition contained in this Security Agreement or any other document or agreement between the Debtor and the Lender relating to the Indebtedness;
- (b) The bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;

- (c) Abandonment of the premises by the Debtor for a period in excess of eight (8) consecutive days and which the Debtor has not rectified within ten (10) days after delivery by the Lender to the Debtor of written notice of any abandonment.

11. **REMEDIES**

- (a) Upon default, the Lender may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Lender and the Lender shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instruments appointing him, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on the Debtor's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Lender, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.
- (b) Upon default, the Lender may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in preparing or enforcing this Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Lender or any Receiver appointed by it, as

permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.
- (h) Upon failure of the Debtor to have the Premises professionally managed in accordance with clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or managers, as it may deem necessary in its sole discretion, to manage the Premises at the sole expense of the Debtor.

12. **MISCELLANEOUS**

- (a) The Debtor hereby authorizes the Lender to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral) as the Lender may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints the Lender the true and lawful attorney of the Debtor, with the full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate per annum set forth in the said mortgage.
- (c) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name on any and all cheques, commercial paper, and any other Instrument pertaining to or constituting Collateral.
- (d) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (e) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and notice of any other action taken by the Lender.
- (f) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (h) Subject to any provisions of this Agreement to the contrary, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the

principal address of such party herein set forth or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purpose hereof.

The address of each party is as follows:

Debtor:

Stateview Homes (High Crown Estates) Inc.
410 Chrislea Road, Unit 15-16
Woodbridge, ON L4L 8B5

Lender:

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

- (i) This Security Agreement and the security afforded hereby shall remain in full force and effect until all Indebtedness contracted for or created, shall be paid in full.
- (j) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (k) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (l) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (m) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (n) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.

13. **COPY OF AGREEMENT**

The Debtor hereby acknowledges receipt of a copy of this Security Agreement.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement under the hand of its authorized signing officers as of this 20 day of July, 2021.

STATEVIEW HOMES (HIGH CROWN ESTATES) INC

DocuSigned by:

Per: Dino Taurasi
Name: D125FD1A093894D3...
Title: Chief Executive Officer

DocuSigned by:
Per: Carlo Taurasi
Name: C475E1E733F9B420...
Title: President

We have authority to bind the corporation.

SCHEDULE "A"

PIN No. 03372-1006 (LT) - 13151-13165 Keele Street, King City

Part Lot 7 Concession 3 King as in R374832; Part Lot 7 Concession 3 King as in R648002; Part Lot 7 Concession 3 King as in R416706; Lot 56 Plan 85 King; Part Lot 55 Plan 85 King as in R459705; Lots 1 and 2, Plan 360; designated as Part 1 65R38751

Township of King City
Regional Municipality of York
York Region Land Registry (NO.65)

SCHEDULE "B"

1. First Charge in favour of Dorr Capital Corporation;
2. First Notice of Assignment of Rents in favour of Dorr Capital Corporation.

3. SCHEDULE "C" - Pursuant to Paragraph 7 - Assignment of Cash Security

This is Exhibit "AAA" *referred to in the*
affidavit of Daniel Pollack
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

Properties

PIN 03372 - 1006 LT *Interest/Estate* Fee Simple
Description PART LOT 7 CONCESSION 3 KING AS IN R374832; PART LOT 7 CONCESSION 3
 KING AS IN R648002; PART LOT 7 CONCESSION 3 KING AS IN R416706; LOT 56 PL 85
 ING; PART LOT 55 PLAN 85 KING AS IN R459705; LOTS 1 AND 2, PLAN 360;
 DESIGNATED AS PART 1 65R38751; TOWNSHIP OF KING
Address KING CITY

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 (HIGH CROWN ESTATES) INC.

Address for Service 410 Chrislea Road, Unit 6

Woodbridge, ON L4L 8B5

I, Dino Taurasi, Chief Executive Officer and Carlo Taurasi, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name DORR CAPITAL CORPORATION

Address for Service 41 Scarsdale Road, Unit 6

Toronto, ON M3B 2R2

Statements

Schedule: See Schedules

Provisions

Principal \$6,250,000.00 *Currency* CDN

Calculation Period monthly, not in advance

Balance Due Date ON DEMAND

Interest Rate see Schedule

Payments

Interest Adjustment Date

Payment Date interest only, on the 1st day of each month

First Payment Date

Last Payment Date

Standard Charge Terms

Insurance Amount Full insurable value

Guarantor

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2021 08 16
 Toronto Chargor(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2021 08 16
 Toronto
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.30

Fees/Taxes/Payment

Total Paid \$65.30

File Number

Chargee Client File Number : 9339-028

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated June 17, 2021 (and any amendments thereto, if applicable).

This Charge shall secure any and all amounts owing by the Chargor to the Chargee pursuant to the Letter of Commitment.

All provisions of the Letter of Commitment are hereby incorporated into this Charge.

Any default by the Borrower with regard to any provision of the Letter of Commitment shall constitute a default under this Charge.

2. **DUE ON DEMAND**

The amount owing under this Charge shall be repayable on demand.

In the event interest is not paid as and when due, the Chargee may in its sole discretion advance monies on account of principal to the Chargor to be applied to interest owing, or capitalize the amount of interest owing (which capitalization shall not be an advance of funds) but in no event shall any such advance or capitalization by the Chargee obligate the Chargee to make any further advances or capitalizations to be applied to interest or otherwise.

3. **INTEREST RATE**

The mortgage shall bear interest at the greater rate of: (i) 13.00% per annum compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus 10.55% per annum, adjusted daily and compounded and payable monthly, not in advance.

“RBC Prime Rate” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

Interest at the aforesaid rate(s) on the amounts advanced from time to time shall be payable on the first day of each and every month.

4. **DEFAULT**

In addition to any other Default Clauses set out in this Charge, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee or the occurrence or happening of any of the following events ("Event(s) of Default"):

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (e) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed or presented against the Chargor;
- (f) any proceedings with respect to the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (g) any execution, sequestration, extent or any other process of any Court becomes enforceable against the Chargor or a distress or analogous process is levied upon the property and assets of the Chargor or any part thereof, which in the opinion of the Chargee is a substantial part, and remains unsatisfied for such period as would permit such property to be sold thereunder, less two (2) business days, provided that such process is not in good faith disputed and, in that event, if the Chargor shall desire to contest such process it shall give security to the Chargee which, in the absolute discretion of the Chargee, shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim;
- (h) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (i) the property hereby mortgaged and charged or any part thereof, other than sales of lots or units containing fully completed single family dwellings to bona fide purchasers for value, prior approved in writing by the Chargee, are sold by the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (j) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee on demand;
- (k) the Chargor makes any default with regard to any provision of the Commitment Letter.

5. **CHARGEES MAY REMEDY DEFAULT**

If the Chargor should fail to perform any covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness secured herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

6. **CONSTRUCTION LIENS**

Provided also that upon the registration of any construction lien against title to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Act, 1990, so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Construction Act, 1990, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act, 1990.

7. **CONSTRUCTION LOAN**

Provided that the Chargor and Chargee agree that if this is a construction loan, the following conditions shall apply:

(a) the Chargor further covenants that all installation of services and construction on the lands hereby secured 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 dwellings on the said lands, 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 said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. 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 principal secured hereunder 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.

(e) all advances which are made from time to time hereunder shall be based on Certificate 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.

8. ENVIRONMENTAL

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

(ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment

is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.

(b) The Chargor hereby represents and warrants that:

- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
- (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
- (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
- (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.

(c) The Chargor covenants that:

- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
- (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
- (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
- (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;
- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;

- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

(d) The Chargor hereby indemnifies and holds harmless the Chargee, its officers, directors, employees, agents, shareholders and any receiver or receiver and manager appointed by or on the application of the Chargee (the "Indemnified Persons") from and against and shall reimburse the Chargee for any and all losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements, suffered, incurred by or assessed against any of the Indemnified Persons whether as holder of the within Charge, as mortgagee in possession, as successor in interest to the Chargor as owner of the Lands by virtue of foreclosure or acceptance of a deed in lieu of foreclosure or otherwise:

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or
 - c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

The provisions of this paragraph shall survive foreclosure of this Charge and satisfaction and release of this Charge and satisfaction and repayment of the amount secured hereunder. Any amounts for which the Chargor shall become liable to the Chargee under this paragraph shall, if paid by the Indemnified Person, bear interest from the date of payment at the interest rate stipulated herein and together with such interest shall be secured hereunder.

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy

said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

The parties hereto acknowledge and agree that this Charge shall also secure payment by the Chargor to the Chargee of all amounts advanced by the Chargee pursuant to or by way of issuance of any letters of credit, renewals thereof, substitutions therefor and accretions thereto or pursuant to similar instruments issued at the Chargor's request or on its behalf and issued by the Chargee or on behalf of or at the request of or upon the credit of the Chargee and the total amount of such letters of credit shall be deemed to have been advanced and fully secured by this Charge from the date of the issuance of such letters of credit, regardless of when or whether such letters of credit are called upon by the holder(s) thereof. In the event of the enforcement or exercise by the Chargee of any of the remedies or rights provided for in this Charge, the Chargee shall be entitled to retain and shall not be liable to pay or account to the Chargor or any other party in respect of the full amount of any outstanding letters of credit from the proceeds of such enforcement or exercise until such time as the letters of credit have expired, have been cancelled and have been surrendered to the Lender or the issuer(s) thereof.

10. **MISCELLANEOUS**

The Chargor agrees as follows:

- (a) to maintain the project in good repair and in a state of good operating efficiency;
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested;
- (e) to comply with all covenants and reporting requirements set out in the Commitment Letter;
- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **PREPAYMENT PROVISIONS**

Provided that this Charge is not in default, the Chargor shall have the right to prepay the amount outstanding in accordance with the provisions of the Letter of Commitment.

12. **RESTRICTION ON TRANSFER**

In the event of the Chargor selling, transferring or conveying title or its rights to a purchaser, transferee or grantee not approved by the Chargee or in the event of a change in the legal or beneficial ownership of the Property, the Borrower or the Chargor, not approved in writing by the Chargee, then, at the sole option of the Chargee, all monies secured, together with all accrued and unpaid interest thereon and any other amounts due under this Charge shall become due and payable. This restriction shall not prevent the sale of dwelling units to bona fide home Purchasers.

13. **ASSIGNMENT OF CONDOMINIUM VOTING RIGHTS**

In the event that the property or any part thereof is or becomes a unit within a Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Condominium Corporation, in the place of and on behalf of the Chargor, and the Chargor hereby assigns unto the Chargee all such voting rights.

In the event that the property or any part thereof is or becomes a Common Element Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Common Element Condominium Corporation in the place of and on behalf of the Chargor, to the extent that the Chargor would have such rights, and the Chargor hereby assigns unto to the Chargee all such voting rights.

14. **SUBSEQUENT FINANCING**

No financing subsequent to the Chargee's facilities shall be permitted, without the prior written consent of the Chargee.

15. **PARTIAL DISCHARGES**

The Chargor shall be entitled to partial discharges as set out in the Letter of Commitment upon payment of the partial discharge amounts set out therein, the Chargee's discharge fees as set out therein and upon payment of the Chargee's Solicitor's usual discharge fees.

16. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

17. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. INSURANCE

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee

for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforementioned servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. TAXES

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice,

or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. **COMPLIANCE WITH LAWS AND REGULATIONS**

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. **REPAIR**

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

26. **ALTERATIONS OR ADDITIONS**

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

27. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

28. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

29. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

30. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under

this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

31. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and

keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to

exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

32. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) 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 Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;

(ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

33. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

34. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

35. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

36. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

37. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

38. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

39. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be

implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

40. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

41. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

42. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

43. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

44. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

45. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

46. **DISCHARGE**

THE CHARGEЕ shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

47. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

48. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

49. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

50. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

51. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

52. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

53. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

54. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

55. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

56. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

57. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

58. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

59. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

60. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

<i>PIN</i>	03061 - 4269 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 19 CON 8 (MKM), PTS 10 & 19, 65R30379 , MARKHAM ; S/T EASE OVER PT 10 65R30379, AS IN YR200734 .		
<i>Address</i>	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 - 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 - 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 - 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		
<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		

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 410 Chrislea Road, Unit 16
 Woodbridge, ON L4L 8B5

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

This document is not authorized under Power of Attorney by this party.

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

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name DORR CAPITAL CORPORATION
Address for Service 41 Scarsdale Road, Unit 6
 Toronto, ON M3B 2R2

Statements

Schedule: See Schedules

Provisions

Principal \$6,250,000.00 Currency CDN
 Calculation Period monthly, not in advance
 Balance Due Date ON DEMAND
 Interest Rate see Schedule
 Payments
 Interest Adjustment Date
 Payment Date interest only, on the 1st day of each month
 First Payment Date
 Last Payment Date
 Standard Charge Terms
 Insurance Amount Full insurable value
 Guarantor

Additional Provisions

Stateview Homes (Minu Towns) Inc. is the registered owner of the lands contained in PIN No. 03061-4269
 Stateview Homes (Nao Towns) Inc. is the registered owner of the lands contained in PIN Nos. 02962-0263-0269 and 02962-0542

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2022 03 14
 Toronto Chargor(s)
 M5C 2V9
 Tel 416-869-1234
 Fax 416-869-0547
 I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2022 03 14
 Toronto
 M5C 2V9
 Tel 416-869-1234
 Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$66.30
 Total Paid \$66.30

File Number

Chargee Client File Number : 9339-028

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated June 17, 2021 (and any amendments thereto, if applicable).

This Charge shall secure any and all amounts owing by the Chargor to the Chargee pursuant to the Letter of Commitment.

All provisions of the Letter of Commitment are hereby incorporated into this Charge.

Any default by the Borrower with regard to any provision of the Letter of Commitment shall constitute a default under this Charge.

2. **DUE ON DEMAND**

The amount owing under this Charge shall be repayable on demand.

In the event interest is not paid as and when due, the Chargee may in its sole discretion advance monies on account of principal to the Chargor to be applied to interest owing, or capitalize the amount of interest owing (which capitalization shall not be an advance of funds) but in no event shall any such advance or capitalization by the Chargee obligate the Chargee to make any further advances or capitalizations to be applied to interest or otherwise.

3. **INTEREST RATE**

The mortgage shall bear interest at the greater rate of: (i) 13.00% per annum compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus 10.55% per annum, adjusted daily and compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

Interest at the aforesaid rate(s) on the amounts advanced from time to time shall be payable on the first day of each and every month.

4. **DEFAULT**

In addition to any other Default Clauses set out in this Charge, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee or the occurrence or happening of any of the following events ("Event(s) of Default"):

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (e) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed or presented against the Chargor;
- (f) any proceedings with respect to the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (g) any execution, sequestration, extent or any other process of any Court becomes enforceable against the Chargor or a distress or analogous process is levied upon the property and assets of the Chargor or any part thereof, which in the opinion of the Chargee is a substantial part, and remains unsatisfied for such period as would permit such property to be sold thereunder, less two (2) business days, provided that such process is not in good faith disputed and, in that event, if the Chargor shall desire to contest such process it shall give security to the Chargee which, in the absolute discretion of the Chargee, shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim;
- (h) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (i) the property hereby mortgaged and charged or any part thereof, other than sales of lots or units containing fully completed single family dwellings to bona fide purchasers for value, prior approved in writing by the Chargee, are sold by the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (j) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee on demand;
- (k) the Chargor makes any default with regard to any provision of the Commitment Letter.

5. **CHARGEES MAY REMEDY DEFAULT**

If the Chargor should fail to perform any covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness secured herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

6. **CONSTRUCTION LIENS**

Provided also that upon the registration of any construction lien against title to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Act, 1990, so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Construction Act, 1990, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act, 1990.

7. **CONSTRUCTION LOAN**

Provided that the Chargor and Chargee agree that if this is a construction loan, the following conditions shall apply:

(a) the Chargor further covenants that all installation of services and construction on the lands hereby secured 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 dwellings on the said lands, 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 said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. 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 principal secured hereunder 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.

(e) all advances which are made from time to time hereunder shall be based on Certificate 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.

8. ENVIRONMENTAL

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

(ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment

is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.

(b) The Chargor hereby represents and warrants that:

- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
- (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
- (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
- (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.

(c) The Chargor covenants that:

- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
- (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
- (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
- (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;
- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;

- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

(d) The Chargor hereby indemnifies and holds harmless the Chargee, its officers, directors, employees, agents, shareholders and any receiver or receiver and manager appointed by or on the application of the Chargee (the "Indemnified Persons") from and against and shall reimburse the Chargee for any and all losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements, suffered, incurred by or assessed against any of the Indemnified Persons whether as holder of the within Charge, as mortgagee in possession, as successor in interest to the Chargor as owner of the Lands by virtue of foreclosure or acceptance of a deed in lieu of foreclosure or otherwise:

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or
 - c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

The provisions of this paragraph shall survive foreclosure of this Charge and satisfaction and release of this Charge and satisfaction and repayment of the amount secured hereunder. Any amounts for which the Chargor shall become liable to the Chargee under this paragraph shall, if paid by the Indemnified Person, bear interest from the date of payment at the interest rate stipulated herein and together with such interest shall be secured hereunder.

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy

said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

The parties hereto acknowledge and agree that this Charge shall also secure payment by the Chargor to the Chargee of all amounts advanced by the Chargee pursuant to or by way of issuance of any letters of credit, renewals thereof, substitutions therefor and accretions thereto or pursuant to similar instruments issued at the Chargor's request or on its behalf and issued by the Chargee or on behalf of or at the request of or upon the credit of the Chargee and the total amount of such letters of credit shall be deemed to have been advanced and fully secured by this Charge from the date of the issuance of such letters of credit, regardless of when or whether such letters of credit are called upon by the holder(s) thereof. In the event of the enforcement or exercise by the Chargee of any of the remedies or rights provided for in this Charge, the Chargee shall be entitled to retain and shall not be liable to pay or account to the Chargor or any other party in respect of the full amount of any outstanding letters of credit from the proceeds of such enforcement or exercise until such time as the letters of credit have expired, have been cancelled and have been surrendered to the Lender or the issuer(s) thereof.

10. **MISCELLANEOUS**

The Chargor agrees as follows:

- (a) to maintain the project in good repair and in a state of good operating efficiency;
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested;
- (e) to comply with all covenants and reporting requirements set out in the Commitment Letter;
- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **PREPAYMENT PROVISIONS**

Provided that this Charge is not in default, the Chargor shall have the right to prepay the amount outstanding in accordance with the provisions of the Letter of Commitment.

12. **RESTRICTION ON TRANSFER**

In the event of the Chargor selling, transferring or conveying title or its rights to a purchaser, transferee or grantee not approved by the Chargee or in the event of a change in the legal or beneficial ownership of the Property, the Borrower or the Chargor, not approved in writing by the Chargee, then, at the sole option of the Chargee, all monies secured, together with all accrued and unpaid interest thereon and any other amounts due under this Charge shall become due and payable. This restriction shall not prevent the sale of dwelling units to bona fide home Purchasers.

13. **ASSIGNMENT OF CONDOMINIUM VOTING RIGHTS**

In the event that the property or any part thereof is or becomes a unit within a Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Condominium Corporation, in the place of and on behalf of the Chargor, and the Chargor hereby assigns unto the Chargee all such voting rights.

In the event that the property or any part thereof is or becomes a Common Element Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Common Element Condominium Corporation in the place of and on behalf of the Chargor, to the extent that the Chargor would have such rights, and the Chargor hereby assigns unto to the Chargee all such voting rights.

14. **SUBSEQUENT FINANCING**

No financing subsequent to the Chargee's facilities shall be permitted, without the prior written consent of the Chargee.

15. **PARTIAL DISCHARGES**

The Chargor shall be entitled to partial discharges as set out in the Letter of Commitment upon payment of the partial discharge amounts set out therein, the Chargee's discharge fees as set out therein and upon payment of the Chargee's Solicitor's usual discharge fees.

16. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

17. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. INSURANCE

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee

for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforementioned servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. TAXES

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice,

or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. **COMPLIANCE WITH LAWS AND REGULATIONS**

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. **REPAIR**

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

26. **ALTERATIONS OR ADDITIONS**

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

27. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

28. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

29. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

30. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under

this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

31. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and

keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to

exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

32. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) 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 Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;

(ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

33. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

34. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

35. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

36. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

37. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

38. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

39. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be

implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

40. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

41. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

42. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

43. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

44. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

45. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

46. **DISCHARGE**

THE CHARGEЕ shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

47. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

48. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

49. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

50. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

51. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

52. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

53. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

54. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

55. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

56. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

57. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

58. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

59. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

60. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made as of the 20 day of July, 2021.

BETWEEN:

STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

(hereinafter called the "Assignor"),

OF THE FIRST PART,

- AND -

DORR CAPITAL CORPORATION

(hereinafter called the "Assignee"),

OF THE SECOND PART.

WHEREAS:

A. STATEVIEW HOMES (HIGH CROWN ESTATES) INC. is the registered and beneficial owner of the lands described as Part Lot 7 Concession 3 King as in R374832; Part Lot 7 Concession 3 King as in R648002; Part Lot 7 Concession 3 King as in R416706; Lot 56 Plan 85 King; Part Lot 55 Plan 85 King as in R459705; Lots 1 and 2, Plan 360; designated as Part 1 65R38751, Township of King City, Regional Municipality of York, York Region Land Registry (NO.65) and municipally known as: 13151-13165 Keele Street, King City, Ontario ("Lands");

B. pursuant to the Mortgage, the Assignor mortgaged and charged in favour of the Assignee all of its right, title and interest in and to the Project as security, inter alia, for the due payment of all principal, interest and other monies payable under the Mortgage;

C. 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 commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee pursuant to the Mortgage, the Assignor agreed to assign to the Assignee the Rents and the Leases, together with all benefits, powers and advantages of the Assignor to be derived therefrom.

NOW THEREFORE THIS ASSIGNMENT WITNESSES that in consideration of the sum of Ten Dollars (\$10.00) paid by the Assignee 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 that validity and truth of the above-noted recitals, which have 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) **"Building"** means any construction, erection or structure located on, placed upon or erected in, under or on the Lands, any additions, alterations, expansions, improvements and replacements thereof and includes, without limitation, all equipment, chattels and fixtures which may be owned by the Assignor and may now or hereafter be located in the Building or in any additions, alterations, expansions, improvements and replacements of the foregoing;

- (c) **"Default"** has the meaning ascribed thereto in Section 8 hereof;
- (d) **"Dispute"** has the meaning ascribed thereto in Sub-section 8(b) hereof;
- (e) **"Indebtedness"** has the meaning ascribed thereto in Section 3 hereof;
- (f) **"Lands"** means the lands described above;
- (g) **"Leases"** means any and all present and future leases or subleases, offers to lease or sublease, letters of intent to lease or sublease and all other agreements to lease or sublease including, without limitation, all other occupancy agreements relating to the whole or any part of parts of the Project made by the Assignor or any predecessor in title of the Assignor, as landlord, and all present and future licences or concessions whereby the Assignor gives any person the right (other than an easement or a right in the nature of an easement) to use or occupy the whole or any part or parts of the Project, in each case for the time being in effect, and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements or substitutions thereof or therefor which may hereafter be effected or entered into and **"Lease"** means any of the Leases;
- (h) **"Mortgage"** means the indenture given by or to be given by the Assignor in favour of the Assignee on the Lands;
- (i) **"Prime Rate"** means the applicable interest rates set out in the letter of commitment referable to this transaction;
- (j) **"Project"** means the Lands and the Building;
- (k) **"Rents"** means all present and future income, rents, issues, profits and any other monies including rental insurance proceeds and expropriation awards to be derived from, reserved or payable under the Leases; and
- (l) **"Tenant"** means any person who is hereafter a party to a Lease or has any right of use or occupancy to all or any part of the Project, whether as a tenant, licensee or concessionaire under a Lease, and **"Tenants"** means all such persons.

3. **Assignment:** As continuing and additional security for:

- (a) the repayment to the Assignee of all amounts (the "Indebtedness") owing from time to time by the Assignor to the Assignee under, in connection with or arising out of or from any agreement entered into by the Assignor with the Assignee with respect to the Project, made by the Assignor in favour of the Assignee with respect to the Project or assigned by the Assignor to the Assignee including, without limitation, the Mortgage; 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 and all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee with respect to the Project, made by the Assignor in favour of the Assignee with respect to the Project or assigned by the Assignor to the Assignee;

the Assignor, upon and subject to the terms of this Agreement, assigns, sets over and transfers to the Assignee 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; and
- (f) 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 Subsection 3(c) to and including 3(f) together with all proceeds therefrom are hereinafter collectively called the "Premises Hereby Assigned".

4. **Acknowledgement of Assignor:** The Assignor acknowledges that neither this Agreement nor the assignment constituted hereby:

- (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, provisions, conditions, obligation and covenant set out in any of the Premises Hereby Assigned; and
 - (ii) any liability of the Assignor to each Tenant, the Assignee or to any other person, firm or corporation;
- (b) imposes any obligation on the Assignee to assume any liability or obligations 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 Assignee for any act or omission on its part in connection with this Agreement or the assignment constituted hereby including, without limitation, the fulfillment or non-fulfillment by the Assignee of the obligations, covenants and agreements of the Assignor set out in the Premises Hereby Assigned;
- (d) obligates the Assignee 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 Assignee may, in its absolute discretion, give any such notice at any time or from time to time without further notice to the Assignor; and
- (e) authorizes the Assignor to dispose of or transfer by way of conveyance, mortgage, lease, assignment or otherwise, the Project, the Assignor's interest in the Project or any part of either, except as specifically approved herein.

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 under or pursuant to, the Premises Hereby Assigned;
- (b) to deliver to the Assignee 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 Assignee 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 suffered or incurred by the Assignee in connection with, on account of or by reason of:

- (i) the assignment to the Assignee of the Premises Hereby Assigned;
 - (ii) any alleged obligation of the Assignee 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 including without limitation, subparagraphs 5(a), (b), (d), (e), (f), (g), (h), (i), (j) and (k) hereof; and
 - (iv) the enforcement of the assignment constituted by this Agreement;
- (d) to notify the Assignee in writing as soon as the Assignor becomes aware of any Dispute, 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 obtain such consents from third parties including, without limitation, Tenants as may be necessary or required by the Assignee in connection with the assignment constituted by this Agreement;
 - (f) upon the written request of the Assignee, to execute and deliver to the Assignee specific assignments of any of the Leases duly acknowledged by the respective Tenants under such Leases, which specific assignments shall be in form and substance acceptable to the Assignee;
 - (g) to use its best efforts to ensure that each Lease shall be entered into by it in good faith, at arm's length, at a rent and otherwise upon such terms and conditions as are reasonable and proper in the circumstances and are upon prevailing market terms and conditions;
 - (h) to deliver to the Assignee, at the request of the Assignee 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;
 - (i) to execute and deliver to each Tenant and the Assignee, at the request of the Assignee 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 Assignee;
 - (j) that each of the warranties and representations of the Assignor set out in this Agreement is now and will continue to be true and correct until the Indebtedness is paid in full; and
 - (k) that it will pay or cause to be paid to the Assignee or pursuant to the Assignee'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 Assignee 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 Assignee 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; and
- (v) all amounts incurred or paid by the Assignor pursuant to paragraph 8 hereof;

together with interest thereon from the date of the incurring of such expenses at the then Prime Rate calculated monthly and adjusted daily. Whether any action or any judicial proceedings to enforce the aforesaid payments has been taken or not, the amount owing to the Assignee under this subparagraph shall be added to the Indebtedness.

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 Assignee may be prevented or hindered from so doing;
- (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 Assignee;
- (c) cancel, terminate or forfeit or take any action to cancel, terminate or forfeit or suffer or permit anything allowing any Tenant under any Lease to cancel, terminate, forfeit any of the Premises Hereby Assigned, or accept or agree to the surrender of, or take any action or suffer or permit anything allowing the surrender of any of the Premises Hereby Assigned;
- (d) 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; or
- (e) 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;

however, the Assignor may do those matters referred to in Subsections 6(c), (d) and (e) hereof, if:

- (f) the Tenant has been declared or adjudged bankrupt; or
- (g) the action taken is in accordance with good business practice, on an arm's length basis and in good faith and the action is one which a prudent owner of property similar to the Project would take, considering all the relevant circumstances including, without limitation, the then current leasing practices and market conditions.

7. **Representations and Warranties of Assignor:** The Assignor represents and warrants to the Assignee 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 Assignee the Premises Hereby Assigned, free and clear of all assignments, mortgages, charges, pledges, security interest and other encumbrances other than those in favour of the Assignee;
- (c) 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;
- (d) the execution, delivery and performance of this Agreement and the assignment constituted hereby will not conflict with, be in or contribute to a contravention, breach or default under the Assignor's constating documents, by-laws, resolutions or the provisions of any indenture, instrument, agreement or undertaking to which the Assignor is a party or by which it is bound, or under any valid regulation, order, writ or decree of any court, tribunal, arbitration panel or governmental authority;
- (e) 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;
- (f) there is no pending or threatened litigation, action, claim or fact known to the Assignor and not disclosed to the Assignee 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 Assignee under this Agreement;
- (g) none of the Premises Hereby Assigned in existence on the date hereof is incapable of assignment to the Assignee in accordance with the provisions of this Agreement, nor is any of the Premises Hereby Assigned incapable of further assignment by the Assignee 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 Assignee; and
- (h) 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 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 Assignee's rights, remedies, and recourses pursuant to this Agreement, by operation of law or otherwise, if the Assignor has defaulted in the performance, fulfillment or satisfaction of any of the terms, agreements, provisions, conditions, obligations or covenants set out in this Agreement, the mortgage or any other agreement, document, instrument, commitment or undertaking entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee or if the Assignor is otherwise in breach of or in default (hereinafter collectively called a "Default") under this Agreement, the Mortgage or any other agreement, document, instrument, commitment or undertaking entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee, then the Assignee and any receiver or any receiver and manager appointed by the Assignee, 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) 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, amending and renewing the Leases and otherwise dealing with the Tenants and others 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; and
- (c) collect any Rents, proceeds, receipts or income arising from or out of the Premises Hereby Assigned including, without limitation, the institution of proceedings, whether in the name of the Assignor or the Assignee or both, for the collection of same.

The Assignor further acknowledges and agrees that all costs, charges and expenses incurred by the Assignee in connection with doing anything permitted in this paragraph 8 including, without limitation, legal fees and disbursements on a solicitor and his own client basis, shall be forthwith paid by the Assignor to the Assignee.

9. **Assignee Not Liable:** The Assignee 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 Assignee shall not be liable or responsible to the Assignor or any other person for the fulfillment or non-fulfillment 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 Assignee 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 (but not the willful misconduct) of any officer, servant, agent, counsel or other attorney or substitute employed by the Assignee in the exercise of the rights afforded to the Assignee hereunder, or in the collection disposition, realization, preservation or enforcement of the Premises Hereby Assigned.

10. **Application of Funds:** Any amount received by the Assignee arising out of or from the collection, disposition, realization or enforcement of any of the Premises Hereby Assigned, after all costs, charges and expenses incurred by the Assignee in connection therewith have been deducted therefrom, shall be applied in reduction of the Indebtedness. Notwithstanding the generality of the foregoing, the Assignee 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 Assignee deems best and the Assignee 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 consent which are required by the Assignee, from time to time, to more effectively assign, set over and transfer the Premises Hereby Assigned to the Assignee 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 Assignee, to perfect and keep perfected the security interest constituted hereby and to assist in the collection, disposition, realization or enforcement thereof, and the Assignee 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 Assignee it shall furnish to the Assignee in writing all information requested by the Assignee relating to the Premises Hereby Assigned.

13. **Payment of Rent Under Leases:** Until a Default occurs the Assignor shall have the authority:

- (a) to collect any Rents and other moneys properly payable or arising out of or from the Premises Hereby Assigned; and
- (b) subject to Section 6 hereof, to exercise in good faith all of the benefits, advantages and powers as landlord under the Premises Hereby Assigned;

and upon the occurrence of a Default such authority shall immediately cease without further notice and thereafter 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 Assignee and forthwith remitted to the Assignee. The Assignee may, at any time or times, by notice to any Tenant, direct such Tenant to pay Rent and other moneys to the Assignee and such notice shall be good and sufficient authority for any Tenant so doing. Any payment of Rents and other moneys by a Tenant to the Assignee shall not constitute a default under such Tenant's Lease. The receipt by the Assignee of Rent or other moneys from a Tenant shall constitute and be deemed receipt thereof by the Assignor.

14. **No Novation:** This assignment and transfer to the Assignee of the Premises Hereby Assigned:

- (a) is continuing security granted to the Assignee without novation or impairment of any other existing or future security held by the Assignee in order to secure payment to the Assignee of the Indebtedness and the due performance of the Assignor's obligation's under the Mortgage and all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee relating to the Project;
- (b) is in addition to and not in substitution for any other security now or hereafter granted to or held by the Assignee 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 or any other security or securities (the "Additional Securities") now or hereafter held by or on behalf of the Assignee 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 Mortgage or the Additional Securities;
 - (iii) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement, the Mortgage 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 or the Additional Security;
 - (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 Assignee 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 including, without limitation, all of the Assignee's rights, benefits, title and interest in and to the Premises Hereby Assigned.

16. **Enurement:** This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted 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 served personally upon 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:

- (a) if to the Assignor, addressed to it at:

Stateview Homes (High Crown Estates) Inc.
410 Chrislea Road, Unit 15-16
Woodbridge, ON L4L 8B5

- (b) if to the Assignee, addressed to it at:

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

Any of the parties hereto may, from time to time, change its address or stipulate another address from the address described above in the manner provided in this paragraph. The date of receipt of any such notice, demand, request, consent, agreement or approval, if served personally, shall be deemed to be the date of delivery thereof, or if mailed as aforesaid, the fourth business day following the date of mailing. For the purposes hereof, personal service on the Assignor shall be effectively given by delivery to an officer, director or employee of the Assignor.

18. **Waiver:** No consent or waiver, express or implied, by the Assignee 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 Assignee 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 Assignee of its rights hereunder.

19. **Amendments:** This Agreement may not be modified or amended except with the written consent of the Assignee and the Assignor.

20. **Entire Agreement:** This Agreement constitutes the entire agreement between the Assignee 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 Assignee 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 Assignee in connection with the interest so assigned shall be enforceable against the Assignor as the same would have been by the Assignee but for such assignment.

22. **No Agency, Joint Venture or Partnership:** The Assignee 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 Assignee, and this Agreement shall not be construed to make the Assignee 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 Assignee 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 Assignee from time to time and no such exercise shall exhaust the rights, remedies or powers of the Assignee or preclude the Assignee from exercising any one or more of such rights, remedies and powers or any combination thereof from time to time thereafter or simultaneously.
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 Assignee 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 Assignee.
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, shall bind the Assignee to make an advance under the Mortgage.
30. **Receipt of Copy:** The Assignor acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF the Assignor has executed this Agreement as of the date and year first above-written.

STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

DocuSigned by:
Per: Dino Taurasi
Name: ~~Dino Taurasi~~ ESF0D1ACF3894D3
Title: Chief Executive Officer

DocuSigned by:
Per: Carlo Taurasi
Name: ~~Carlo Taurasi~~ 00A17033F00000
Title: President
We have authority to bind the corporation.

This is Exhibit **"BBB"** *referred to in the*

affidavit of Daniel Pollack--
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

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

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION FOR ABSOLUTE TITLE IS 2019/12/20.

ESTATE/QUALIFIER: FEE SIMPLE LT ABSOLUTE PLUS
RECENTLY: SUBDIVISION FROM 03372-1006
PIN CREATION DATE: 2022/11/07

OWNERS' NAMES STATEVIEW HOMES (HIGH CROWN ESTATES) INC.
CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2022/11/07 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
A20842A	1958/07/23	BYLAW				C
		REMARKS: RE: BY-LAW 1144, AMENDING		BY-LAW 929. (AFFECTS ALL/PART/VARIOUS LANDS 2008/02/19 D. WALLEN, ADLR)		
B33674B	1967/04/14	BYLAW				C
YR3298339	2021/08/16	CHARGE	\$38,000,000	STATEVIEW HOMES (HIGH CROWN ESTATES) INC.	DORR CAPITAL CORPORATION	C
YR3298340	2021/08/16	NO ASSGN RENT GEN		STATEVIEW HOMES (HIGH CROWN ESTATES) INC.	DORR CAPITAL CORPORATION	C
		REMARKS: YR3298339				
YR3298341	2021/08/16	CHARGE	\$6,250,000	STATEVIEW HOMES (HIGH CROWN ESTATES) INC.	DORR CAPITAL CORPORATION	C
YR3298342	2021/08/16	NO ASSGN RENT GEN		STATEVIEW HOMES (HIGH CROWN ESTATES) INC.	DORR CAPITAL CORPORATION	C
		REMARKS: YR3298341				
YR3319404	2021/09/28	NOTICE		STATEVIEW HOMES (HIGH CROWN ESTATES) INC.	THE CORPORATION OF THE TOWNSHIP OF KING	C
YR3467268	2022/08/19	TRANSFER EASEMENT	\$2	STATEVIEW HOMES (HIGH CROWN ESTATES) INC.	ENBRIDGE GAS INC.	C
65M4757	2022/10/24	PLAN SUBDIVISION				C
YR3490173	2022/10/25	NO SUB AGREEMENT		THE CORPORATION OF THE TOWNSHIP OF KING	STATEVIEW HOMES (HIGH CROWN ESTATES) INC.	C
YR3490340	2022/10/25	POSTPONEMENT		DORR CAPITAL CORPORATION	THE CORPORATION OF THE TOWNSHIP OF KING	C
		REMARKS: YR3298339 TO YR3490173				
YR3490341	2022/10/25	POSTPONEMENT		DORR CAPITAL CORPORATION	THE CORPORATION OF THE TOWNSHIP OF KING	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.

LAND
REGISTRY
OFFICE #65

03372-1040 (LT)

PREPARED FOR Nasim001
ON 2023/04/24 AT 10:59:41

* 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
YR3490343	2022/10/25	POSTPONEMENT		ENBRIDGE GAS INC.	THE CORPORATION OF THE TOWNSHIP OF KING	C
		REMARKS: YR3298341 TO YR3490173				
YR3500632	2022/11/23	NOTICE		THE CORPORATION OF THE TOWNSHIP OF KING	STATEVIEW HOMES (HIGH CROWN ESTATES) INC.	C
YR3500633	2022/11/23	POSTPONEMENT		DORR CAPITAL CORPORATION	THE CORPORATION OF THE TOWNSHIP OF KING	C
		REMARKS: YR3467268 TO YR3490173				
YR3500634	2022/11/23	POSTPONEMENT		DORR CAPITAL CORPORATION	THE CORPORATION OF THE TOWNSHIP OF KING	C
		REMARKS: YR3298339 TO YR3500632				
YR3502108	2022/11/28	TRANSFER EASEMENT	\$2	STATEVIEW HOMES (HIGH CROWN ESTATES) INC.	HYDRO ONE NETWORKS INC.	C
YR3502109	2022/11/28	POSTPONEMENT		DORR CAPITAL CORPORATION	HYDRO ONE NETWORKS INC.	C
		REMARKS: YR3298339 TO YR3502108				
YR3502110	2022/11/28	POSTPONEMENT		DORR CAPITAL CORPORATION	HYDRO ONE NETWORKS INC.	C
		REMARKS: YR3298341 TO YR3502108				

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 "CCC" *referred to in the*

affidavit of Daniel Pollack--
sworn before me, this 26th
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 (High Crown Estates) Inc.

FILE CURRENCY: April 13, 2023

RESPONSE CONTAINS: APPROXIMATELY 7 FAMILIES and 13 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 (High Crown Estates) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 7 ENQUIRY PAGE : 1 OF 13

SEARCH : BD : STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

00 FILE NUMBER : 750427866 EXPIRY DATE : 23APR 2023 STATUS :
01 CAUTION FILING : PAGE : 01 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20190423 1402 1462 1742 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: STATEVIEW HOMES (HIGH CROWN ESTATES) INC.
OCN : 002646425
04 ADDRESS : 410 CHRISLEA ROAD, UNIT 15-16
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 :
KINGSETT MORTGAGE CORPORATION
09 ADDRESS : 40 KING STREET WEST, SUITE 3700
CITY : TORONTO PROV: ON POSTAL CODE: M5H3Y2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 SUBORDINATION AND ASSIGNMENT RE STATEVIEW HOMES (EDGE TOWNS) INC.
14 DEBT, GENERAL SECURITY AGREEMENT AND GENERAL ASSIGNMENT OF RENTS AND
15 LEASES RELATING TO THOSE PROPERTIES KNOWN AS 13151-13165 KEELE
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CC - 6333-128)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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 (High Crown Estates) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 7 ENQUIRY PAGE : 2 OF 13

SEARCH : BD : STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

00 FILE NUMBER : 750427866 EXPIRY DATE : 23APR 2023 STATUS :
01 CAUTION FILING : PAGE : 02 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20190423 1402 1462 1742 REG TYP: P PPSA REG PERIOD: 4
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 :
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 STREET, KING CITY
14
15
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CC - 6333-128)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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 (High Crown Estates) Inc.

FILE CURRENCY: April 13, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 7 ENQUIRY PAGE : 3 OF 13

SEARCH : BD : STATEVIEW HOMES (HIGH CROWN ESTATES) INC.
FILE NUMBER 750427866

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 01 OF 001 MV SCHED: 20210816 1402 1462 7132
21 REFERENCE FILE NUMBER : 750427866
22 AMEND PAGE: NO PAGE: CHANGE: A AMNDMNT REN YEARS: CORR PER:
23 REFERENCE DEBTOR/ IND NAME:
24 TRANSFEROR: BUS NAME: STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

25 OTHER CHANGE:

26 REASON: TO AMEND THE GENERAL COLLATERAL DESCRIPTION OF REGISTRATION NO.

27 /DESCR: 20190423 1402 1462 1742

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 SUBORDINATION AND ASSIGNMENT RE STATEVIEW HOMES (EDGE TOWNS) INC.

14 DEBT

15

16 NAME : GARFINKLE, BIDERMAN LLP (AWB/CJC)

17 ADDRESS : 1 ADELAIDE ST.EAST, SUITE 801

CITY : TORONTO PROV : ON POSTAL CODE : M5C2V9

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 (High Crown Estates) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 7 ENQUIRY PAGE : 4 OF 13

SEARCH : BD : STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

00 FILE NUMBER : 750732615 EXPIRY DATE : 01MAY 2024 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20190501 1104 6083 1491 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: STATEVIEW HOMES (EDGE TOWNS) INC.
OCN : 2587186
04 ADDRESS : 410 CHRISLEA ROAD, UNIT 16
CITY : WOODBRIDGE PROV: ON POSTAL CODE: L4L 8B5
05 IND DOB : IND NAME:
06 BUS NAME: STATEVIEW HOMES (HIGH CROWN ESTATES) INC.
OCN : 264625
07 ADDRESS : 410 CHRISLEA ROAD, UNIT 16
CITY : WOODBRIDGE PROV: ON POSTAL CODE: L4L 8B5

08 SECURED PARTY/LIEN CLAIMANT :
DORR CAPITAL CORPORATION
09 ADDRESS : 41 SCARSDALE ROAD, UNIT 6
CITY : TORONTO PROV: ON POSTAL CODE: M3B 2R2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X 5000000 X
YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 GENERAL SECURITY AGREEMENT

14

15

16 AGENT: RONALD A. FRITZ

17 ADDRESS : 44 UPJOHN ROAD

CITY : TORONTO PROV: ON POSTAL CODE: M3B 2W1

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 (High Crown Estates) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 7 ENQUIRY PAGE : 5 OF 13

SEARCH : BD : STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

00 FILE NUMBER : 750732615 EXPIRY DATE : 01MAY 2024 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20190501 1104 6083 1491 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 :
COMMUNITY TRUST COMPANY
09 ADDRESS : 2350 MATHESON BLVD. EAST
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 5G9
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

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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 (High Crown Estates) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 7 ENQUIRY PAGE : 6 OF 13

SEARCH : BD : STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

00 FILE NUMBER : 750732624 EXPIRY DATE : 01MAY 2024 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20190501 1104 6083 1492 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: STATEVIEW HOMES (EDGE TOWNS) INC.
OCN : 2587186
04 ADDRESS : 410 CHRISLEA ROAD, UNIT 16
CITY : WOODBRIDGE PROV: ON POSTAL CODE: L4L 8B5
05 IND DOB : IND NAME:
06 BUS NAME: STATEVIEW HOMES (HIGH CROWN ESTATES) INC.
OCN : 264625
07 ADDRESS : 410 CHRISLEA ROAD, UNIT 16
CITY : WOODBRIDGE PROV: ON POSTAL CODE: L4L 8B5

08 SECURED PARTY/LIEN CLAIMANT :
DORR CAPITAL CORPORATION
09 ADDRESS : 41 SCARSDALE ROAD, UNIT 6
CITY : TORONTO PROV: ON POSTAL CODE: M3B 2R2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X 5000000 X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 GENERAL ASSIGNMENT OF RENTS AND LEASES RELATING TO 1335 ELGIN MILLS
14 ROAD EAST, RICHMOND HILL, ONTARIO (PIN 03186-4137) AND 13151-13211
15 KEELE STREET, KING CITY, ONTARIO (PIN 03372-0259, PIN 03372-0260,
16 AGENT: RONALD A. FRITZ
17 ADDRESS : 44 UPJOHN ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M3B 2W1

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 (High Crown Estates) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 7 ENQUIRY PAGE : 7 OF 13

SEARCH : BD : STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

00 FILE NUMBER : 750732624 EXPIRY DATE : 01MAY 2024 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20190501 1104 6083 1492 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 :
COMMUNITY TRUST COMPANY
09 ADDRESS : 2350 MATHESON BLVD. EAST
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 5G9
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 PIN 03372-0261, PIN 03372-0262 AND PIN 03372-0263)
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 (High Crown Estates) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 7 ENQUIRY PAGE : 8 OF 13

SEARCH : BD : STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

00 FILE NUMBER : 761994036 EXPIRY DATE : 20MAY 2025 STATUS :
01 CAUTION FILING : PAGE : 01 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20200520 1401 1462 8799 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: STATEVIEW HOMES (EDGE TOWNS) INC.
OCN : 002587186
04 ADDRESS : 410 CHRISLEA ROAD, UNIT 26
CITY : WOODBRIDGE PROV: ON POSTAL CODE: L4L8B5
05 IND DOB : IND NAME:
06 BUS NAME: STATEVIEW HOMES (HIGH CROWN ESTATES) INC.
OCN : 002646425
07 ADDRESS : 410 CHRISLEA ROAD, UNIT 26
CITY : WOODBRIDGE PROV: ON POSTAL CODE: L4L8B5

08 SECURED PARTY/LIEN CLAIMANT :
KINGSETT MORTGAGE CORPORATION
09 ADDRESS : 40 KING STREET WEST, SUITE 3700
CITY : TORONTO PROV: ON POSTAL CODE: M5H3Y2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
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YEAR MAKE MODEL V.I.N.
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GENERAL COLLATERAL DESCRIPTION
13 SUBORDINATION AND ASSIGNMENT RE STATEVIEW HOMES (ON THE MARK) INC.
14 DEBT, GENERAL ASSIGNMENT OF RENTS AND LEASES AND GENERAL SECURITY
15 AGREEMENT RELATING TO THOSE PROPERTIES KNOWN MUNICIPALLY AS 1335
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CC - 6333-151 - 1ST)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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 (High Crown Estates) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 7 ENQUIRY PAGE : 9 OF 13

SEARCH : BD : STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

00 FILE NUMBER : 761994036 EXPIRY DATE : 20MAY 2025 STATUS :
01 CAUTION FILING : PAGE : 02 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20200520 1401 1462 8799 REG TYP: P PPSA REG PERIOD: 5
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 :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
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YEAR MAKE MODEL V.I.N.
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GENERAL COLLATERAL DESCRIPTION
13 ELGIN MILLS ROAD EAST, RICHMOND HILL AND 13151, 13165, 13175, 13193
14 & 13211 KEELE STREET, KING CITY
15
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CC - 6333-151 - 1ST)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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 (High Crown Estates) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 7 ENQUIRY PAGE : 10 OF 13

SEARCH : BD : STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

00 FILE NUMBER : 761994063 EXPIRY DATE : 20MAY 2025 STATUS :
01 CAUTION FILING : PAGE : 01 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20200520 1401 1462 8802 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: STATEVIEW HOMES (EDGE TOWNS) INC.
OCN : 002587186
04 ADDRESS : 410 CHRISLEA ROAD, UNIT 26
CITY : WOODBRIDGE PROV: ON POSTAL CODE: L4L8B5
05 IND DOB : IND NAME:
06 BUS NAME: STATEVIEW HOMES (HIGH CROWN ESTATES) INC.
OCN : 002646425
07 ADDRESS : 410 CHRISLEA ROAD, UNIT 26
CITY : WOODBRIDGE PROV: ON POSTAL CODE: L4L8B5

08 SECURED PARTY/LIEN CLAIMANT :
KINGSETT MORTGAGE CORPORATION
09 ADDRESS : 40 KING STREET WEST, SUITE 3700
CITY : TORONTO PROV: ON POSTAL CODE: M5H3Y2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
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YEAR MAKE MODEL V.I.N.
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GENERAL COLLATERAL DESCRIPTION
13 SUBORDINATION AND ASSIGNMENT RE STATEVIEW HOMES (ON THE MARK) INC.
14 DEBT, GENERAL ASSIGNMENT OF RENTS AND LEASES AND GENERAL SECURITY
15 AGREEMENT RELATING TO THOSE PROPERTIES KNOWN MUNICIPALLY AS 1335
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CC - 6333-151 - 2ND)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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 (High Crown Estates) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 7 ENQUIRY PAGE : 11 OF 13

SEARCH : BD : STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

00 FILE NUMBER : 761994063 EXPIRY DATE : 20MAY 2025 STATUS :
01 CAUTION FILING : PAGE : 02 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20200520 1401 1462 8802 REG TYP: P PPSA REG PERIOD: 5
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 :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
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YEAR MAKE MODEL V.I.N.
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GENERAL COLLATERAL DESCRIPTION
13 ELGIN MILLS ROAD EAST, RICHMOND HILL AND 13151, 13165, 13175, 13193
14 & 13211 KEEL STREET, KING CITY
15
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CC - 6333-151 - 2ND)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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 (High Crown Estates) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 6 OF 7 ENQUIRY PAGE : 12 OF 13

SEARCH : BD : STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

00 FILE NUMBER : 774548721 EXPIRY DATE : 19JUL 2026 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20210719 1406 1462 7565 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: STATEVIEW HOMES (HIGH CROWN ESTATES) INC.
OCN : 002646425
04 ADDRESS : 410 CHRISLEA ROAD, UNIT 15-16
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
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YEAR MAKE MODEL V.I.N.
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GENERAL COLLATERAL DESCRIPTION

13 GENERAL SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND
14 ASSIGNMENT OF CASH COLLATERAL RELATING TO 13151-13165 KEELE STREET,
15 KING CITY, ONTARIO
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CJC - 9339-028 - 1ST)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

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 (High Crown Estates) Inc.

FILE CURRENCY: April 13, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 7 OF 7 ENQUIRY PAGE : 13 OF 13

SEARCH : BD : STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

00 FILE NUMBER : 774548757 EXPIRY DATE : 19JUL 2026 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20210719 1406 1462 7568 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: STATEVIEW HOMES (HIGH CROWN ESTATES) INC.
OCN : 002646425
04 ADDRESS : 410 CHRISLEA ROAD, UNIT 15-16
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 X X
YEAR MAKE MODEL V.I.N.
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GENERAL COLLATERAL DESCRIPTION

13 GENERAL SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND
14 ASSIGNMENT OF CASH COLLATERAL RELATING TO 13151-13165 KEELE STREET,
15 KING CITY, ONTARIO
16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CJC - 9339-028 - 2ND)
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 **"DDD"** *referred to in the*
affidavit of Daniel Pollack
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS



Bennett Jones

Bennett Jones LLP

3400 One First Canadian Place, PO Box 130

Toronto, Ontario, Canada M5X 1A4

Tel: 416.863.1200 Fax: 416.863.1716

April 12, 2023

Sean H. Zweig

Partner

Direct Line: 416.777.6254

e-mail: zweigs@bennettjones.com

DELIVERED VIA COURIER AND EMAIL

Stateview Homes (Minu Towns) Inc.
410 Chrislea Road, Unit 16
Woodbridge, ON L4L 8B5

Attention: Carlo Taurasi

Dear Sirs/Mesdames:

Re: Indebtedness of Stateview Homes (Minu Towns) Inc. (the "Debtor") to KingSett Mortgage Corporation (the "Lender")

We are counsel to the Lender. As you know, the Debtor is indebted to the Lender pursuant to a Commitment Letter dated September 30, 2021 (as amended from time to time, the "**Commitment Letter**") under which the Lender extended to the Debtor the following loans: (i) a First Mortgage in the principal amount of \$73,590,000 (the "**Mortgage Loan**"); and (ii) a Letter of Credit (cash in lieu) in the principal amount of \$7,105,000 (the "**LC Loan**"). As general and continuing security for the payment and performance of the Debtor's obligations under the Commitment Letter, the Lender was granted various security (collectively, the "**Security**") including, among other things, a first charge/mortgage over certain of the Debtor's real property registered in the amount of \$100,000,000 (the "**Mortgage**").

We have been advised by the Lender that events of default under the terms of the Commitment Letter have occurred as a result of the Debtor, among other things, failing to make the regularly scheduled payments as required under, *inter alia*, the Commitment Letter and the Mortgage. As a result of the foregoing events of default, on behalf of the Lender, we hereby: (i) declare the entire amount of the Debtor's indebtedness to the Lender (collectively, the "**Indebtedness**") due and payable; and (ii) demand repayment of the Indebtedness in full by no later than 10 days from the date of this letter.

As of April 11, 2023, the Indebtedness is in the amount of \$50,486,803.30, comprised of the following:

Mortgage Loan

Principal Balance

\$43,154,712.42



April 12, 2023

Page 2

Outstanding Interest	\$36,706.54
Accrued Interest	\$112,320.48
Fees	\$1,595.54
Total	\$43,305,334.98

LC Loan

Principal Balance	\$7,105,000.00
Outstanding Interest	\$57,326.64
Accrued Interest	\$18,492.47
Fees	\$649.21
Total	\$7,181,468.32

Interest accrues on the Indebtedness in accordance with the terms of the Commitment Letter and will continue to accrue until the Indebtedness is paid in full. Additionally, the Lender has incurred and is continuing to incur costs, fees and expenses in relation to this matter and reserves the right to claim such amounts from the Debtor. Payment of the Indebtedness can be made by electronic funds transfer to the Lender.

Please be advised that unless the Indebtedness, together with all applicable interest, fees, costs, legal expenses and disbursements, is paid in full within the 10-day period referred to above, the Lender will be entitled, and intends to, take whatever steps it considers necessary or appropriate to protect its rights and interests including, without limitation, commencing legal proceedings against the Debtor, enforcing the Security (including the Mortgage) and/or seeking the appointment of a receiver or receiver-manager. To that end, please find enclosed a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada).

Nothing in this letter shall constitute or be deemed to be a waiver by the Lender of any breach, default, or event of default that has occurred to the date hereof and the Lender specifically reserves all of its rights and remedies at law or in equity or arising under or in connection with the Commitment Letter, the Security and all documents and instruments provided in connection therewith. Further, the Lender expressly reserves its right to take such additional steps as are

April 12, 2023

Page 3

necessary at any time without further notice to you if the Lender becomes aware of any matter that may impair the Security.

Yours truly,

BENNETT JONES LLP



Sean Zweig

Enclosure –Notice of Intention to Enforce Security

c: Aiden Nelms – Bennett Jones LLP
Daniel Pollack – KingSett Mortgage Corporation

**NOTICE OF INTENTION TO ENFORCE A SECURITY
(SUBSECTION 244(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*)**

TO: Stateview Homes (Minu Towns) Inc. (the "**Debtor**"), an insolvent person

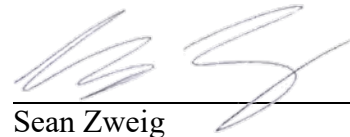
TAKE NOTICE THAT:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Commitment Letter dated September 30, 2021 between the Debtor and KingSett Mortgage Corporation (the "**Secured Party**" or "**KingSett**"), as amended from time to time (the "**Commitment Letter**").
2. KingSett, a secured creditor, intends to enforce its security on all of the following property and assets of the Debtor:
 - (a) the Project, including, without limitation, PIN 03061-4269 LT being PT LT 19 CON 8 (MKM), PTS 10 & 19, 65R30379 , MARKHAM ; S/T EASE OVER PT 10 65R30379, AS IN YR200734 (the "**Real Property**");
 - (b) all property and collateral against which the security interest against the Debtor bearing reference file number 777128589 has been registered pursuant to the *Personal Property Security Act* (Ontario); and
 - (c) all other assets, property and collateral that were assigned, transferred, pledged, granted, mortgaged, charged and/or similarly secured pursuant to the Security (as defined below) or the Commitment Letter.
3. The security that is to be enforced is in the form of all security delivered in connection with the Commitment Letter including, among other things:
 - (a) the charge/mortgage registered on title to the Real Property as Instrument No. YR3325803;
 - (b) the General Security Agreement dated October 8, 2021 executed by the Debtor in favour of the Secured Party;
 - (c) a General Assignment of Rents and Leases dated October 8, 2021 executed by the Debtor in favour of the Secured Party, a notice of which is registered on title to the Real Property as Instrument No. YR3325804; and
 - (d) all ancillary, supplemental and additional documents or instruments to each of the foregoing (collectively, the "**Security**").
4. The total amount of indebtedness secured by the Security as of April 11, 2023 is \$50,486,803.30 (excluding accruing fees, expenses and costs).

5. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the insolvent (person/company) consents to an earlier enforcement.

DATED at Toronto, this 12th day of April, 2023.

**KINGSETT MORTGAGE
CORPORATION** by its solicitors, Bennett
Jones LLP



Sean Zweig

This Notice is given for precautionary purposes only and there is no acknowledgement that the Debtor is insolvent or that the provisions of the *Bankruptcy and Insolvency Act* (Canada) apply to the enforcement of the Security.



Bennett Jones

Bennett Jones LLP

3400 One First Canadian Place, PO Box 130

Toronto, Ontario, Canada M5X 1A4

Tel: 416.863.1200 Fax: 416.863.1716

April 12, 2023

Sean H. Zweig

Partner

Direct Line: 416.777.6254

e-mail: zweigs@bennettjones.com

DELIVERED VIA COURIER AND EMAIL

Stateview Homes (Nao Towns) Inc.
410 Chrislea Road, Unit 16
Woodbridge, ON L4L 8B5

Attention: Carlo Taurasi

Dear Sirs/Mesdames:

Re: Indebtedness of Stateview Homes (Nao Towns) Inc. (the "Debtor") to KingSett Mortgage Corporation (the "Lender")

We are counsel to the Lender. As you know, the Debtor is indebted to the Lender pursuant to a Commitment Letter dated November 29, 2021 (as amended from time to time, the "**Commitment Letter**") under which the Lender extended to the Debtor the following loans: (i) a First Mortgage in the principal amount of \$47,500,000 (the "**Mortgage Loan**"); and (ii) a Letter of Credit (cash in lieu) in the principal amount of \$7,150,000 (the "**LC Loan**"). As general and continuing security for the payment and performance of the Debtor's obligations under the Commitment Letter, the Lender was granted various security (collectively, the "**Security**") including, among other things, a first charge/mortgage over certain of the Debtor's real property registered in the amount of \$65,300,000 (the "**Mortgage**").

We have been advised by the Lender that events of default under the terms of the Commitment Letter and Mortgage have occurred as a result of the Debtor, among other things, failing to make the regularly scheduled payments as required under, *inter alia*, the Commitment Letter and the Mortgage. As a result of the foregoing events of default, on behalf of the Lender, we hereby: (i) declare the entire amount of the Debtor's indebtedness to the Lender (collectively, the "**Indebtedness**") due and payable; and (ii) demand repayment of the Indebtedness in full by no later than 10 days from the date of this letter.

As of April 11, 2023, the Indebtedness is in the amount of \$23,692,659.30, comprised of the following:



April 12, 2023

Page 2

Mortgage Loan

Principal Balance	\$16,864,514.91
Accrued Interest	\$43,893.94
Fees	\$1,000
Total	\$16,909,408.85

LC Loan

Principal Balance	\$6,759,293.33
Outstanding Interest	\$5,849.21
Accrued Interest	\$17,592.68
Fees	\$515.22
Total	\$6,783,250.45

Interest accrues on the Indebtedness in accordance with the terms of the Commitment Letter and will continue to accrue until the Indebtedness is paid in full. Additionally, the Lender has incurred and is continuing to incur costs, fees and expenses in relation to this matter and reserves the right to claim such amounts from the Debtor. Payment of the Indebtedness can be made by electronic funds transfer to the Lender.

Please be advised that unless the Indebtedness, together with all applicable interest, fees, costs, legal expenses and disbursements, is paid in full within the 10-day period referred to above, the Lender will be entitled, and intends to, take whatever steps it considers necessary or appropriate to protect its rights and interests including, without limitation, commencing legal proceedings against the Debtor, enforcing the Security (including the Mortgage) and/or seeking the appointment of a receiver or receiver-manager. To that end, please find enclosed a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada).

Nothing in this letter shall constitute or be deemed to be a waiver by the Lender of any breach, default, or event of default that has occurred to the date hereof and the Lender specifically reserves all of its rights and remedies at law or in equity or arising under or in connection with the Commitment Letter, the Security and all documents and instruments provided in connection therewith. Further, the Lender expressly reserves its right to take such additional steps as are

April 12, 2023

Page 3

necessary at any time without further notice to you if the Lender becomes aware of any matter that may impair the Security.

Yours truly,

BENNETT JONES LLP



Sean Zweig

Enclosure –Notice of Intention to Enforce Security

c: Aiden Nelms – Bennett Jones LLP
Daniel Pollack – KingSett Mortgage Corporation

**NOTICE OF INTENTION TO ENFORCE A SECURITY
(SUBSECTION 244(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*)**

TO: Stateview Homes (Nao Towns) Inc. (the "**Debtor**"), an insolvent person

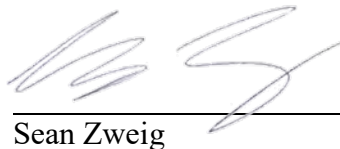
TAKE NOTICE THAT:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Commitment Letter dated November 29, 2021 between the Debtor and KingSett Mortgage Corporation (the "**Secured Party**" or "**KingSett**"), as amended from time to time (the "**Commitment Letter**").
2. KingSett, a secured creditor, intends to enforce its security on all of the following property and assets of the Debtor:
 - (a) the Project, including, without limitation:
 - i. PIN 02962-0263 LT being PT LT 6, CON 6, AS IN MA51910; MARKHAM;
 - ii. PIN 02962-0264 LT being PT LT 6, CON 6, AS IN MA107810; MARKHAM;
 - iii. PIN 02962-0265 LT being PT LT 6, CON 6, PART 3, 64R5892, EXCEPT PT 1, 65R7816; MARKHAM;
 - iv. PIN 02962-0266 LT being PT LT 6, CON 6, PART 1, 64R5892; MARKHAM;
 - v. PIN 02962-0267 LT being PT LT 6, CON 6, AS IN R434475; MARKHAM;
 - vi. PIN 02962-0268 LT being PT LT 6, CON 6, AS IN R264882; T/W MA55203; MARKHAM;
 - vii. PIN 02962-0269 LT being PT LT 6, CON 6, AS IN R329719; T/W MA55276; MARKHAM; and
 - viii. PIN 02962-0542 LT being PT LT 6, CON 6, AS IN MA39709 EXCEPT MA51910, MA107810 AND 64R5892; TOWN OF MARKHAM (collectively, the "**Real Property**");
 - (b) all property and collateral against which the security interest against the Debtor bearing reference file number 779154183 has been registered pursuant to the *Personal Property Security Act* (Ontario); and

- (c) all other assets, property and collateral that were assigned, transferred, pledged, granted, mortgaged, charged and/or similarly secured pursuant to the Security (as defined below) or the Commitment Letter.
3. The security that is to be enforced is in the form of all security delivered in connection with the Commitment Letter including, among other things:
- (a) the charge/mortgage registered on title to the Real Property as Instrument No. YR3359877;
 - (b) the General Security Agreement dated December 22, 2021 executed by the Debtor in favour of the Secured Party;
 - (c) a General Assignment of Rents and Leases dated December 22, 2021 executed by the Debtor in favour of the Secured Party, a notice of which is registered on title to the Real Property as Instrument No. YR3359878; and
 - (d) all ancillary, supplemental and additional documents or instruments to each of the foregoing (collectively, the "**Security**").
4. The total amount of indebtedness secured by the Security as of April 11, 2023 is \$23,692,659.30 (excluding accruing fees, expenses and costs).
5. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the insolvent (person/company) consents to an earlier enforcement.

DATED at Toronto, this 12th day of April, 2023.

**KINGSETT MORTGAGE
CORPORATION** by its solicitors, Bennett
Jones LLP



Sean Zweig

This Notice is given for precautionary purposes only and there is no acknowledgement that the Debtor is insolvent or that the provisions of the *Bankruptcy and Insolvency Act* (Canada) apply to the enforcement of the Security.



April 12, 2023

Sean H. Zweig
Partner
Direct Line: 416.777.6254
e-mail: zweigs@bennettjones.com

DELIVERED VIA COURIER AND EMAIL

Stateview Homes (Minu Towns) Inc.
410 Chrislea Road, Unit 16
Woodbridge, ON L4L 8B5

Stateview Homes (Nao Towns) Inc.
410 Chrislea Road, Unit 16
Woodbridge, ON L4L 8B5

Attention: Carlo Taurasi

Attention: Carlo Taurasi

Dear Sirs/Mesdames:

Re: Indebtedness of Stateview Homes (Minu Towns) Inc. and Stateview Homes (Nao Towns) Inc. (together, the "Debtor") to KingSett Mortgage Corporation (the "Lender")

We are counsel to the Lender. As you know, the Debtor is indebted to the Lender pursuant to a Commitment Letter dated September 30, 2021 (as amended from time to time, the "**Commitment Letter**") under which the Lender extended to the Debtor a loan in the principal amount of \$30,650,000. As general and continuing security for the payment and performance of the Debtor's obligations under the Commitment Letter, the Lender was granted various security (collectively, the "**Security**") including, among other things, a second charge/mortgage over certain of the Debtor's real property (the "**Real Property**") registered in the amount of \$38,312,500 (as amended from time to time, the "**Mortgage**").

We have been advised by the Lender that events of default under the terms of the Commitment Letter and Mortgage have occurred as a result of the Debtor, among other things, failing to make the regularly scheduled payments as required under, *inter alia*, the Commitment Letter and the Mortgage. As a result of the foregoing events of default, on behalf of the Lender, we hereby: (i) declare the entire amount of the Debtor's indebtedness to the Lender (collectively, the "**Indebtedness**") due and payable; and (ii) demand repayment of the Indebtedness in full by no later than 10 days from the date of this letter.

As of April 11, 2023, the Indebtedness is in the amount of \$31,230,182.80, comprised of the following:

Principal Balance	\$30,650,000
Outstanding Interest	\$436,027.74
Accrued Interest	\$140,654.11

April 12, 2023

Page 2

Fees	\$3,500.95
Total	\$31,230,182.80

Interest accrues on the Indebtedness in accordance with the terms of the Commitment Letter and will continue to accrue until the Indebtedness is paid in full. Additionally, the Lender has incurred and is continuing to incur costs, fees and expenses in relation to this matter and reserves the right to claim such amounts from the Debtor. Payment of the Indebtedness can be made by electronic funds transfer to the Lender.

Please be advised that unless the Indebtedness, together with all applicable interest, fees, costs, legal expenses and disbursements, is paid in full within the 10-day period referred to above, the Lender will be entitled, and intends to, take whatever steps it considers necessary or appropriate to protect its rights and interests including, without limitation, commencing legal proceedings against the Debtor, enforcing the Security (including the Mortgage) and/or seeking the appointment of a receiver or receiver-manager. To that end, please find enclosed a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada).

Nothing in this letter shall constitute or be deemed to be a waiver by the Lender of any breach, default, or event of default that has occurred to the date hereof and the Lender specifically reserves all of its rights and remedies at law or in equity or arising under or in connection with the Commitment Letter, the Security and all documents and instruments provided in connection therewith. Further, the Lender expressly reserves its right to take such additional steps as are necessary at any time without further notice to you if the Lender becomes aware of any matter that may impair the Security.

Yours truly,

BENNETT JONES LLP



Sean Zweig

Enclosure –Notice of Intention to Enforce Security

c: Aiden Nelms – Bennett Jones LLP
Daniel Pollack – KingSett Mortgage Corporation

**NOTICE OF INTENTION TO ENFORCE A SECURITY
(SUBSECTION 244(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*)**

TO: Stateview Homes (Minu Towns) Inc. ("**Minu**") and Stateview Homes (Nao Towns) Inc. ("**Nao**" and together with Minu, the "**Debtor**"), an insolvent person

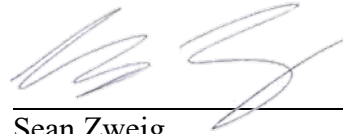
TAKE NOTICE THAT:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Commitment Letter dated September 30, 2021 between the Debtor and KingSett Mortgage Corporation (the "**Secured Party**" or "**KingSett**"), as amended from time to time (the "**Commitment Letter**").
2. KingSett, a secured creditor, intends to enforce its security on all of the following property and assets of the Debtor:
 - (a) the Project, including, without limitation:
 - i. PIN 03061-4269 LT being PT LT 19 CON 8 (MKM), PTS 10 & 19, 65R30379 , MARKHAM ; S/T EASE OVER PT 10 65R30379, AS IN YR200734 (the "**Minu Real Property**"); and
 - ii. the real property listed at Schedule "A" hereto (collectively, the "**Nao Real Property**");
 - (b) all property and collateral against which the security interest against the Debtor bearing reference file number 777129219 has been registered pursuant to the *Personal Property Security Act* (Ontario); and
 - (c) all other assets, property and collateral that were assigned, transferred, pledged, granted, mortgaged, charged and/or similarly secured pursuant to the Security (as defined below) or the Commitment Letter.
3. The security that is to be enforced is in the form of all security delivered in connection with the Commitment Letter including, among other things:
 - (a) the General Security Agreement dated October 8, 2021 executed by Minu in favour of the Secured Party;
 - (b) the second charge/mortgage registered on title to the Minu Real Property as Instrument No. YR3325805;
 - (c) an Assignment of Rents and Leases dated October 8, 2021 executed by Minu in favour of the Secured Party, a notice of which is registered on title to the Minu Real Property as Instrument No. YR3325806;
 - (d) the General Security Agreement dated December 22, 2021 executed by Nao in favour of the Secured Party;

- (e) the second charge/mortgage registered on title to the Nao Real Property as Instrument No. YR3359879;
 - (f) an Assignment of Rents and Leases dated December 22, 2021 executed by Nao in favour of the Secured Party, a notice of which is registered on title to the Nao Real Property as Instrument No. YR3359880; and
 - (g) all ancillary, supplemental and additional documents or instruments to each of the foregoing (collectively, the "**Security**").
4. The total amount of indebtedness secured by the Security as of April 11, 2023 is \$31,230,182.80 (excluding accruing fees, expenses and costs).
 5. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the insolvent (person/company) consents to an earlier enforcement.

DATED at Toronto, this 12th day of April, 2023.

**KINGSETT MORTGAGE
CORPORATION** by its solicitors, Bennett
Jones LLP



Sean Zweig

This Notice is given for precautionary purposes only and there is no acknowledgement that the Debtor is insolvent or that the provisions of the *Bankruptcy and Insolvency Act* (Canada) apply to the enforcement of the Security.

Schedule "A"

- PIN 02962-0263 LT being PT LT 6, CON 6, AS IN MA51910; MARKHAM;
- PIN 02962-0264 LT being PT LT 6, CON 6, AS IN MA107810; MARKHAM;
- PIN 02962-0265 LT being PT LT 6, CON 6 , PART 3, 64R5892 , EXCEPT PT 1, 65R7816; MARKHAM;
- PIN 02962-0266 LT being PT LT 6, CON 6, PART 1, 64R5892; MARKHAM;
- PIN 02962-0267 LT being PT LT 6, CON 6, AS IN R434475; MARKHAM;
- PIN 02962-0268 LT being PT LT 6, CON 6 , AS IN R264882; T/W MA55203 ; MARKHAM;
- PIN 02962-0269 LT being PT LT 6, CON 6, AS IN R329719; T/W MA55276 ; MARKHAM; and
- PIN 02962-0542 LT being PT LT 6, CON 6 , AS IN MA39709 EXCEPT MA51910, MA107810 AND 64R5892; TOWN OF MARKHAM



April 12, 2023

Sean H. Zweig
Partner
Direct Line: 416.777.6254
e-mail: zweigs@bennettjones.com

DELIVERED VIA COURIER AND EMAIL

Stateview Homes (On the Mark) Inc.
410 Chrislea Road, Unit 16
Woodbridge, ON L4L 8B5

Attention: Carlo Taurasi

Dear Sirs/Mesdames:

Re: Indebtedness of Stateview Homes (On the Mark) Inc. (the "Debtor") to KingSett Mortgage Corporation (the "Lender")

We are counsel to the Lender. As you know, the Debtor is indebted to the Lender pursuant to a Commitment Letter dated May 13, 2020 (as amended from time to time, the "**Commitment Letter**") under which the Lender extended to the Debtor a loan in the principal amount of \$42,010,000 and letters of credit in the amount of \$3,500,000. As general and continuing security for the payment and performance of the Debtor's obligations under the Commitment Letter, the Lender was granted various security (collectively, the "**Security**") including, among other things, a first charge/mortgage over certain of the Debtor's real property registered in the amount of \$51,250,000 (the "**Mortgage**").

We have been advised by the Lender that events of default under the terms of the Commitment Letter have occurred as a result of the Debtor, among other things, failing to make the regularly scheduled payments as required under, *inter alia*, the Commitment Letter and the Mortgage and failing to comply with its obligations under the Commitment Letter following the Maturity Date (as defined in the Commitment Letter). As a result of the foregoing events of default, on behalf of the Lender, we hereby: (i) declare the entire amount of the Debtor's indebtedness to the Lender (the "**Indebtedness**") due and payable; and (ii) demand repayment of the Indebtedness in full by no later than 10 days from the date of this letter.

As of April 11, 2023, the Indebtedness is in the amount of \$20,056,316.14, comprised of the following:

Principal Balance	\$17,215,710
Outstanding Interest	\$154,946.53
Accrued Interest	\$45,451.01
Fees	\$1,920.27

April 12, 2023

Page 2

L/C Cash Collateralization	\$2,638,288.33
Total	\$20,056,316.14

Interest accrues on the Indebtedness in accordance with the terms of the Commitment Letter and will continue to accrue until the Indebtedness is paid in full. Additionally, the Lender has incurred and is continuing to incur costs, fees and expenses in relation to this matter and reserves the right to claim such amounts from the Debtor. Payment of the Indebtedness can be made by electronic funds transfer to the Lender.

Please be advised that unless the Indebtedness, together with all applicable interest, fees, costs, legal expenses and disbursements, is paid in full within the 10-day period referred to above, the Lender will be entitled, and intends to, take whatever steps it considers necessary or appropriate to protect its rights and interests including, without limitation, commencing legal proceedings against the Debtor, enforcing the Security (including the Mortgage) and/or seeking the appointment of a receiver or receiver-manager. To that end, please find enclosed a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada).

Nothing in this letter shall constitute or be deemed to be a waiver by the Lender of any breach, default, or event of default that has occurred to the date hereof and the Lender specifically reserves all of its rights and remedies at law or in equity or arising under or in connection with the Commitment Letter, the Security and all documents and instruments provided in connection therewith. Further, the Lender expressly reserves its right to take such additional steps as are necessary at any time without further notice to you if the Lender becomes aware of any matter that may impair the Security.

Yours truly,

BENNETT JONES LLP

Sean Zweig

Enclosure –Notice of Intention to Enforce Security

c: Aiden Nelms – Bennett Jones LLP
Daniel Pollack – KingSett Mortgage Corporation

**NOTICE OF INTENTION TO ENFORCE A SECURITY
(SUBSECTION 244(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*)**

TO: Stateview Homes (On the Mark) Inc. (the "**Debtor**"), an insolvent person

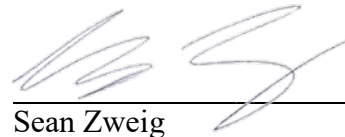
TAKE NOTICE THAT:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Commitment Letter dated May 13, 2020 between the Debtor and KingSett Mortgage Corporation (the "**Secured Party**" or "**KingSett**"), as amended from time to time (the "**Commitment Letter**").
2. KingSett, a secured creditor, intends to enforce its security on all of the following property and assets of the Debtor:
 - (a) the Project, including, without limitation, PIN 03047-1646 LT being BLOCK 3, PLAN 65M3925; S/T EASEMENT AS IN LT1469897; CITY OF MARKHAM (the "**Real Property**");
 - (b) all property and collateral against which the security interest against the Debtor bearing reference file number 761994018 has been registered pursuant to the *Personal Property Security Act* (Ontario); and
 - (c) all other assets, property and collateral that were assigned, transferred, pledged, granted, mortgaged, charged and/or similarly secured pursuant to the Security (as defined below) or the Commitment Letter.
3. The security that is to be enforced is in the form of all security delivered in connection with the Commitment Letter including, among other things:
 - (a) the charge/mortgage registered on title to the Real Property as Instrument No. YR3107460;
 - (b) the General Security Agreement dated June 9, 2020 executed by the Debtor in favour of the Secured Party;
 - (c) an Assignment of Rents and Leases dated June 9, 2020 executed by the Debtor in favour of the Secured Party, a notice of which is registered on title to the Real Property as Instrument No. YR3107461; and
 - (d) all ancillary, supplemental and additional documents or instruments to each of the foregoing (collectively, the "**Security**").
4. The total amount of indebtedness secured by the Security as of April 11, 2023 is \$20,056,316.14 (excluding accruing fees, expenses and costs).

5. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the insolvent (person/company) consents to an earlier enforcement.

DATED at Toronto, this 12th day of April, 2023.

**KINGSETT MORTGAGE
CORPORATION** by its solicitors, Bennett
Jones LLP



Sean Zweig

This Notice is given for precautionary purposes only and there is no acknowledgement that the Debtor is insolvent or that the provisions of the *Bankruptcy and Insolvency Act* (Canada) apply to the enforcement of the Security.



April 12, 2023

Sean H. Zweig
Partner
Direct Line: 416.777.6254
e-mail: zweigs@bennettjones.com

DELIVERED VIA COURIER AND EMAIL

Stateview Homes (On the Mark) Inc.
410 Chrislea Road, Unit 16
Woodbridge, ON L4L 8B5

Attention: Carlo Taurasi

Dear Sirs/Mesdames:

Re: Indebtedness of Stateview Homes (On the Mark) Inc. (the "Debtor") to KingSett Mortgage Corporation (the "Lender")

We are counsel to the Lender. As you know, the Debtor is indebted to the Lender pursuant to a Commitment Letter dated May 13, 2020 (as amended from time to time, the "**Commitment Letter**") under which the Lender extended to the Debtor a loan in the principal amount of \$12,000,000. As general and continuing security for the payment and performance of the Debtor's obligations under the Commitment Letter, the Lender was granted various security (collectively, the "**Security**") including, among other things, a second charge/mortgage over certain of the Debtor's real property registered in the amount of \$15,000,000 (the "**Mortgage**").

We are advised by the Lender that events of default under the terms of the Commitment Letter have occurred as a result of the Debtor, among other things, failing to make the regularly scheduled payments as required under, *inter alia*, the Commitment Letter and the Mortgage and failing to comply with its obligations under the Commitment Letter following the Maturity Date (each as defined in the Commitment Letter). As a result of the foregoing events of default, on behalf of the Lender, we hereby: (i) declare the entire amount of the Debtor's indebtedness to the Lender (the "**Indebtedness**") due and payable; and (ii) demand repayment of the Indebtedness in full by no later than 10 days from the date of this letter.

As of April 11, 2023, the Indebtedness was in the amount of \$12,221,278.43, comprised of the following:

Principal Balance	\$12,000,000
Outstanding Interest	\$165,616.44
Accrued Interest	\$53,424.66
Fees	\$2,237.33

April 12, 2023

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Total \$12,221,278.43

Interest accrues on the Indebtedness in accordance with the terms of the Commitment Letter and will continue to accrue until the Indebtedness is paid in full. Additionally, the Lender has incurred and is continuing to incur costs, fees and expenses in relation to this matter and reserve the right to claim such amounts from the Debtor. Payment of the Indebtedness can be made by electronic funds transfer to the Lender.

Please be advised that unless the Indebtedness, together with all applicable interest, fees, costs, legal expenses and disbursements, is paid in full within the 10-day period referred to above, the Lender will be entitled, and intends to, take whatever steps it considers necessary or appropriate to protect its rights and interests including, without limitation, commencing legal proceedings against the Debtor, enforcing the Security (including the Mortgage) and/or seeking the appointment of a receiver or receiver-manager. To that end, please find enclosed a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada). Should you consent to an earlier enforcement, please return an executed copy of the enclosed Consent and Waiver to our office.

Nothing in this letter shall constitute or be deemed to be a waiver by the Lender of any breach, default, or event of default that has occurred to the date hereof and the Lender specifically reserves all of its rights and remedies at law or in equity or arising under or in connection with the Commitment Letter, the Security and all documents and instruments provided in connection therewith. Further, the Lender expressly reserves its right to take such additional steps as are necessary at any time without further notice to you if the Lender becomes aware of any matter that may impair the Security.

Yours truly,

BENNETT JONES LLP



Sean Zweig

Enclosure – Notice of Intention to Enforce Security

c: Aiden Nelms – Bennett Jones LLP
Daniel Pollack – KingSett Mortgage Corporation

**NOTICE OF INTENTION TO ENFORCE A SECURITY
(SUBSECTION 244(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*)**

TO: Stateview Homes (On the Mark) Inc. (the "**Debtor**"), an insolvent person

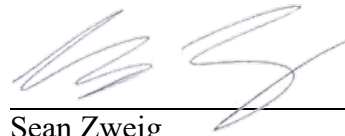
TAKE NOTICE THAT:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Commitment Letter dated May 13, 2020 between the Debtor and KingSett Mortgage Corporation (the "**Secured Party**" or "**KingSett**"), as amended from time to time (the "**Commitment Letter**").
2. KingSett, a secured creditor, intends to enforce its security on all of the following property and assets of the Debtor:
 - (a) the Project, including, without limitation, PIN 03047-1646 LT being BLOCK 3, PLAN 65M3925; S/T EASEMENT AS IN LT1469897; CITY OF MARKHAM (the "**Real Property**");
 - (b) all property and collateral against which the security interest against the Debtor bearing reference file number 761994045 has been registered pursuant to the *Personal Property Security Act* (Ontario); and
 - (c) all other assets, property and collateral that were assigned, transferred, pledged, granted, mortgaged, charged and/or similarly secured pursuant to the Security (as defined below) or the Commitment Letter.
3. The security that is to be enforced is in the form of all security delivered in connection with the Commitment Letter including, among other things:
 - (a) the charge/mortgage registered on title to the Real Property as Instrument No. YR3107462;
 - (b) the General Security Agreement dated June 9, 2020 executed by the Debtor in favour of the Secured Party;
 - (c) an Assignment of Rents and Leases dated June 9, 2020 executed by the Debtor in favour of the Secured Party, a notice of which is registered on title to the Real Property as Instrument No. YR3107463; and
 - (d) all ancillary, supplemental and additional documents or instruments to each of the foregoing (collectively, the "**Security**").
4. The total amount of indebtedness secured by the Security as of April 11, 2023 is \$12,221,278.43 (excluding accruing fees, expenses and costs).

5. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the insolvent (person/company) consents to an earlier enforcement.

DATED at Toronto, this 12th day of April, 2023.

**KINGSETT MORTGAGE
CORPORATION** by its solicitors, Bennett
Jones LLP



Sean Zweig

This Notice is given for precautionary purposes only and there is no acknowledgement that the Debtor is insolvent or that the provisions of the *Bankruptcy and Insolvency Act* (Canada) apply to the enforcement of the Security.



Bennett Jones

Bennett Jones LLP

3400 One First Canadian Place, PO Box 130

Toronto, Ontario, Canada M5X 1A4

Tel: 416.863.1200 Fax: 416.863.1716

April 12, 2023

Sean H. Zweig

Partner

Direct Line: 416.777.6254

e-mail: zweigs@bennettjones.com

DELIVERED VIA COURIER AND EMAIL

TLSFD Taurasi Holdings Corp.
161 Duncan Road
Richmond Hill, ON L4C 6J5

Attention: Carlo Taurasi

Dear Sirs/Mesdames:

Re: Indebtedness of TLSFD Taurasi Holdings Corp. (the "Debtor") to KingSett Mortgage Corporation (the "Lender")

We are counsel to the Lender. As you know, the Debtor is indebted to the Lender pursuant to a Commitment Letter dated August 4, 2020 (as amended from time to time, the "**Commitment Letter**") under which the Lender extended to the Debtor a loan in the principal amount of \$29,755,000. As general and continuing security for the payment and performance of the Debtor's obligations under the Commitment Letter, the Lender was granted various security (collectively, the "**Security**") including, among other things, a first charge/mortgage over certain of the Debtor's real property (the "**Real Property**") registered in the amount of \$37,200,000 (as amended from time to time, the "**Mortgage**").

We have been advised by the Lender that events of default under the terms of the Commitment Letter and Mortgage have occurred as a result of the Debtor, among other things, failing to make the regularly scheduled payments as required under, *inter alia*, the Commitment Letter and the Mortgage, failing to comply with its obligations under the Commitment Letter following the Maturity Date (as defined in the Commitment Letter) and consenting to the registration of additional indebtedness against the Real Property without the consent of the Lender. As a result of the foregoing events of default, on behalf of the Lender, we hereby: (i) declare the entire amount of the Debtor's indebtedness to the Lender (collectively, the "**Indebtedness**") due and payable; and (ii) demand repayment of the Indebtedness in full by no later than 10 days from the date of this letter.

As of April 11, 2023, the Indebtedness is in the amount of \$30,139,394.81, comprised of the following:

Principal Balance	\$29,755,000
Outstanding Interest	\$277,985.07



BennettJones.com/100Years

April 12, 2023

Page 2

Accrued Interest	\$103,938.70
Fees	\$2,471.04
Total	\$30,139,394.81

Interest accrues on the Indebtedness in accordance with the terms of the Commitment Letter and will continue to accrue until the Indebtedness is paid in full. Additionally, the Lender has incurred and is continuing to incur costs, fees and expenses in relation to this matter and reserves the right to claim such amounts from the Debtor. Payment of the Indebtedness can be made by electronic funds transfer to the Lender.

Please be advised that unless the Indebtedness, together with all applicable interest, fees, costs, legal expenses and disbursements, is paid in full within the 10-day period referred to above, the Lender will be entitled, and intends to, take whatever steps it considers necessary or appropriate to protect its rights and interests including, without limitation, commencing legal proceedings against the Debtor, enforcing the Security (including the Mortgage) and/or seeking the appointment of a receiver or receiver-manager. To that end, please find enclosed a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada).

Nothing in this letter shall constitute or be deemed to be a waiver by the Lender of any breach, default, or event of default that has occurred to the date hereof and the Lender specifically reserves all of its rights and remedies at law or in equity or arising under or in connection with the Commitment Letter, the Security and all documents and instruments provided in connection therewith. Further, the Lender expressly reserves its right to take such additional steps as are necessary at any time without further notice to you if the Lender becomes aware of any matter that may impair the Security.

Yours truly,

BENNETT JONES LLP


Sean Zweig

Enclosure –Notice of Intention to Enforce Security

c: Aiden Nelms – Bennett Jones LLP
Daniel Pollack – KingSett Mortgage Corporation

**NOTICE OF INTENTION TO ENFORCE A SECURITY
(SUBSECTION 244(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*)**

TO: TLSFD Taurasi Holdings Corp. (the "**Debtor**"), an insolvent person

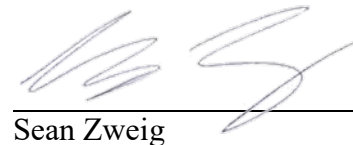
TAKE NOTICE THAT:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Commitment Letter dated August 4, 2020 between the Debtor and KingSett Mortgage Corporation (the "**Secured Party**" or "**KingSett**"), as amended from time to time (the "**Commitment Letter**").
2. KingSett, a secured creditor, intends to enforce its security on all of the following property and assets of the Debtor:
 - (a) the Property, including, without limitation:
 - i. PIN 03273-0069 LT being PCL 24-1 SEC M1832; LT 24 PL M1832; CITY OF VAUGHAN, PIN 03274-0132 LT being PCL 10-1 SEC 65M2330; LT 10 PL 65M2330; S/T RIGHT AS IN LT332786; VAUGHAN; CITY OF VAUGHAN and PIN 03273-0052 LT being PT LT 11 PL 7925 VAUGHAN AS IN VA68142; CITY OF VAUGHAN (together, "**Real Property 1**"); and
 - ii. PIN 03274-0044 LT being PCL 1-2 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 4, 65R4957; VAUGHAN; CITY OF VAUGHAN and PIN 03274-0043 LT being PCL 1-3 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 3, 65R4957; VAUGHAN (together, "**Real Property 2**");
 - (b) all property and collateral against which the security interest against the Debtor bearing reference file numbers 770921046 and 764908515 have been registered pursuant to the *Personal Property Security Act* (Ontario); and
 - (c) all other assets, property and collateral that were assigned, transferred, pledged, granted, mortgaged, charged and/or similarly secured pursuant to the Security (as defined below) or the Commitment Letter.
3. The security that is to be enforced is in the form of all security delivered in connection with the Commitment Letter including, among other things:
 - (a) the General Security Agreement dated August 20, 2020 executed by the Debtor in favour of the Secured Party in connection with Real Property 1;
 - (b) the charge/mortgage registered on title to Real Property 1 as Instrument No. YR3133278 as amended by the notice registered on title to Real Property 1 as Instrument No. YR3231042 and as further amended by the notice registered on title to Real Property 1 as Instrument No. YR3385451;

- (c) an Assignment of Rents and Leases dated August 20, 2020 executed by the Debtor in favour of the Secured Party, a notice of which is registered on title to Real Property 1 as Instrument No. YR3133279;
 - (d) the General Security Agreement dated March 29, 2021 executed by the Debtor in favour of the Secured Party in connection with Real Property 2;
 - (e) the charge/mortgage registered on title to Real Property 2 as Instrument No. YR3230933 as amended by the notice registered on title to Real Property 2 as Instrument No. YR3385452;
 - (f) an Assignment of Rents and Leases dated March 29, 2021 executed by the Debtor in favour of the Secured Party, a notice of which is registered on title to Real Property 2 as Instrument No. YR3230934; and
 - (g) all ancillary, supplemental and additional documents or instruments to each of the foregoing (collectively, the "**Security**").
4. The total amount of indebtedness secured by the Security as of April 11, 2023 is \$30,139,394.81 (excluding accruing fees, expenses and costs).
5. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the insolvent (person/company) consents to an earlier enforcement.

DATED at Toronto, this 12th day of April, 2023.

**KINGSETT MORTGAGE
CORPORATION** by its solicitors, Bennett
Jones LLP



Sean Zweig

This Notice is given for precautionary purposes only and there is no acknowledgement that the Debtor is insolvent or that the provisions of the *Bankruptcy and Insolvency Act* (Canada) apply to the enforcement of the Security.



April 12, 2023

Sean H. Zweig
Partner
Direct Line: 416.777.6254
e-mail: zweigs@bennettjones.com

DELIVERED VIA COURIER AND EMAIL

Stateview Homes (High Crown Estates) Inc.
410 Chrislea Road, Unit 16
Woodbridge, ON L4L 8B5

Attention: Carlo Taurasi

Dear Sirs/Mesdames:

Re: Indebtedness of Stateview Homes (High Crown Estates) Inc. (the "Debtor") to Dorr Capital Corporation (the "Lender")

We are counsel to the Lender. As you know, the Debtor is indebted to the Lender pursuant to a Commitment Letter dated June 17, 2021 (as amended from time to time, the "**Commitment Letter**") under which the Lender extended to the Debtor a loan in the principal amount of \$5,000,000. As general and continuing security for the payment and performance of the Debtor's obligations under the Commitment Letter, the Lender was granted various security (collectively, the "**Security**") including, among other things, a second charge/mortgage over certain of the Debtor's real property registered in the amount of \$6,250,000 (the "**Mortgage**").

We have been advised by the Lender that events of default under the terms of the Commitment Letter have occurred as a result of the Debtor, among other things, failing to make the regularly scheduled payments as required under, *inter alia*, the Commitment Letter and the Mortgage and failing to comply with its obligations under the Commitment Letter following the Maturity Date (each as defined in the Commitment Letter). As a result of the foregoing events of default, on behalf of the Lender, we hereby: (i) declare the entire amount of the Debtor's indebtedness to the Lender (the "**Indebtedness**") due and payable; and (ii) demand repayment of the Indebtedness in full by no later than 10 days from the date of this letter.

As of April 12, 2023, the Indebtedness is in the amount of \$4,000,592.77, comprised of the following:

Principal Balance	\$5,000,000
Outstanding Interest	\$73,253.42
Accrued Interest	\$25,993.15
Fees	\$1,346.20

April 12, 2023

Page 2

Collateral Security Loan Paydown	(\$1,100,000.00)
Total	\$4,000,592.77

Interest accrues on the Indebtedness in accordance with the terms of the Commitment Letter and will continue to accrue until the Indebtedness is paid in full. Additionally, the Lender has incurred and is continuing to incur costs, fees and expenses in relation to this matter and reserves the right to claim such amounts from the Debtor. Payment of the Indebtedness can be made by electronic funds transfer to the Lender.

Please be advised that unless the Indebtedness, together with all applicable interest, fees, costs, legal expenses and disbursements, is paid in full within the 10-day period referred to above, the Lender will be entitled, and intends to, take whatever steps it considers necessary or appropriate to protect its rights and interests including, without limitation, commencing legal proceedings against the Debtor, enforcing the Security (including the Mortgage) and/or seeking the appointment of a receiver or receiver-manager. To that end, please find enclosed a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada).

Nothing in this letter shall constitute or be deemed to be a waiver by the Lender of any breach, default, or event of default that has occurred to the date hereof and the Lender specifically reserves all of its rights and remedies at law or in equity or arising under or in connection with the Commitment Letter, the Security and all documents and instruments provided in connection therewith. Further, the Lender expressly reserves its right to take such additional steps as are necessary at any time without further notice to you if the Lender becomes aware of any matter that may impair the Security.

Yours truly,

BENNETT JONES LLP


Sean Zweig

Enclosure –Notice of Intention to Enforce Security

c: Aiden Nelms – Bennett Jones LLP
Brian Dorr – Dorr Capital Corporation

**NOTICE OF INTENTION TO ENFORCE A SECURITY
(SUBSECTION 244(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*)**

TO: Stateview Homes (High Crown Estates) Inc. (the "**Debtor**"), an insolvent person

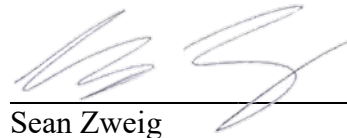
TAKE NOTICE THAT:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Commitment Letter dated June 17, 2021 between the Debtor and Dorr Capital Corporation (the "**Secured Party**" or "**Dorr**"), as amended from time to time (the "**Commitment Letter**").
2. Dorr, a secured creditor, intends to enforce its security on all of the following property and assets of the Debtor:
 - (a) the Project, including, without limitation, PIN 03372-1006 LT being PART LOT 7 CONCESSION 3 KING AS IN R374832; PART LOT 7 CONCESSION 3 KING AS IN R648002; PART LOT 7 CONCESSION 3 KING AS IN R416706; LOT 56 PL 85 KING; PART LOT 55 PLAN 85 KING AS IN R459705; LOTS 1 AND 2, PLAN 360; DESIGNATED AS PART 1 65R38751; TOWNSHIP OF KING (the "**Real Property**");
 - (b) all property and collateral against which the security interest against the Debtor bearing reference file number 774548757 has been registered pursuant to the *Personal Property Security Act* (Ontario); and
 - (c) all other assets, property and collateral that were assigned, transferred, pledged, granted, mortgaged, charged and/or similarly secured pursuant to the Security (as defined below) or the Commitment Letter.
3. The security that is to be enforced is in the form of all security delivered in connection with the Commitment Letter including, among other things:
 - (a) the charge/mortgage registered on title to the Real Property as Instrument No. YR3298341;
 - (b) the General Security Agreement dated July 20, 2021 executed by the Debtor in favour of the Secured Party;
 - (c) an Assignment of Rents and Leases dated July 20, 2021 executed by the Debtor in favour of the Secured Party, a notice of which is registered on title to the Real Property as Instrument No. YR3298342; and
 - (d) all ancillary, supplemental and additional documents or instruments to each of the foregoing (collectively, the "**Security**").
4. The total amount of indebtedness secured by the Security as of April 12, 2023 is \$4,000,592.77 (excluding accruing fees, expenses and costs).

5. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the insolvent (person/company) consents to an earlier enforcement.

DATED at Toronto, this 12th day of April, 2023.

DORR CAPITAL CORPORATION by
its solicitors, Bennett Jones LLP



Sean Zweig

This Notice is given for precautionary purposes only and there is no acknowledgement that the Debtor is insolvent or that the provisions of the *Bankruptcy and Insolvency Act* (Canada) apply to the enforcement of the Security.

This is Exhibit "EEE" *referred to in the*
affidavit of Daniel Pollack--
sworn before me, this 26th
day of April, 2023

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

**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**

CONSENT TO ACT AS RECEIVER

KSV RESTRUCTURING INC. hereby consents to act as the receiver and manager, without security, of the real property legally described in Schedule "A" hereto (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. which is located at or related to or used in connection with or arising from or out of the Real Property pursuant to the terms of the order contained in the Applicants' Application Record, 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.

Dated at Toronto, Ontario this 25th day of April, 2023

KSV RESTRUCTURING INC.



Per: _____

Name: Noah Goldstein

Title: Managing Director

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**")

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.: CV-23-00698576-00CL

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

Proceedings commenced in Toronto

**AFFIDAVIT OF DANIEL POLLACK
(Sworn April 26, 2023)**

BENNETT JONES LLP
One First Canadian Place, Suite 3400
P.O. Box 130
Toronto, ON M5X 1A4

Sean Zweig (LSO# 57307I)
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Aiden Nelms (LSO#: 74170S)
Tel: (416) 777-4642
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**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

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

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

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