

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

BETWEEN:

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION

Applicants

- and -

**VANDYK – UPTOWNS LIMITED, VANDYK – HEART LAKE LIMITED, 2402871
ONTARIO INC., VANDYK – THE RAVINE LIMITED AND VANDYK – LAKEVIEW-
DXE-WEST LIMITED**

Respondents

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

**APPLICATION RECORD
Volume 1 of 5
(Returnable November 14, 2023)**

November 7, 2023

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TO: THE ATTACHED SERVICE LIST

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

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<p>MGI CONSTRUCTION CORP. 11 Dansk Court Etobicoke, ON M9W 5N6</p> <p><i>A Construction Lien Claimant</i></p> <p>With a copy to:</p> <p>DRUDI ALEXIOU KUCHAR LLP 4950 Yonge Street, Suite 508 Toronto, ON M2N 6K1</p>	

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TAB 1



Court File No.: _____

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

BETWEEN:

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION

Applicants

- and -

**VANDYK – UPTOWNS LIMITED, VANDYK – HEART LAKE LIMITED, 2402871
ONTARIO INC., VANDYK – THE RAVINE LIMITED AND VANDYK – LAKEVIEW-
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Respondents

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

NOTICE OF APPLICATION

TO THE RESPONDENTS:

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

THIS APPLICATION will come on for a hearing

- In person
- By telephone conference
- By video conference

At a Zoom link to be provided by the Ontario Superior Court of Justice (Commercial List) on November 14, 2023 at 12:15 p.m. (or as soon after such time as the application may be heard).

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicants' lawyer or, where the Applicants do not have

a lawyer, serve it on the Applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

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

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

Date: November 6, 2023

Issued by:

Local Registrar

Address of court office: 330 University Avenue, 9th Floor
Toronto, ON M5G 1R7

TO: **THE SERVICE LIST**

APPLICATION

1. THE APPLICANTS MAKE AN APPLICATION FOR:

- (a) An order substantially in the form attached as Tab 3 of the Application Record (the "**Receivership Order**") pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended (the "**CJA**"), among other things:
- (i) if necessary, abridging the time for and validating the service of this Notice of Application and the Applicants' Application Record and dispensing with further service thereof;
- (ii) appointing KSV Restructuring Inc. ("**KSV**") as receiver and manager (in such capacity, the "**Receiver**") without security, of the real property legally described in Schedule "A" to the proposed Receivership Order (collectively, the "**Real Property**") and all of the present and future assets, undertakings and personal property of Vandyk – Uptowns Limited ("**Uptowns**"), Vandyk – Heart Lake Limited (f/k/a 2366885 Ontario Inc.) ("**Heart Lake**"), 2402871 Ontario Inc. ("**240**"), Vandyk – The Ravine Limited ("**Ravine**"), and Vandyk – Lakeview-DXE-West Limited ("**Lakeview**", and collectively with Uptowns, Heart Lake, 240 and Ravine, the "**Debtors**") located at, related to, used in connection with or arising from or out of the Real Property or which is necessary to the use

and operation of the Real Property, including all of the proceeds therefrom (collectively with the Real Property, the "**Property**");

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

(iv) granting a second-ranking super-priority charge (the "**Receiver's Borrowings Charge**") over the Property for the purpose of funding the exercise of the powers and duties conferred upon the Receiver pursuant to the proposed Receivership Order; and

(b) Such further and other relief as counsel may request and this Honourable Court deems just.

2. THE GROUNDS FOR THE APPLICATION ARE:

The Parties

(a) The Applicants, KingSett Mortgage Corporation ("**KingSett**") and Dorr Capital Corporation ("**Dorr**"), are the Debtors' senior secured lenders;

(b) KingSett is incorporated pursuant to the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, with a registered head office located at 40 King Street West, Toronto, Ontario, M5H 3Y2. KingSett is a subsidiary of KingSett Capital Inc., a private equity real estate investment firm with approximately \$19.5 billion in assets under management;

- (c) Dorr is incorporated pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B. 16 (the "**OBCA**"), with a registered head office located at 41 Scarsdale Road, Unit 6, North York, Ontario, M3B 2R2. Dorr is a leading private provider of commercial mortgage investments and commercial real estate and equity financing;
- (d) Each of the Debtors is a privately held real estate development company incorporated under the OBCA, with a registered head office located at 1944 Fowler Drive, Mississauga, Ontario, L5K 0A1;
- (e) The Debtors are the registered owners of the Real Property and are currently developing five residential development projects thereon (collectively, the "**Projects**");

The Real Property and the Financing Thereof

- (f) The Real Property and the Projects being developed thereon are comprised of the following:
 - (i) a property located at 10302 Heart Lake Road, Brampton, Ontario (the "**Uptowns Lands**"). The Uptowns Lands are approximately 6.5 acres and are owned by Uptowns. The Uptowns Lands are currently being developed with 342 stacked townhouses providing approximately 379,842 square feet of gross floor area. The development is approximately 28% constructed and pre-sales have been completed for 329 of the 342 townhomes;

- (ii) a property located at 10194 Heart Lake Road, Brampton, Ontario (the "**Jordan Lands**"). The Jordan Lands are approximately 22.47 acres, of which 9.67 acres are developable, and are owned by Heart Lake. The Jordan Lands are currently zoned for the development of 200 townhomes providing approximately 242,602 square feet of gross floor area. Approximately half of the 200 townhomes have been pre-sold, but construction on the Jordan Lands has not yet commenced;
- (iii) a property located at 327 Royal York Road, Etobicoke, Ontario (the "**Royal York Lands**"). The Royal York Lands are owned by 240 and were intended to be developed with a two-tower project consisting of 692 residential condo units providing approximately 516,000 square feet of residential space, approximately 5,726 square feet of ground floor retail space, approximately 75,000 square feet of office space, and approximately 16,416 square feet of Metrolinx station space. Although the zoning of the Royal York Lands has been completed, no pre-sales have been made and construction has not yet commenced;
- (iv) a property located at 336 Waterhouse Cres N, Mississauga, Ontario (f/k/a 320 Derry Road, Mississauga, Ontario) (the "**Derry Road Lands**"). The Derry Road Lands are owned by Ravine and have been approved for the development of 39 detached and 6 semi-detached residential units. The Derry Road Lands have been zoned as anticipated, each of the residential lots are serviced and approximately 5 of the 45 residential units to be

developed thereon have been pre-sold. However, no construction has been commenced on the Derry Road Lands; and

(v) a property located at 1345 Lakeshore Road East, Mississauga, Ontario (the "**Lakeview Lands**"). The Lakeview Lands are approximately 3.13 acres and are owned by Lakeview. The Lakeview Lands were intended to be developed with two mid-rise condominium towers consisting of 478 residential units, approximately 10,218 square feet of commercial space and two levels of underground parking providing 433 parking spaces. Despite pre-sales having been completed for 395 residential units, no construction has been commenced;

(g) In connection with the Debtors' acquisition, refinancing and development of the Real Property and the Projects, KingSett and Dorr extended and, in one case acquired, certain of the Debtors' loan facilities (collectively, the "**Loan Facilities**"), under which there are aggregate principal amounts outstanding of \$169,977,089.58 and \$34,000,000, respectively (together with all interest, fees and costs thereunder, the "**Indebtedness**");

(h) As discussed below, the Debtors granted various security and collateral security (collectively with all commitment letters related thereto, the "**Loan and Security Documents**") to secure the payment and performance of the Indebtedness;

The Uptowns/Heart Lake Loan and Security

(i) Pursuant to a commitment letter dated May 6, 2022 (as amended by amendments dated June 2, 2022 and April 27, 2023, the "**Uptowns/Heart Lake Commitment**

Letter") between, *inter alios*, Dorr, as servicer, and Uptowns and Heart Lake, as borrowers, KingSett agreed to provide a blanket mortgage facility in the principal amount of \$59,380,000 for the benefit of Uptowns and Heart Lake;

- (j) As of September 28, 2023, the total indebtedness under the Uptowns/Heart Lake Commitment Letter is \$46,093,345.31;
- (k) The payment and performance of all of Uptowns' and Heart Lake's indebtedness and obligations under, among other things, the Uptowns/Heart Lake Commitment Letter, has been unconditionally, absolutely, and irrevocably guaranteed by John Vandyk ("**Mr. Vandyk**"), Vandyk Holdings Incorporated ("**VHI**"), Ravine, 240, Vandyk Properties Incorporated ("**VPI**") and Lakeview (collectively, the "**Uptowns/Heart Lake Guarantees**");
- (l) As general and continuing security for the payment and performance of the indebtedness and obligations under, among other things, the Uptowns/Heart Lake Commitment Letter and the Uptowns/Heart Lake Guarantees, KingSett was granted various security by Uptowns and Heart Lake (collectively, the "**Uptowns/Heart Lake Security**") and collateral security by Mr. Vandyk, VHI, VPI, Ravine, 240 and Lakeview (collectively, the "**Uptowns/Heart Lake Collateral Security**");
- (m) The Uptowns/Heart Lake Security and the Uptowns/Heart Lake Collateral Security include, without limitation:

- (i) a third mortgage/charge over the Uptowns Lands and a first mortgage/charge over the Jordan Lands, registered in the amount of \$68,750,000;
- (ii) a third mortgage/charge over the Royal York Lands, registered in the amount of \$68,750,000;
- (iii) a fourth mortgage/charge over the Lakeview Lands, registered in the amount of \$68,750,000;
- (iv) a third mortgage/charge over the Derry Lands, registered in the amount of \$68,750,000; and
- (v) a General Security Agreement dated June 15, 2022 between Uptowns and Heart Lake, as grantors, and KingSett, as grantee;

The Acquired Loan and Security

- (n) Pursuant to a commitment letter dated June 25, 2019 (as amended by amendments dated August 24, 2021, May 24, 2022 and August 25, 2022, the "**Acquired Commitment Letter**") between, *inter alios*, MCAP Financial Corporation ("**MCAP**"), as lender, and Uptowns, as borrower, MCAP agreed to provide a first mortgage non-revolving construction loan in the principal amount of \$112,000,000 for the benefit of Uptowns (the "**Acquired Uptowns Facility**") and certain letters of credit;
- (o) As of November 2, 2023, the total indebtedness under the Acquired Commitment Letter is \$23,327,542.91;

- (p) The payment and performance of all of Uptowns' indebtedness and obligations under, among other things, the Acquired Commitment Letter, has been unconditionally guaranteed by Mr. Vandyk (up to the maximum amount of \$50,000,000, plus interest thereon and certain prescribed costs, charges and expenses) and VHI (together, the "**Acquired Guarantees**");
- (q) As general and continuing security for the payment and performance of the indebtedness and obligations under, among other things, the Acquired Commitment Letter and the Acquired Guarantees, MCAP was granted various security by Uptowns (collectively, the "**Acquired Security**") and collateral security by Mr. Vandyk and VHI (collectively, the "**Acquired Collateral Security**");
- (r) The Acquired Security and the Acquired Collateral Security (collectively with the Acquired Commitment Letter, the "**Acquired Loan and Security Documents**") include, without limitation:
- (i) a first mortgage/charge over the Uptowns Lands, registered in the amount of \$140,000,000;
 - (ii) an Assignment of Rents and Leases dated July 26, 2019 in respect of the Uptowns Lands; and
 - (iii) a General Security Agreement dated July 26, 2019 between Uptowns, as debtor, and MCAP, as lender;
- (s) Pursuant to a Loan Purchase Agreement and an Assignment and Assumption Agreement each dated November 3, 2023, between MCAP and KingSett,

KingSett purchased all of MCAP's right, title and interest in and to the Acquired Uptowns Facility and the Acquired Loan and Security Documents;

The Royal York Loan and Security

- (t) Pursuant to a commitment letter dated September 8, 2021 (as amended by amendments dated April 25, 2022 and April 24, 2023, the "**Royal York Commitment Letter**") between, *inter alios*, KingSett, as lender, and 240, as borrower, KingSett agreed to provide a first mortgage, non-revolving demand loan in the principal amount of \$45,000,000 for the benefit of 240;
- (u) As of September 25, 2023, the total indebtedness under the Royal York Commitment Letter is \$45,341,273.97;
- (v) The payment and performance of all of 240's indebtedness and obligations under, among other things, the Royal York Commitment Letter, has been unconditionally, absolutely, and irrevocably guaranteed by Mr. Vandyk, VHI, Ravine, Lakeview and VPI (collectively, the "**Royal York Guarantees**");
- (w) As general and continuing security for the payment and performance of the indebtedness and obligations under, among other things, the Royal York Commitment Letter and the Royal York Guarantees, KingSett was granted various security by 240 (collectively, the "**Royal York Security**") and collateral security by Mr. Vandyk, VHI, VPI, Ravine and Lakeview (collectively, the "**Royal York Collateral Security**");
- (x) The Royal York Security and the Royal York Collateral Security include, without limitation:

- (i) a first mortgage/charge over the Royal York Lands, registered in the amount of \$56,250,000;
- (ii) a fifth mortgage/charge over the Lakeview Lands, registered in the amount of \$56,250,000;
- (iii) a fourth mortgage/charge over the Derry Lands, registered in the amount of \$56,250,000; and
- (iv) a General Security Agreement dated April 28, 2022 between 240, as grantor, and KingSett, as grantee;

The First Derry Loan and Security

- (y) Pursuant to a commitment letter dated March 11, 2022 (as amended by amendments dated July 22, 2022 and May 4, 2023, the "**First Derry Commitment Letter**") between, *inter alios*, KingSett, as lender, and Ravine, as borrower, KingSett agreed to provide a first mortgage, revolving demand loan in the principal amount of \$15,000,000, and a \$6,000,000 cash-in-lieu letter of credit facility for the benefit of Ravine;
- (z) As of September 25, 2023, the total indebtedness under the First Derry Commitment Letter is \$3,658,409.63;
- (aa) The payment and performance of all of Ravine's indebtedness and obligations under, among other things, the First Derry Commitment Letter, has been unconditionally, absolutely, and irrevocably guaranteed by Mr. Vandyk, VPI, VHI and Lakeview (collectively, the "**First Derry Guarantees**");

- (bb) As general and continuing security for the payment and performance of the indebtedness and obligations under, among other things, the First Derry Commitment Letter and the First Derry Guarantees, KingSett was granted various security by Ravine (collectively, the "**First Derry Security**") and collateral security by Mr. Vandyk, VHI, VPI and Lakeview (collectively, the "**First Derry Collateral Security**");
- (cc) The First Derry Security and the First Derry Collateral Security include, without limitation:
- (i) a first mortgage/charge over the Derry Lands, registered in the amount of \$25,000,000;
 - (ii) a sixth mortgage/charge over the Lakeview Lands, registered in the amount of \$25,000,000; and
 - (iii) a General Security Agreement dated April 12, 2022 between Ravine, as grantor, and KingSett, as grantee;

The Second Derry Loan and Security

- (dd) Pursuant to a commitment letter dated March 11, 2022 (as amended by an amendment dated May 4, 2023, the "**Second Derry Commitment Letter**") between, *inter alios*, KingSett, as lender, and Ravine, as borrower, KingSett agreed to provide a second mortgage, non-revolving demand loan in the principal amount of \$32,400,000 for the benefit of Ravine;

- (ee) As of September 25, 2023, the total indebtedness under the Second Derry Commitment Letter is \$32,665,626.62;
- (ff) The payment and performance of all of Ravine's indebtedness and obligations under, among other things, the Second Derry Commitment Letter, has been unconditionally, absolutely, and irrevocably guaranteed by Mr. Vandyk, VPI, VHI and Lakeview (collectively, the "**Second Derry Guarantees**");
- (gg) As general and continuing security for the payment and performance of the indebtedness and obligations under, among other things, the Second Derry Commitment Letter and the Second Derry Guarantees, KingSett was granted various security by Ravine (collectively, the "**Second Derry Security**") and collateral security by Mr. Vandyk, VHI, VPI and Lakeview (collectively, the "**Second Derry Collateral Security**");
- (hh) The Second Derry Security and the Second Derry Collateral Security include, without limitation:
 - (i) a second mortgage/charge over the Derry Lands, registered in the amount of \$37,000,000;
 - (ii) a seventh mortgage/charge over the Lakeview Lands, registered in the amount of \$37,000,000; and
 - (iii) a General Security Agreement dated April 12, 2022 between Ravine, as grantor, and KingSett, as grantee;

The Lakeview Loan and Security

- (ii) Pursuant to a commitment letter dated November 5, 2021 (as amended by amendments dated November 25, 2021, December 12, 2022, April 3, 2023 and April 28, 2023, the "**Lakeview Commitment Letter**") between, *inter alios*, Dorr, as lender and servicer, and Lakeview, as borrower, Dorr agreed to provide a first mortgage, non-revolving demand loan in the principal amount of \$34,000,000 for the benefit of Lakeview;
- (jj) As of September 28, 2023, the total indebtedness under the Lakeview Commitment Letter is \$35,370,358.62;
- (kk) The payment and performance of all of Lakeview's indebtedness and obligations under, among other things, the Lakeview Commitment Letter, has been unconditionally, absolutely, and irrevocably guaranteed by Mr. Vandyk, VHI, VPI and Ravine (collectively, the "**Lakeview Guarantees**");
- (ll) As general and continuing security for the payment and performance of the indebtedness and obligations under, among other things, the Lakeview Commitment Letter and the Lakeview Guarantees, Dorr was granted various security by Lakeview (collectively, the "**Lakeview Security**") and collateral security by Mr. Vandyk, VHI, VPI and Ravine (collectively, the "**Lakeview Collateral Security**");
- (mm) The Lakeview Security and the Lakeview Collateral Security include, without limitation:

- (i) a first mortgage/charge over the Lakeview Lands, registered in the amount of \$40,000,000;
- (ii) a fifth mortgage/charge over the Derry Lands, registered in the amount of \$40,000,000; and
- (iii) General Security Agreement dated December 10, 2021 between Lakeview, as the debtor, and Dorr, as the secured party;

The Events of Default, Demands and Notices of Intention to Enforce Security

- (nn) Several events of defaults under the Loan and Security Documents, including the Acquired Loan and Security Documents, have occurred and are continuing. Among other things, such events of default include:
 - (i) Uptowns' failure to inject further equity to address cost overruns in connection with the development of the Uptowns Lands and to make scheduled payments under the Acquired Commitment Letter, including interest reserve payments due July 1, August 1 and September 1, 2023;
 - (ii) Uptowns', Ravine's and Lakeview's diversion or misuse of certain funds and/or purchaser deposits contrary to the purposes for which such monies were advanced;
 - (iii) Uptowns', 240's and Lakeview's failures to discharge construction liens registered on title to the Uptowns Lands, the Royal York Lands and the Lakeview Lands;

- (iv) O Canada Capital Inc.'s registration of a mortgage/charge on title to the Uptowns Lands;
- (v) Lakeview's failure to make its monthly interest payments under the Lakeview Commitment Letter due July 31, August 31 and September 30 2023;
- (vi) Ravine's, 240's, and Uptowns' and Heart Lake's failures to make their respective monthly interest payments due September 30, 2023; and
- (vii) the Debtors' failure to pay any and all property taxes in respect of the Real Property;
- (oo) Given certain of the foregoing events of default, MCAP issued a demand letter on September 11, 2023 (the "**MCAP Demand Letter**") for the repayment of all of Uptowns' indebtedness to MCAP. Similarly, the Applicants issued demand letters on September 29, 2023 (collectively, the "**KingSett/Dorr Demand Letters**") to each of the Debtors and the applicable guarantors advising that events of default had occurred under certain of the Loan and Security Documents and demanding repayment of the Debtors' indebtedness to KingSett and Dorr;
- (pp) The MCAP Demand Letter and the KingSett/Dorr Demand Letters (collectively, the "**Demand Letters**") were delivered to the Debtors and the applicable guarantors contemporaneously with notices of intention to enforce security in accordance with section 244 of the BIA (collectively, the "**NITES**"). The ten-day period afforded to the Debtors and the applicable guarantors under the Demand

Letters and NITES to repay all of the Indebtedness prior to any enforcement action being taken has expired;

- (qq) Notwithstanding the issuance of the Demand Letters, the entirety of the Indebtedness remains outstanding;

The Receiver's Appointment

- (rr) The Debtors are in default of their obligations under the Loan and Security Documents and are unable to repay the Indebtedness. In the circumstances, the Applicants have lost all confidence in the Debtors' management to continue to satisfy the Debtors' significant obligations, obtain refinancing, manage the Property and complete the Projects in a timely manner or at all;
- (ss) Pursuant to the Loan and Security Documents, the Applicants have a contractual right to the appointment of a receiver upon the occurrence of a default or event of default, as applicable. In furtherance of their contractual rights, the Applicants have commenced these Receivership Proceedings to protect their respective investments and preserve and maximize the value of the Property;
- (tt) The Receiver's proposed appointment is urgently required to take protective and value-maximizing steps to prevent the deterioration of the Property, immediately engage certain trades and commence work to ensure the safety of the Projects undertaken thereon;
- (uu) The proposed Receiver, KSV, is a "licensed trustee" as such term is defined under the BIA, is qualified to act as the Receiver and has consented to act in such capacity if so appointed;

- (vv) The secured creditors who may be affected by the granting of the proposed Receiver's Charge and the Receiver's Borrowings Charge will be served with the Application Record;

Other Grounds

- (ww) Sections 243 and 244 of the BIA;
- (xx) Section 101 of the CJA;
- (yy) Rules 1.04, 1.05, 2.01, 2.03, 3.02, 14.05(2), 16, 38 and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (zz) Such further and other grounds as counsel may advise and this Honourable Court may permit.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Application:

- (a) The affidavit of Daniel Pollack to be sworn, and the exhibits thereto;
- (b) The consent of KSV to act as the Receiver; and
- (c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

November 6, 2023

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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 DORR CAPITAL CORPORATION**

and

**VANDYK – UPTOWNS LIMITED, VANDYK – HEART LAKE
LIMITED, 2402871 ONTARIO INC., VANDYK – THE RAVINE
LIMITED AND VANDYK – LAKEVIEW-DXE-WEST LIMITED**

Applicants

Respondents

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceedings commenced in Toronto

NOTICE OF APPLICATION

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TAB 2

Court File No.: CV-23-00709180-00CL

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

BETWEEN:

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION

Applicants

- and -

**VANDYK – UPTOWNS LIMITED, VANDYK – HEART LAKE LIMITED, 2402871
ONTARIO INC., VANDYK – THE RAVINE LIMITED AND VANDYK – LAKEVIEW-
DXE-WEST LIMITED**

Respondents

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

**AFFIDAVIT OF DANIEL POLLACK
(Sworn November 7, 2023)**

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Court File No.: CV-23-00709180-00CL

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

BETWEEN:

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION

Applicants

- and -

**VANDYK – UPTOWNS LIMITED, VANDYK – HEART LAKE LIMITED, 2402871
ONTARIO INC., VANDYK – THE RAVINE LIMITED AND VANDYK – LAKEVIEW-
DXE-WEST LIMITED**

Respondents

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

**AFFIDAVIT OF DANIEL POLLACK
(Sworn November 7, 2023)**

I, Daniel Pollack, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND
SAY:**

1. I am a Senior Director, Special Loans and Portfolio Management, of KingSett Mortgage Corporation ("**KingSett**"). I have responsibility for matters pertaining to the borrowings of Vandyk – Uptowns Limited ("**Uptowns**"), Vandyk – Heart Lake Limited (f/k/a 2366885 Ontario Inc.) ("**Heart Lake**"), 2402871 Ontario Inc. ("**240**"), and Vandyk – The Ravine Limited ("**Ravine**") from KingSett. I also have responsibility for matters pertaining to the borrowings of Vandyk – Lakeview-DXE-West Limited ("**Lakeview**", and collectively with Uptowns, Heart Lake, 240 and Ravine, the "**Debtors**") from Dorr Capital Corporation ("**Dorr**" and together with KingSett, the "**Applicants**"), in respect of which KingSett holds all of the beneficial interest. As such, I have

personal knowledge of the matters to which I depose in this affidavit, unless otherwise indicated. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

2. I swear this affidavit in support of an application by the Applicants for an order (the "**Receivership Order**") pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, among other things:

- (a) appointing KSV Restructuring Inc. ("**KSV**") as receiver and manager (in such capacity, the "**Receiver**") without security, of the real property legally described in Schedule "A" to the proposed Receivership Order (collectively, the "**Real Property**") and all of the present and future assets, undertakings and personal property of the Debtors located at, related to, used in connection with or arising from or out of the Real Property or which is necessary to the use and operation of the Real Property, including all of the proceeds therefrom (collectively with the Real Property, the "**Property**");
- (b) granting a first-ranking super-priority charge (the "**Receiver's Charge**") over the Property in favour of the Receiver and the Receiver's counsel to secure their fees and disbursements in respect of these proceedings (these "**Receivership Proceedings**"); and
- (c) granting a second-ranking super-priority charge (the "**Receiver's Borrowings Charge**") over the Property for the purpose of funding the exercise of the powers

and duties conferred upon the Receiver pursuant to the proposed Receivership Order.

3. All references to currency in this affidavit are in Canadian dollars unless noted otherwise. The Applicants do not waive or intend to waive any applicable privilege by any statement herein.

I. OVERVIEW

3. As described in greater detail below, the Debtors are privately held real estate development companies and the registered owners of the Real Property. The Debtors are currently developing five residential development projects on the Real Property (collectively, the "**Projects**" and each a "**Project**").

4. The Real Property and the Projects being developed thereon are comprised of the following:

(a) a property located at 10302 Heart Lake Road, Brampton, Ontario (the "**Uptowns Lands**"). The Uptowns Lands are approximately 6.5 acres and are owned by Uptowns. The Uptowns Lands are currently being developed with 342 stacked townhouses providing approximately 379,842 square feet of gross floor area. The development is approximately 28% constructed and pre-sales have been completed for 329 of the 342 townhomes;

(b) a property located at 10194 Heart Lake Road, Brampton, Ontario (the "**Jordan Lands**"). The Jordan Lands are approximately 22.47 acres, of which 9.67 acres are developable, and are owned by Heart Lake. The Jordan Lands are currently zoned for the development of 200 townhomes providing approximately 242,602 square

feet of gross floor area. Approximately half of the 200 townhomes have been pre-sold, but construction on the Jordan Lands has not yet commenced;

- (c) a property located at 327 Royal York Road, Etobicoke, Ontario (the "**Royal York Lands**"). The Royal York Lands are owned by 240 and were intended to be developed with a two-tower project consisting of 692 residential condo units providing approximately 516,000 square feet of residential space, approximately 5,726 square feet of ground floor retail space, approximately 75,000 square feet of office space, and approximately 16,416 square feet of Metrolinx station space. Although the zoning of the Royal York Lands has been completed, no pre-sales have been made and construction has not yet commenced;
- (d) a property located at 336 Waterhouse Cres N, Mississauga, Ontario (f/k/a 320 Derry Road, Mississauga, Ontario) (the "**Derry Road Lands**"). The Derry Road Lands are owned by Ravine and have been approved for the development of 39 detached and 6 semi-detached residential units. The Derry Road Lands have been zoned as anticipated, each of the residential lots are serviced and approximately 5 of the 45 residential units to be developed thereon have been pre-sold. However, no construction has been commenced on the Derry Road Lands; and
- (e) a property located at 1345 Lakeshore Road East, Mississauga, Ontario (the "**Lakeview Lands**"). The Lakeview Lands are approximately 3.13 acres and are owned by Lakeview. The Lakeview Lands were intended to be developed with two mid-rise condominium towers consisting of 478 residential units, approximately 10,218 square feet of commercial space and two levels of underground parking

providing 433 parking spaces. Despite pre-sales having been completed for 395 residential units, no construction has been commenced.

5. In connection with the Debtors' acquisition, refinancing and development of the Real Property and the Projects, KingSett and Dorr extended and, in one case acquired, certain of the Debtors' loan facilities (collectively, the "**Loan Facilities**"), under which Loan Facilities there are aggregate principal amounts outstanding of \$169,977,089.58 and \$34,000,000, respectively. The Applicants are the Debtors' senior secured lenders.

6. Certain events of default have arisen under the Loan and Security Documents and the Acquired Loan and Security Documents (each as defined and discussed below, but which include the significant diversion of funds for unpermitted and improper purposes). The events of default under the Acquired Loan and Security Documents prompted MCAP Financial Corporation ("**MCAP**") – Uptowns' former senior-secured lender whose interest has since been acquired by KingSett – to issue a demand letter on September 11, 2023 (the "**MCAP Demand Letter**") for the repayment of all of Uptowns' indebtedness to MCAP (the "**Acquired Indebtedness**") and deliver a notice of intention to enforce security in accordance with section 244 of the BIA (the "**MCAP NITES**"). Similarly, in response to the events of default under the Loan and Security Documents the Applicants issued demand letters on September 29, 2023 (collectively, the "**KingSett/Dorr Demand Letters**") for the repayment of all of the Debtors' indebtedness to KingSett and Dorr (collectively, the "**Original Indebtedness**") and delivered notices of intention to enforce security in accordance with section 244 of the BIA (collectively, the "**KingSett/Dorr NITES**").

7. The ten-day period afforded to the Debtors to repay the Acquired Indebtedness and the Original Indebtedness (together, the "**Indebtedness**") prior to the commencement of any

enforcement action has long-since elapsed. Notwithstanding the expiration of such notice period, the entirety of the Indebtedness demanded under the MCAP Demand Letter and the KingSett/Dorr Demand Letters (collectively, the "**Demand Letters**"), being \$186,431,085.71, remains outstanding and interest, fees and costs continue to accrue.

8. The Loan and Security Documents and the Acquired Loan and Security Documents confer upon the Applicants a contractual right to appoint a receiver or receiver manager over the Property. In furtherance of their contractual rights, the Applicants have commenced these Receivership Proceedings with a view to preserving and maximizing the value of the Property and facilitating the completion and/or sale of the Real Property and the Projects, as applicable, to maximize recoveries for the Debtors' stakeholders.

9. Given the events of default under the Loan and Security Documents and the Acquired Loan and Security Documents, the Applicants' contractual rights, the Debtors' inability to repay or refinance the Indebtedness, and the status, magnitude and complexity of the Projects, the Applicants believe that these Receivership Proceedings are in the best interests of the Debtors' stakeholders in the circumstances. What is more, the proposed Receiver's appointment is urgently required to avoid the irreparable deterioration of value that is expected to occur imminently to certain of the Property, as described below.

II. BACKGROUND

A. The Parties

10. KingSett is incorporated pursuant to the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, with a registered head office located at 40 King Street West, Toronto,

Ontario, M5H 3Y2. KingSett is a subsidiary of KingSett Capital Inc., a private equity real estate investment firm with approximately \$19.5 billion in assets under management.

11. Dorr is incorporated pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B. 16 (the "**OBCA**"), with a registered head office located at 41 Scarsdale Road, Unit 6, North York, Ontario, M3B 2R2. Dorr is a leading private provider of commercial mortgage investments and commercial real estate and equity financing.

12. Each of the Debtors is a privately held real estate development company incorporated under the OBCA, with a registered head office located at 1944 Fowler Drive, Mississauga, Ontario, L5K 0A1. The Debtors are part of a broader group of development companies known as "Vandyk Properties", which was founded in 1979 by John Vandyk ("**Mr. Vandyk**").

13. According to the Debtors' Ontario corporate profile reports obtained from the Ministry of Public and Business Service Delivery on October 3, 2023 (collectively, the "**Corporate Profile Reports**"), the Debtors' sole director and officer is Mr. Vandyk. Copies of the Corporate Profile Reports are collectively attached hereto as **Exhibit "A"**.

B. Indebtedness Owing to the Applicants and Related Security

14. The Loan Facilities extended in connection with the Debtors' acquisition, refinancing and/or development of the Real Property, as applicable, consist of the following:

- (a) a blanket mortgage facility in the principal amount of \$59,380,000 provided by KingSett, and serviced by Dorr, for the benefit of Uptowns and Heart Lake (the "**Uptowns/Heart Lake Facility**");

- (b) a first mortgage non-revolving construction loan in the principal amount of \$112,000,000 provided by MCAP, and acquired by KingSett, for the benefit of Uptowns (the "**Acquired Uptowns Facility**");
- (c) a first mortgage, non-revolving demand loan in the principal amount of \$45,000,000 provided by KingSett for the benefit of 240 (the "**Royal York Facility**");
- (d) a first mortgage, revolving demand loan in the principal amount of \$15,000,000, and a \$6,000,000 cash-in-lieu letter of credit facility, provided by KingSett for the benefit of Ravine (the "**First Derry Facility**");
- (e) a second mortgage, non-revolving demand loan in the principal amount of \$32,400,000 provided by KingSett for the benefit of Ravine (the "**Second Derry Facility**"); and
- (f) a first mortgage, non-revolving demand loan in the principal amount of \$34,000,000 provided by Dorr for the benefit of Lakeview (the "**Lakeview Facility**").

15. In addition to the above-referenced mortgages and other security granted by the applicable Debtor(s), the Loan Facilities, save for the Acquired Uptowns Facility, are cross-collateralized. That is, each is also secured by, among other things, one or more collateral mortgages/charges registered on title to the Real Property. The following table illustrates substantially all of the mortgages/charges and the collateral mortgages/charges registered on title to the Real Property, in order of priority:

Mortgages and Collateral Mortgages Registered on Title to the Real Property¹					
	Uptowns Lands	Jordan Lands	Royal York Lands	Derry Lands	Lakeview Lands
1st Priority	<i>KingSett first mortgage/charge</i> \$140,000,000	<i>KingSett first mortgage/charge</i> \$68,750,000	<i>KingSett first mortgage/charge</i> \$56,250,000	<i>KingSett first mortgage/charge</i> \$25,000,000	<i>Dorr first mortgage/charge</i> \$40,000,000
2nd Priority	Trisura second mortgage/charge \$45,750,000	N/A	182 second mortgage/charge \$7,500,000	<i>KingSett second mortgage/charge</i> \$37,000,000	Westmount second mortgage/charge \$100,000,000
3rd Priority	<i>KingSett third mortgage/charge</i> \$68,750,000	N/A	<i>KingSett third collateral mortgage/charge</i> \$68,750,000	<i>KingSett third collateral mortgage/charge</i> \$68,750,000	247 third mortgage/charge \$3,300,000
4th Priority	N/A	N/A	N/A	<i>KingSett fourth collateral mortgage/charge</i> \$56,250,000	<i>KingSett fourth collateral mortgage/charge</i> \$68,750,000
5th Priority	N/A	N/A	N/A	<i>Dorr fifth collateral mortgage/charge</i> \$40,000,000	<i>KingSett fifth collateral mortgage/charge</i> \$56,250,000
6th Priority	N/A	N/A	N/A	N/A	<i>KingSett sixth collateral mortgage/charge</i> \$25,000,000
7th Priority	N/A	N/A	N/A	N/A	<i>KingSett seventh collateral mortgage/charge</i> \$37,000,000

¹ Capitalized terms used in this table and not previously defined have the meanings ascribed to them elsewhere in this affidavit. This table excludes a mortgage/charge registered by O Canada (as defined below) on title to the Uptowns Lands in the amount of \$3,000,000.

16. Each of the Loan Facilities, together with the security granted by the Debtors in connection therewith, is discussed in greater detail immediately below.

(i) **The Uptowns/Heart Lake Facility**

17. Pursuant to a commitment letter dated May 6, 2022 (as amended by amendments dated June 2, 2022 and April 27, 2023, the "**Uptowns/Heart Lake Commitment Letter**") between, *inter alios*, Dorr, as servicer, and Uptowns and Heart Lake, as borrowers, KingSett agreed to provide the Uptowns/Heart Lake Facility in the principal amount of \$59,380,000. A copy of the Uptowns/Heart Lake Commitment Letter is attached hereto as **Exhibit "B"**.

18. Under the terms of the Uptowns/Heart Lake Commitment Letter, the Uptowns/Heart Lake Facility: (i) bears interest at the greater of Royal Bank of Canada's prime rate plus 7.95% and 11.15% per annum, compounded monthly, not in advance, and payable monthly; and (ii) matures on July 1, 2024. As of September 28, 2023, the total indebtedness under the Uptowns/Heart Lake Commitment Letter is \$46,093,345.31. Interest, fees and costs continue to accrue.

19. The payment and performance of all of Uptowns' and Heart Lake's indebtedness and obligations under, among other things, the Uptowns/Heart Lake Commitment Letter, has been unconditionally, absolutely, and irrevocably guaranteed by:

- (a) Mr. Vandyk and Vandyk Holdings Incorporated ("**VHI**"), as guarantors and primary obligors, pursuant to a Guarantee dated June 15, 2022 (the "**First Uptowns/Heart Lake Guarantee**");

- (b) Ravine and 240, as guarantors and primary obligors, pursuant to a Limited Recourse Guarantee dated June 15, 2022 (the "**Second Uptowns/Heart Lake Guarantee**");
 - (c) Vandyk Properties Incorporated ("**VPI**"), as guarantor and primary obligor, pursuant to a Limited Recourse Guarantee executed on or about July 28, 2023 (the "**Third Uptowns/Heart Lake Guarantee**"); and
 - (d) Lakeview, as guarantor and primary obligor, pursuant to a Limited Recourse Guarantee executed on or about July 28, 2023 (collectively with the First Uptowns/Heart Lake Guarantee, the Second Uptowns/Heart Lake Guarantee and the Third Uptowns/Heart Lake Guarantee, the "**Uptowns/Heart Lake Guarantees**").
20. Copies of the Uptowns/Heart Lake Guarantees are collectively attached hereto as **Exhibit "C"**.
21. As general and continuing security for the payment and performance of the indebtedness and obligations under, among other things, the Uptowns/Heart Lake Commitment Letter and the Uptowns/Heart Lake Guarantees, KingSett was granted various security by Uptowns and Heart Lake (collectively, the "**Uptowns/Heart Lake Security**") and collateral security by Mr. Vandyk, VHI, VPI, Ravine, 240 and Lakeview (collectively, the "**Uptowns/Heart Lake Collateral Security**"). Principally, the Uptowns/Heart Lake Security and the Uptowns/Heart Lake Collateral Security include:

- (a) a third mortgage/charge over the Uptowns Lands and a first mortgage/charge over the Jordan Lands, registered in the amount of \$68,750,000 (the "**Uptowns/Heart Lake Mortgage**");
- (b) a General Assignment of Leases and Rents dated June 15, 2022 in respect of the Uptowns Lands and the Jordan Lands (the "**Uptowns/Heart Lake Assignment of Rents**");
- (c) an Assignment of Insurance dated June 15, 2022 in respect of the Uptowns Lands and the Jordan Lands;
- (d) a third mortgage/charge over the Royal York Lands, registered in the amount of \$68,750,000 (the "**First Uptowns/Heart Lake Collateral Mortgage**");
- (e) a General Assignment of Leases and Rents dated June 15, 2022 in respect of the Royal York Lands (the "**First Uptowns/Heart Lake Collateral Assignment of Rents**");
- (f) an Assignment of Insurance dated June 15, 2022 in respect of the Royal York Lands;
- (g) a fourth mortgage/charge over the Lakeview Lands, registered in the amount of \$68,750,000 (the "**Second Uptowns/Heart Lake Collateral Mortgage**");
- (h) a General Assignment of Leases and Rents dated July 28, 2023 in respect of the Lakeview Lands (the "**Second Uptowns/Heart Lake Collateral Assignment of Rents**");

- (i) an Assignment of Insurance executed on or about July 28, 2023 in respect of the Lakeview Lands;
- (j) a third mortgage/charge over the Derry Lands, registered in the amount of \$68,750,000 (collectively with the First Uptowns/Heart Lake Collateral Mortgage and the Second Uptowns/Heart Lake Collateral Mortgage, the "**Uptowns/Heart Lake Collateral Mortgages**");
- (k) a General Assignment of Leases and Rents dated June 15, 2022 in respect of the Derry Lands (collectively with the First Uptowns/Heart Lake Collateral Assignment of Rents and the Second Uptowns/Heart Lake Collateral Assignment of Rents, the "**Uptowns/Heart Lake Collateral Assignments of Rents**");
- (l) an Assignment of Insurance dated June 15, 2022 in respect of the Derry Lands;
- (m) a General Security Agreement dated June 15, 2022 between Uptowns and Heart Lake, as grantors, and KingSett, as grantee (the "**Uptowns/Heart Lake GSA**"); and
- (n) two Pledge Agreements each dated June 15, 2022, between VHI, as pledgor, and KingSett, as lender, in respect of all of the common shares in the capital of Uptowns and Heart Lake owned by VHI.

22. Copies of the Uptowns/Heart Lake Mortgage, the Uptowns/Heart Lake Assignment of Rents, the Uptowns/Heart Lake Collateral Mortgages, the Uptowns/Heart Lake Collateral Assignments of Rents and the Uptowns/Heart Lake GSA are attached hereto as **Exhibits "D" – "H"**, respectively. The Uptowns/Heart Lake Commitment Letter, the Uptowns/Heart Lake

Guarantees, the Uptowns/Heart Lake Security and the Uptowns/Heart Lake Collateral Security are referred to collectively herein as the "**Uptowns/Heart Lake Loan and Security Documents**".

23. Notices of the Uptowns/Heart Lake Mortgage and Uptowns/Heart Lake Assignment of Rents were registered in the Land Registry Office for the Land Titles Division of Peel (No. 43). Copies of the sub-searches of title conducted on November 6, 2023 (collectively, the "**Uptowns/Heart Lake Parcel Registers**") evincing the registration of the Uptowns/Heart Lake Mortgage and the Uptowns/Heart Lake Assignment of Rents on title to the Uptowns Lands and the Jordan Lands are attached hereto as **Exhibit "I"**. The registration of the Uptowns/Heart Lake Collateral Mortgages and the Uptowns/Heart Lake Collateral Assignments of Rents are similarly reflected in the Royal York Parcel Register, the Derry Parcel Registers and the Lakeview Parcel Register (each as defined below), as applicable.

24. KingSett's security interest in and to all of Uptowns' and Heart Lake's present and after acquired personal property pertaining to the Uptowns Lands and the Heart Lake Lands, and the proceeds thereof, granted pursuant to the Uptowns/Heart Lake GSA, was registered under the *Personal Property Security Act*, R.S.O. 1990, c. P.10, as amended (the "**PPSA**") on June 1, 2022. KingSett's registration in this regard is reflected in the search results (the "**Uptowns/Heart Lake PPSA Search Results**") conducted against Uptowns and Heart Lake under the PPSA collectively attached hereto as **Exhibit "J"**.

(ii) **The Acquired Uptowns Facility**

25. Pursuant to a commitment letter dated June 25, 2019 (as amended by amendments dated August 24, 2021, May 24, 2022 and August 25, 2022, the "**Acquired Commitment Letter**") between, *inter alios*, MCAP, as lender, and Uptowns, as borrower, MCAP agreed to provide the

Acquired Uptowns Facility in the principal amount of \$112,000,000 and certain letters of credit. A copy of the Acquired Commitment Letter is attached hereto as **Exhibit "K"**.

26. Under the terms of the Acquired Commitment Letter, the Acquired Uptowns Facility: (i) bears interest at the greater of Royal Bank of Canada's prime rate plus 1.75% and 5.00% per annum, compounded and payable monthly; and (ii) matures on February 1, 2024. As of September 8, 2023, the total indebtedness under the Acquired Commitment Letter is \$23,302,071.56. Interest, fees and costs continue to accrue.

27. The payment and performance of all of Uptowns' indebtedness and obligations under, among other things, the Acquired Commitment Letter, has been unconditionally guaranteed by:

- (a) Mr. Vandyk, as guarantor and primary obligor, pursuant to a Guarantee and Postponement of Claim dated July 26, 2019 (the "**First Acquired Guarantee**"), up to the maximum amount of \$50,000,000, plus interest thereon and certain prescribed costs, charges and expenses; and
- (b) VHI, as guarantor and primary obligor, pursuant to a Guarantee and Postponement of Claim dated July 26, 2019 (together with the First Acquired Guarantee, the "**Acquired Guarantees**").

28. Copies of the Acquired Guarantees are collectively attached hereto as **Exhibit "L"**.

29. As general and continuing security for the payment and performance of the indebtedness and obligations under, among other things, the Acquired Commitment Letter and the Acquired Guarantees, MCAP was granted various security by Uptowns (collectively, the "**Acquired**

Security") and collateral security by Mr. Vandyk and VHI (collectively, the "**Acquired Collateral Security**"). Principally, the Acquired Security and the Acquired Collateral Security include:

- (a) a first mortgage/charge over the Uptowns Lands, registered in the amount of \$140,000,000 (the "**Acquired Mortgage**");
- (b) an Assignment of Rents and Leases dated July 26, 2019 in respect of the Uptowns Lands (the "**Acquired Assignment of Rents**");
- (c) a General Security Agreement dated July 26, 2019 between Uptowns, as debtor, and MCAP, as lender (the "**Acquired GSA**");
- (d) a Share Pledge Agreement dated July 26, 2019, between VHI, as pledgor, and MCAP, as lender;
- (e) a Negative Pledge dated July 26, 2019, given by Uptowns and Mr. Vandyk;
- (f) an Indemnity dated July 26, 2019, given by Uptowns and Mr. Vandyk in respect of certain environmental obligations; and
- (g) an Indemnity dated July 26, 2019, given by Uptowns in respect of any letters of credit or letters of guarantee contemplated under the Acquired Commitment Letter.

30. Copies of the Acquired Mortgage, the Acquired Assignment of Rents and the Acquired GSA are attached hereto as **Exhibits "M" – "O"**, respectively. The Acquired Commitment Letter, the Acquired Guarantees, the Acquired Security and the Acquired Collateral Security are referred to collectively herein as the "**Acquired Loan and Security Documents**".

31. Notices of the Acquired Mortgage and Acquired Assignment of Rents were registered in the Land Registry Office for the Land Titles Division of Peel (No. 43). The Uptowns/Heart Lake Parcel Registers evince the registration of the Acquired Mortgage and the Acquired Assignment of Rents on title to the Uptowns Lands.

32. As a result of KingSett's recent acquisition of the Acquired Loan Facility and the Acquired Loan and Security Documents pursuant to a Loan Purchase Agreement (the "**Loan Purchase Agreement**") and an Assignment and Assumption Agreement (the "**Assignment Agreement**") each dated November 3, 2023, between MCAP and KingSett, the Uptowns/Heart Lake Parcel Registers reflect that the Acquired Mortgage and the Acquired Assignment of Rents were transferred to KingSett as of November 3, 2023. Copies of the Loan Purchase Agreement and the Assignment Agreement are attached hereto as **Exhibits "P"** and **"Q"**, respectively.

33. The security interest granted in favour of MCAP – and now held by KingSett pursuant to the Loan Purchase Agreement and the Assignment Agreement – in and to all of Uptowns' present and after acquired personal property, and the proceeds thereof, granted pursuant to the Acquired GSA was registered under the PPSA on July 25, 2019. Such registration is reflected in the Uptowns/Heart Lake PPSA Search Results.

(iii) **The Royal York Facility**

34. Pursuant to a commitment letter dated September 8, 2021 (as amended by amendments dated April 25, 2022 and April 24, 2023, the "**Royal York Commitment Letter**") between, *inter alios*, KingSett, as lender, and 240, as borrower, KingSett agreed to provide the Royal York Facility in the principal amount of \$45,000,000. A copy of the Royal York Commitment Letter is attached hereto as **Exhibit "R"**.

35. Under the terms of the Royal York Commitment Letter, the Royal York Facility: (i) bears interest at Royal Bank of Canada's prime rate plus 4.30% (with a floor rate of 6.75%) per annum, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement for each month of the term save and except for the last month of the term (and 12.75% per annum for the last month of the term and every month thereafter); and (ii) matures on May 1, 2024. As of September 25, 2023, the total indebtedness under the Royal York Commitment Letter is \$45,341,273.97. Interest, fees and costs continue to accrue.

36. The payment and performance of all of 240's indebtedness and obligations under, among other things, the Royal York Commitment Letter, has been unconditionally, absolutely, and irrevocably guaranteed by:

- (a) Mr. Vandyk, as guarantor and primary obligor, pursuant to a Guarantee dated April 28, 2022 (the "**First Royal York Guarantee**");
- (b) VHI, as guarantor and primary obligor, pursuant to a Limited Recourse Guarantee dated April 28, 2022 (the "**Second Royal York Guarantee**");
- (c) Ravine and Lakeview, as guarantors and primary obligors, pursuant to a Limited Recourse Guarantee executed on or about July 28, 2023 (the "**Third Royal York Guarantee**");
- (d) VPI, as guarantor and primary obligor, pursuant to a Limited Recourse Guarantee executed on or about July 28, 2023 (the "**Fourth Royal York Guarantee**"); and
- (e) VHI, as guarantor and primary obligor, pursuant to a Limited Recourse Guarantee executed on or about July 28, 2023 (collectively with the First Royal York

Guarantee, the Second Royal York Guarantee, the Third Royal York Guarantee, and the Fourth Royal York Guarantee, the "**Royal York Guarantees**").

37. Copies of the Royal York Guarantees are collectively attached hereto as **Exhibit "S"**.

38. As general and continuing security for the payment and performance of the indebtedness and obligations under, among other things, the Royal York Commitment Letter and the Royal York Guarantees, KingSett was granted various security by 240 (collectively, the "**Royal York Security**") and collateral security by Mr. Vandyk, VHI, VPI, Ravine and Lakeview (collectively, the "**Royal York Collateral Security**"). Principally, the Royal York Security and the Royal York Collateral Security include:

- (a) a first mortgage/charge over the Royal York Lands, registered in the amount of \$56,250,000 (the "**Royal York Mortgage**");
- (b) a General Assignment of Leases and Rents dated April 28, 2022 in respect of the Royal York Lands (the "**Royal York Assignment of Rents**");
- (c) an Assignment of Insurance dated April 28, 2022 in respect of the Royal York Lands;
- (d) a fifth mortgage/charge over the Lakeview Lands, registered in the amount of \$56,250,000 (the "**First Royal York Collateral Mortgage**");
- (e) a General Assignment of Leases and Rents dated July 28, 2023 in respect of the Lakeview Lands (the "**First Royal York Collateral Assignment of Rents**");

- (f) an Assignment of Insurance executed on or about July 28, 2023 in respect of the Lakeview Lands;
- (g) a fourth mortgage/charge over the Derry Lands, registered in the amount of \$56,250,000 (together with the First Royal York Collateral Mortgage, the "**Royal York Collateral Mortgages**");
- (h) a General Assignment of Leases and Rents dated July 28, 2023 in respect of the Derry Lands (together with the First Royal York Collateral Assignment of Rents, the "**Royal York Collateral Assignments of Rents**");
- (i) an Assignment of Insurance executed on or about July 28, 2023 in respect of the Derry Lands;
- (j) a General Security Agreement dated April 28, 2022 between 240, as grantor, and KingSett, as grantee (the "**Royal York GSA**");
- (k) a General Assignment of Material Contracts dated April 28, 2022, between 240, as assignor, and KingSett, as assignee (the "**Royal York Assignment of Contracts**");
and
- (l) a Pledge Agreement dated April 28, 2022, between VHI, as pledgor, and KingSett, as lender, in respect of all of the common shares in the capital of 240 owned by VHI.

39. Copies of the Royal York Mortgage, the Royal York Assignment of Rents, the Royal York Collateral Mortgages, the Royal York Collateral Assignments of Rents, the Royal York GSA and

the Royal York Assignment of Contracts are attached hereto as **Exhibits "T" – "Y"**, respectively. The Royal York Commitment Letter, the Royal York Guarantees, the Royal York Security and the Royal York Collateral Security are referred to collectively herein as the "**Royal York Loan and Security Documents**".

40. Notices of the Royal York Mortgage and Royal York Assignment of Rents were registered in the Land Registry Office for the Land Titles Division of Toronto (No. 80). A copy of the sub-search of title conducted on November 6, 2023 (the "**Royal York Parcel Register**") evincing the registration of the Royal York Mortgage and the Royal York Assignment of Rents on title to the Royal York Lands is attached hereto as **Exhibit "Z"**. The registration of the Royal York Collateral Mortgages and the Royal York Collateral Assignments of Rents are similarly reflected in the Derry Parcel Registers and the Lakeview Parcel Register, as applicable.

41. KingSett's security interest in and to all of 240's present and after acquired personal property pertaining to the Royal York Lands, and the proceeds thereof, granted pursuant to the Royal York GSA, was registered under the PPSA on April 26, 2022. KingSett's registration in this regard is reflected in the search results (the "**Royal York PPSA Search Results**") conducted against 240 under the PPSA attached hereto as **Exhibit "AA"**.

(iv) **The First Derry Facility**

42. Pursuant to a commitment letter dated March 11, 2022 (as amended by amendments dated July 22, 2022 and May 4, 2023, the "**First Derry Commitment Letter**") between, *inter alios*, KingSett, as lender, and Ravine, as borrower, KingSett agreed to provide the First Derry Facility in the principal amount of \$15,000,000 (plus a \$6,000,000 cash-in-lieu letter of credit facility). A copy of the First Derry Commitment Letter is attached hereto as **Exhibit "BB"**.

43. Under the terms of the First Derry Commitment Letter, the First Derry Facility: (i) bears interest at Royal Bank of Canada's prime rate plus 2.80% (with a floor rate of 5.25%) per annum, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement for each month of the term save and except for the last month of the term (and 11.25% per annum for the last month of the term and every month thereafter); and (ii) matures on May 1, 2024. As of September 25, 2023, the total indebtedness under the First Derry Commitment Letter is \$3,658,409.63. Interest, fees and costs continue to accrue.

44. The payment and performance of all of Ravine's indebtedness and obligations under, among other things, the First Derry Commitment Letter, has been unconditionally, absolutely, and irrevocably guaranteed by:

- (a) Mr. Vandyk and VPI, as guarantors and primary obligors, pursuant to a Guarantee dated April 12, 2022 (the "**First Derry Construction Guarantee**");
- (b) VHI, as guarantor and primary obligor, pursuant to a Limited Recourse Guarantee executed on or about July 28, 2023 (the "**Second Derry Construction Guarantee**"); and
- (c) Lakeview, as guarantor and primary obligor, pursuant to a Limited Recourse Guarantee executed on or about July 28, 2023 (collectively with the First Derry Construction Guarantee and the Second Derry Construction Guarantee, the "**First Derry Guarantees**").

45. Copies of the First Derry Guarantees are collectively attached hereto as **Exhibit "CC"**.

46. As general and continuing security for the payment and performance of the indebtedness and obligations under, among other things, the First Derry Commitment Letter and the First Derry Guarantees, KingSett was granted various security by Ravine (collectively, the "**First Derry Security**") and collateral security by Mr. Vandyk, VHI, VPI and Lakeview (collectively, the "**First Derry Collateral Security**"). Principally, the First Derry Security and the First Derry Collateral Security include:

- (a) a first mortgage/charge over the Derry Lands, registered in the amount of \$25,000,000 (as amended by a Mortgage Amending Agreement and Confirmation of Security dated April 26, 2022, the "**First Derry Mortgage**");
- (b) a General Assignment of Leases and Rents dated April 12, 2022 in respect of the Derry Lands (the "**First Derry Assignment of Rents**");
- (c) an Assignment of Insurance dated April 12, 2022 in respect of the Derry Lands;
- (d) a sixth mortgage/charge over the Lakeview Lands, registered in the amount of \$25,000,000 (the "**First Derry Collateral Mortgage**");
- (e) a General Assignment of Leases and Rents dated July 28, 2023 in respect of the Lakeview Lands (the "**First Derry Collateral Assignment of Rents**");
- (f) an Assignment of Insurance executed on or about July 28, 2023 in respect of the Lakeview Lands;
- (g) a General Security Agreement dated April 12, 2022 between Ravine, as grantor, and KingSett, as grantee (the "**First Derry GSA**");

- (h) a General Assignment of Material Contracts dated April 12, 2022, between Ravine, as assignor, and KingSett, as assignee (the "**First Derry Assignment of Contracts**");
- (i) a General Assignment of Agreements of Purchase and Sale and Deposits dated April 12, 2022, between Ravine, as assignor, and KingSett, as assignee (the "**First Derry Assignment of Purchase Agreements**"); and
- (j) a Pledge Agreement dated April 12, 2022, between VPI, as pledgor, and KingSett, as lender, in respect of all of the common shares in the capital of Ravine owned by VPI.

47. Copies of the First Derry Mortgage, the First Derry Assignment of Rents, the First Derry Collateral Mortgage, the First Derry Collateral Assignment of Rents, the First Derry GSA, the First Derry Assignment of Contracts and the First Derry Assignment of Purchase Agreements are attached hereto as **Exhibits "DD" – "JJ"**, respectively. The First Derry Commitment Letter, the First Derry Guarantees, the First Derry Security and the First Derry Collateral Security are referred to collectively herein as the "**First Derry Loan and Security Documents**".

48. Notices of the First Derry Mortgage and the First Derry Assignment of Rents were registered in the Land Registry Office for the Land Titles Division of Peel (No. 43). Copies of the sub-searches of title conducted on November 6, 2023 (collectively, the "**Derry Parcel Registers**") evincing the registration of the First Derry Mortgage and the First Derry Assignment of Rents on title to the Derry Lands are attached hereto as **Exhibit "KK"**. The registration of the First Derry Collateral Mortgage and the First Derry Collateral Assignment of Rents are similarly reflected in the Lakeview Parcel Register.

49. KingSett's security interest in and to all of Ravine's present and after acquired personal property pertaining to the Derry Lands, and the proceeds thereof, granted pursuant to the First Derry GSA, was registered under the PPSA on April 11, 2022. KingSett's registration in this regard is reflected in the search results (the "**Ravine PPSA Search Results**") conducted against Ravine under the PPSA attached hereto as **Exhibit "LL"**.

(v) **The Second Derry Facility**

50. Pursuant to a commitment letter dated March 11, 2022 (as amended by an amendment dated May 4, 2023, the "**Second Derry Commitment Letter**") between, *inter alios*, KingSett, as lender, and Ravine, as borrower, KingSett agreed to provide the Second Derry Facility in the principal amount of \$32,400,000. A copy of the Second Derry Commitment Letter is attached hereto as **Exhibit "MM"**.

51. Under the terms of the Second Derry Commitment Letter, the Second Derry Facility: (i) bears interest at Royal Bank of Canada's prime rate plus 5.80% (with a floor rate of 8.25%) per annum, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement for each month of the term save and except for the last month of the term (and 14.25% per annum for the last month of the term and every month thereafter); and (ii) matures on November 1, 2024. As of September 25, 2023, the total indebtedness under the Second Derry Commitment Letter is \$32,665,626.62. Interest, fees and costs continue to accrue.

52. The payment and performance of all of Ravine's indebtedness and obligations under, among other things, the Second Derry Commitment Letter, has been unconditionally, absolutely, and irrevocably guaranteed by:

- (a) Mr. Vandyk and VPI, as guarantors and primary obligors, pursuant to a Guarantee dated April 12, 2022 (the "**First Derry Acquisition Guarantee**");
 - (b) VHI, as guarantor and primary obligor, pursuant to a Limited Recourse Guarantee executed on or about July 28, 2023 (the "**Second Derry Acquisition Guarantee**");
and
 - (c) Lakeview, as guarantor and primary obligor, pursuant to a Limited Recourse Guarantee executed on or about July 28, 2023 (collectively with the First Derry Acquisition Guarantee and the Second Derry Acquisition Guarantee, the "**Second Derry Guarantees**").
53. Copies of the Second Derry Guarantees are collectively attached hereto as **Exhibit "NN"**.
54. As general and continuing security for the payment and performance of the indebtedness and obligations under, among other things, the Second Derry Commitment Letter and the Second Derry Guarantees, KingSett was granted various security by Ravine (collectively, the "**Second Derry Security**") and collateral security by Mr. Vandyk, VHI, VPI and Lakeview (collectively, the "**Second Derry Collateral Security**"). Principally, the Second Derry Security and the Second Derry Collateral Security include:
- (a) a second mortgage/charge over the Derry Lands, registered in the amount of \$37,000,000 (the "**Second Derry Mortgage**");
 - (b) a General Assignment of Leases and Rents dated April 12, 2022 in respect of the Derry Lands (the "**Second Derry Assignment of Rents**");

- (c) an Assignment of Insurance dated April 12, 2022 in respect of the Derry Lands;
- (d) a seventh mortgage/charge over the Lakeview Lands, registered in the amount of \$37,000,000 (the "**Second Derry Collateral Mortgage**");
- (e) a General Assignment of Leases and Rents dated July 28, 2023 in respect of the Lakeview Lands (the "**Second Derry Collateral Assignment of Rents**");
- (f) an Assignment of Insurance executed on or about July 28, 2023 in respect of the Lakeview Lands;
- (g) a General Security Agreement dated April 12, 2022 between Ravine, as grantor, and KingSett, as grantee (the "**Second Derry GSA**");
- (h) a General Assignment of Material Contracts dated April 12, 2022, between Ravine, as assignor, and KingSett, as assignee (the "**Second Derry Assignment of Contracts**");
- (i) a General Assignment of Agreements of Purchase and Sale and Deposits dated April 12, 2022, between Ravine, as assignor, and KingSett, as assignee (the "**Second Derry Assignment of Purchase Agreements**"); and
- (j) a Pledge Agreement dated April 12, 2022, between VPI, as pledgor, and KingSett, as lender, in respect of all of the common shares in the capital of Ravine owned by VPI.

55. Copies of the Second Derry Mortgage, the Second Derry Assignment of Rents, the Second Derry Collateral Mortgage, the Second Derry Collateral Assignment of Rents, the Second Derry

GSA, the Second Derry Assignment of Contracts and the Second Derry Assignment of Purchase Agreements are attached hereto as **Exhibits "OO" – "UU"**, respectively. The Second Derry Commitment Letter, the Second Derry Guarantees, the Second Derry Security and the Second Derry Collateral Security are referred to collectively herein as the **"Second Derry Loan and Security Documents"**.

56. Notices of the Second Derry Mortgage and the Second Derry Assignment of Rents were registered in the Land Registry Office for the Land Titles Division of Peel (No. 43). The Derry Parcel Registers evince the registration of the Second Derry Mortgage and the Second Derry Assignment of Rents on title to the Derry Lands. The registration of the Second Derry Collateral Mortgage and the Second Derry Collateral Assignment of Rents are similarly reflected in the Lakeview Parcel Register.

57. KingSett's security interest in and to all of Ravine's present and after acquired personal property pertaining to the Derry Lands, and the proceeds thereof, granted pursuant to the Second Derry GSA, was registered under the PPSA on April 11, 2022. KingSett's registration in this regard is reflected in the Ravine PPSA Search Results.

(vi) **The Lakeview Facility**

58. Pursuant to a commitment letter dated November 5, 2021 (as amended by amendments dated November 25, 2021, December 12, 2022, April 3, 2023 and April 28, 2023, the **"Lakeview Commitment Letter"**) between, *inter alios*, Dorr, as lender and servicer, and Lakeview, as borrower, Dorr agreed to provide the Lakeview Facility in the principal amount of \$34,000,000. A copy of the Lakeview Commitment Letter is attached hereto as **Exhibit "VV"**.

59. Under the terms of the Lakeview Commitment Letter, the Lakeview Facility: (i) bears interest at the greater of Royal Bank of Canada's prime rate plus 6.30% and 8.75% per annum, compounded and payable monthly, not in advance; and (ii) matured on October 1, 2023. As of September 28, 2023, the total indebtedness under the Lakeview Commitment Letter is \$35,370,358.62. Interest, fees and costs continue to accrue.

60. The payment and performance of all of Lakeview's indebtedness and obligations under, among other things, the Lakeview Commitment Letter, has been unconditionally, absolutely, and irrevocably guaranteed by:

- (a) Mr. Vandyk and VHI, as guarantors and primary obligors, pursuant to a Guarantee and Postponement of Claim dated December 10, 2021 (the "**First Lakeview Guarantee**");
- (b) VHI, as guarantor and primary obligor, pursuant to a Limited Recourse Guarantee executed on or about July 28, 2023 (the "**Second Lakeview Guarantee**");
- (c) VPI, as guarantor and primary obligor, pursuant to a Limited Recourse Guarantee executed on or about July 28, 2023 (the "**Third Lakeview Guarantee**"); and
- (d) Ravine, as guarantor and primary obligor, pursuant to a Limited Recourse Guarantee executed on or about July 28, 2023 (collectively with the First Lakeview Guarantee, the Second Lakeview Guarantee and the Third Lakeview Guarantee, the "**Lakeview Guarantees**").

61. Copies of the Lakeview Guarantees are collectively attached hereto as **Exhibit "WW"**.

62. As general and continuing security for the payment and performance of the indebtedness and obligations under, among other things, the Lakeview Commitment Letter and the Lakeview Guarantees, Dorr was granted various security by Lakeview (collectively, the "**Lakeview Security**") and collateral security by Mr. Vandyk, VHI, VPI and Ravine (collectively, the "**Lakeview Collateral Security**"). Principally, the Lakeview Security and the Lakeview Collateral Security include:

- (a) a first mortgage/charge over the Lakeview Lands, registered in the amount of \$40,000,000 (the "**Lakeview Mortgage**");
- (b) a General Assignment of Leases and Rents dated December 10, 2021 in respect of the Lakeview Lands (the "**Lakeview Assignment of Rents**");
- (c) an Assignment of Monies Which May Become Payable Under Insurance Policies dated December 10, 2021;
- (d) a fifth mortgage/charge over the Derry Lands, registered in the amount of \$40,000,000 (the "**Lakeview Collateral Mortgage**");
- (e) a General Assignment of Leases and Rents dated July 28, 2023 in respect of the Derry Lands (the "**Lakeview Collateral Assignment of Rents**");
- (f) an Assignment of Insurance executed on or about July 28, 2023 in respect of the Derry Lands;
- (g) a General Security Agreement dated December 10, 2021 between Lakeview, as the debtor, and Dorr, as the secured party (the "**Lakeview GSA**");

- (h) an Assignment of Material Agreements dated December 10, 2021, between Lakeview, as assignor, and Dorr, as assignee (the "**Lakeview Assignment of Contracts**");
- (i) an Interest Reserve Account Assignment Agreement dated December 10, 2021 (the "**Lakeview Interest Assignment Agreement**"); and
- (j) a Share Pledge Agreement dated December 10, 2021, between VHI, as pledgor, and Dorr, as the secured party, in respect of all of the common shares in the capital of Lakeview owned by VHI.

63. Copies of the Lakeview Mortgage, the Lakeview Assignment of Rents, the Lakeview Collateral Mortgage, the Lakeview Collateral Assignment of Rents, the Lakeview GSA, the Lakeview Assignment of Contracts and the Lakeview Interest Assignment Agreement are attached hereto as **Exhibits "XX" – "DDD"**, respectively. The Lakeview Commitment Letter, the Lakeview Guarantees, the Lakeview Security and the Lakeview Collateral Security are referred to collectively herein as the "**Lakeview Loan and Security Documents**".

64. Notices of the Lakeview Mortgage and the Lakeview Assignment of Rents were registered in the Land Registry Office for the Land Titles Division of Peel (No. 43). A copy of the sub-search of title conducted on November 6, 2023 (the "**Lakeview Parcel Register**") evincing the registration of the Lakeview Mortgage and the Lakeview Assignment of Rents on title to the Lakeview Lands is attached hereto as **Exhibit "EEE"**. The registration of the Lakeview Collateral Mortgage and the Lakeview Collateral Assignment of Rents are similarly reflected in the Derry Parcel Registers.

65. Dorr's security interest in and to all of Lakeview's present and after acquired property, both real and personal, granted pursuant to the Lakeview GSA, was registered under the PPSA on November 25, 2021. Dorr's registration in this regard is reflected in the search results (the "**Lakeview PPSA Search Results**") conducted against Lakeview under the PPSA attached hereto as **Exhibit "FFF"**.

C. The Debtors' Other Secured Creditors

66. As disclosed within the Uptowns/Heart Lake Parcel Registers, the Royal York Parcel Register, the Derry Parcel Registers, the Lakeview Parcel Register, the Uptowns/Heart Lake PPSA Search Results, the Royal York PPSA Search Results, the Ravine PPSA Search Results and the Lakeview PPSA Search Results, various other registrations have been made against the Property, including the Real Property. These include registrations made by Trisura Guarantee Insurance Company ("**Trisura**"), 1820277 Ontario Limited ("**182**"), Westmount Guarantee Services Inc. ("**Westmount**"), O Canada Capital Inc. ("**O Canada**"), 2471867 Ontario Limited ("**247**"), Tarion Warranty Corporation ("**Tarion**"), and Meridian Credit Union ("**Meridian**").

67. Each of the Debtors' secured creditors of which the Applicants are aware are discussed below. The Applicants intend to provide notice of these Receivership Proceedings to such secured creditors.

(i) Trisura

68. The Applicants understand that Trisura and Uptowns are party to a Deposit Security Agreement dated May 30, 2017 (the "**Trisura Trust Agreement**") with respect to deposit monies received from purchasers of townhouses being developed on the Uptowns Lands. In connection

with its provision of deposit protection, Trisura registered a second mortgage/charge on title to the Uptowns Lands in the amount of \$45,750,000 (the "**Trisura Mortgage**").

69. On June 8, 2017, Trisura also filed a registration under the PPSA against Uptowns. Such registration is in respect of all purchaser deposits and monies paid pursuant to agreements of purchase and sale and interest earned thereon held in escrow/trust in accordance with the Trisura Trust Agreement, together with any monies retained in escrow from such deposits and interest as security for any bond or other security provided to Tarion (collectively with the Trisura Mortgage, the "**Trisura Security**").

70. The relative priority of the Trisura Security on the one hand, and certain of the Acquired Security, on the other hand, is governed by a Priority Agreement dated January 14, 2020 (the "**First Trisura Subordination Agreement**"), between MCAP, as lender, and Trisura, as surety. A copy of the First Trisura Subordination Agreement is attached hereto as **Exhibit "GGG"**.

71. Pursuant to the First Trisura Subordination Agreement, MCAP and Trisura agreed, among other things, that:

- (a) the Acquired Security and all amounts secured thereby, shall be an encumbrance on the Uptowns Lands prior to the Trisura Security; and
- (b) with the exception of the Deposit Monies held in the Designated Trust Account (each as defined in the First Trisura Subordination Agreement), the Surety Security shall at all times be postponed and rank subordinate to the Acquired Security.

72. Separately, Trisura, as lender, KingSett, as subordinate lender, Uptowns, as borrower, and Mr. Vandyk, as guarantor, are party to a Subordination and Standstill Agreement dated June 7,

2022 (the "**Second Trisura Subordination Agreement**"). The Second Trisura Subordination Agreement governs the relative priority of the Trisura Security on the one hand, and certain of the Uptowns/Heart Lake Security,² on the other hand. A copy of the Second Trisura Subordination Agreement is attached hereto as **Exhibit "HHH"**.

73. Pursuant to the Second Trisura Subordination Agreement, and subject to its terms:

- (a) Trisura consented to the registration of the Uptowns/Heart Lake Mortgage as a subsequent charge against the Uptowns Lands in the face amount of \$68,750,000 and the Uptowns/Heart Lake Assignment of Rents;
- (b) KingSett agreed to subordinate and postpone the Subordinate Security and the Subordinate Indebtedness to the Prior Security and the Prior Indebtedness (each as defined in the Second Trisura Subordination Agreement); and
- (c) KingSett agreed not to take any Enforcement Action (as defined in the Second Trisura Subordination Agreement) under or in respect of the Subordinate Indebtedness or the Subordinate Security (each as defined in the Second Trisura Subordination Agreement) or against Uptowns or Mr. Vandyk without reasonable prior notice and the written consent of Trisura, save for certain enumerated exceptions.

74. As referenced above, KingSett now benefits from the Acquired Security's first-ranking priority, as against the Uptowns Lands by virtue of the Loan Purchase Agreement and the Assignment Agreement.

² For greater certainty, Trisura does not benefit from any security in respect of the Jordan Lands.

(ii) **182**

75. 182 has a second mortgage/charge on the Royal York Lands, registered in the amount of \$7,500,000 (the "**182 Mortgage**") in connection with a loan advanced to Royal York in the original principal amount of \$7,500,000 (the "**182 Loan**"). 182 has also filed a notice of assignment of rents against the Royal York Lands and a registration under the PPSA against Royal York in connection with certain security granted by Royal York (collectively with the 182 Mortgage, the "**182 Security**").

76. The relative priority of the 182 Security on the one hand, and the Royal York Security, on the other hand, is governed by a Subordination and Standstill Agreement dated April 28, 2022, between KingSett, as lender, 182, as subordinate lender, 240, as borrower, and Mr. Vandyk, as guarantor (the "**First 182 Subordination Agreement**"). Pursuant to the First 182 Subordination Agreement and subject to its terms, 182 agreed to, among other things, subordinate and postpone the 182 Loan and the 182 Security to the Royal York Security and the indebtedness secured thereunder, and not challenge or contest any enforcement action taken by KingSett under the Royal York Security against Royal York. A copy of the First 182 Subordination Agreement is attached hereto as **Exhibit "III"**.

77. 182, as lender, KingSett, as subordinate lender, and 240, as borrower, are also party to a Subordination and Standstill Agreement dated June 3, 2022 (the "**Second 182 Subordination Agreement**"). The Second 182 Subordination Agreement pertains to the relative priority of the 182 Loan and the 182 Security, on the one hand, and the First Uptowns/Heart Lake Collateral Mortgage, the First Uptowns/Heart Lake Collateral Assignment of Rents and the indebtedness secured thereunder, on the other hand. Pursuant to the Second 182 Subordination Agreement and

subject to its terms, KingSett agreed to, among other things, subordinate and postpone the First Uptowns/Heart Lake Collateral Mortgage, the First Uptowns/Heart Lake Collateral Assignment of Rents and the indebtedness secured thereunder to the 182 Loan and the 182 Security. A copy of the Second 182 Subordination Agreement is attached hereto as **Exhibit "JJJ"**.

(iii) **Westmount**

78. The Applicants understand that Lakeview requested Westmount arrange to have issued a bond to Tarion and/or condominium deposit insurance policies in connection with the Project to be developed on the Lakeview Lands. Relatedly, Westmount, in its capacity as administration agent, and Lakeview entered into a Deposit Trust Agreement dated February 23, 2022 (the "**Westmount Trust Agreement**") with respect to deposit monies received from time to time from purchasers of condominium units to be developed on the Lakeview Lands.

79. In connection with its provision of deposit protection, Westmount has registered a second mortgage/charge on the Lakeview Lands in the amount of \$100,000,000. Additionally, Westmount filed a registration under the PPSA against Lakeview on March 1, 2022, in respect of all deposit monies and all warranty retention monies, together with all interest earned or accrued thereon, pursuant to the Westmount Trust Agreement.

80. Westmount, in its capacity as administration agent, and Dorr are party to a Priority Agreement dated August 5, 2022 (the "**Lakeview Priority Agreement**"). The Lakeview Priority Agreement pertains to the relative priority of the Lender Security and the Surety Security (each as defined in the Lakeview Priority Agreement). Pursuant to the Lakeview Priority Agreement, among other things: (i) the Charge, the Surety Mortgage and the Surety Security (each as defined in the Lakeview Priority Agreement) are to be at all times postponed to and rank subordinate to

the Lender Security, except in respect of the Deposit Monies (as defined in the Lakeview Priority Agreement); and (ii) Westmount, during the Standstill Period (as defined in the Lakeview Priority Agreement), is precluded from taking any steps to enforce the Surety Security with respect to all or any part of the Lakeview Lands or against Lakeview without prior reasonable notice to Dorr. A copy of the Lakeview Priority Agreement is attached hereto as **Exhibit "KKK"**.

(iv) **O Canada**

81. O Canada registered a mortgage/charge on title to the Uptowns Lands in the amount of \$3,000,000 subsequent to the registration of the Uptowns/Heart Lake Mortgage. KingSett does not have any information in connection with O Canada's registration on title to the Uptowns Lands and, as is noted below, the unpermitted registration gives rise to an event of default under the Uptowns/Heart Lake Mortgage.

(v) **247**

82. 247 has a third mortgage/charge on the Lakeview Lands, registered in the amount of \$3,300,000 (the "**247 Mortgage**") in connection with a loan advanced to Lakeview in the original principal amount of \$3,300,000 (the "**247 Loan**"). 247 also filed a notice of assignment of rents against the Lakeview Lands and registration under the PPSA against Lakeview (collectively with the 247 Mortgage, the "**247 Security**").

83. Dorr, as lender, 247, as subordinate lender, Lakeview, as borrower, and Mr. Vandyk, as guarantor, are party to a Subordination and Standstill Agreement dated December 10, 2021 (the "**247 Subordination Agreement**"). Pursuant to the 247 Subordination Agreement and subject to its terms, 247 agreed to, among other things, subordinate and postpone the 247 Loan and the 247 Security to the Lakeview Security and the indebtedness secured thereunder, and not challenge or

contest any enforcement action taken by Dorr under the Dorr Security against Lakeview. A copy of the 247 Subordination Agreement is attached hereto as **Exhibit "LLL"**.

(vi) **Tarion**

84. Tarion filed two registrations under the PPSA against Heart Lake on November 8, 2022. The registrations are in respect of all purchaser deposits and monies paid pursuant to agreements of purchase and sale and interest earned thereon held in escrow/trust in accordance with a Deposit Trust Agreement. Based on the Uptowns/Heart Lake Parcel Registers, Tarion has not registered a mortgage/charge on the Heart Lake Lands.

85. The Applicants do not have any additional information regarding Tarion's PPSA registration against Heart Lake beyond that which is disclosed in the Uptowns/Heart Lake PPSA Search Results.

(vii) **Meridian**

86. Meridian filed registrations under the PPSA against Royal York on August 30, 2017 and December 7, 2020 (together, the "**Meridian Registration**"). The collateral description provided within the first of the Meridian Registrations includes the cash of Royal York deposited with Meridian to secure existing and future letters of credit issued by Meridian at Royal York's request. The collateral description provided within the second of the Meridian Registrations is limited to a guarantee and postponement of claim relating to a loan to Vandyk-Backyard Humberside Limited with respect to the real property located at the Queensway and Parklawn Road, Toronto, Ontario.

87. The Applicants do not have any information regarding Meridian's PPSA registrations against Royal York beyond that which is disclosed in the Royal York PPSA Search Results.

D. The Debtors' Other Creditors

88. The Uptowns/Heart Lake Parcel Registers, the Royal York Parcel Register and the Lakeview Parcel Register suggest that the Debtors' other creditors include certain construction lien and litigation claimants.

89. The Debtors' construction lien claimants, as against the Uptowns Lands, Royal York lands and Lakeview Lands, include the following:

- (a) *The Uptowns Lands* – Roni Excavating Limited, Orin Enterprises Inc., Consolidated Shotcrete Inc., Myer Salit Limited, Viola Ready Mix Inc. and Stephenson's Rental Services Inc.;
- (b) *The Royal York Lands* – Kohn Partnership Architects Inc.; and
- (c) *The Lakeview Lands* – 560789 Ontario Inc., MGI Construction Corp., Kohn Partnership Architects Inc., PCL Constructors Canada Inc. and Read Jones Christoffersen Ltd.

90. A certificate of pending litigation has also been registered by J. Lang Management Inc. on the Jordan Lands.

91. As discussed below, the registration of the foregoing construction liens, which have neither been vacated nor discharged, constitute events of default under certain of the Uptowns/Heart Lake Loan and Security Documents, the Royal York Loan and Security Documents, the First Derry Loan and Security Documents, the Second Derry Loan and Security Documents and the Lakeview Loan and Security Documents (collectively, the "**Loan and Security Documents**"). KingSett has

no knowledge that the Debtors have contested such liens nor that they made arrangements to satisfy, vacate or discharge them.

92. In addition, Ravine is named as a defendant in two related actions commenced in Toronto, Ontario bearing Court File Numbers CV-22-00686376-0000 and CV-22-00689146-0000 (together, the "**Exquisite Actions**"). The prior owner of the Derry Lands, Exquisite Bay Development Inc. ("**Exquisite**"), together with KingSett, VPI, Mr. Vandyk, and several other parties, are also named as defendants in the Exquisite Actions.

93. The plaintiffs in the Exquisite Actions are comprised of individuals who entered into or were assigned agreements of purchase and sale with Exquisite for lots in a subdivision on the Derry Lands. The termination of such agreements of purchase and sale and the forfeiture of the purchasers' deposits thereunder resulting from Exquisite's default under two loans provided by KingSett, form the basis of the claims asserted in the Exquisite Actions. Copies of the Amended Statement of Claim dated June 8, 2023, the Fresh as Amended Statement of Claim dated July 10, 2023, and KingSett's Statements of Defence each dated June 30, 2023 are attached hereto as **Exhibits "MMM" – "OOO"**, respectively.

94. The Exquisite Actions are being case managed by the Honourable Justice Centa and are currently in pre-discovery. Motions brought by the plaintiffs for contempt against Exquisite, and motions brought by the defendants to strike the plaintiffs' pleadings were heard on October 11, 2023. The outcome of such motions is pending. If granted, the Receivership Order will stay the Exquisite Actions.

95. The Applicants are not aware of whether the Debtors have any other creditors beyond those identified above.

III. THE EVENTS OF DEFAULT

96. On September 11, 2023, MCAP issued the MCAP Demand Letter advising Uptowns, Mr. Vandyk and VHI of Uptowns' default under the MCAP Commitment Letter and the other Credit Documents (as defined in the MCAP Demand Letter) and accelerating and demanding payment thereunder. The MCAP Demand Letter was issued contemporaneously with the MCAP NITES in accordance with section 244 of the BIA. A copy of the MCAP Demand Letter is attached hereto as **Exhibit "PPP"**.

97. The defaults enumerated within the MCAP Demand Letter include:

- (a) Uptowns' diversion of funds advanced by MCAP and/or released from trust outside of the Project being developed on the Uptowns Lands (the "**Initial Misappropriation**");
- (b) Uptowns' failure to inject further equity to address cost overruns in connection with the development of the Uptowns Lands;
- (c) Uptowns' failure to discharge the construction liens registered by Roni Excavating Limited, Orin Enterprises Inc., Consolidated Shotcrete Inc. and Myer Salit Limited; and
- (d) Uptowns' failure to make scheduled payments under the MCAP Commitment Letter, including interest reserve payments due July 1, August 1, and September 1, 2023.

98. Uptowns' failure to discharge the construction liens registered on title to the Uptowns Lands and default under the MCAP Commitment Letter and the other Credit Documents constitute

events of default under the Uptowns/Heart Lake Mortgage. Additionally, the registration of O Canada's mortgage/charge on title to the Uptowns Lands as well as certain of the events of default detailed in paragraph 97 above are events of default under the Uptowns/Heart Lake Mortgage. The occurrence of an event of default under the Uptowns/Heart Lake Mortgage, in turn, constitutes an event of default under each of the other Uptowns/Heart Lake Loan and Security Documents, including the Uptowns/Heart Lake Collateral Mortgages, and gives rise to events of default under the other Loan and Security Documents.

99. In addition to the aforementioned events of default, the Debtors failed to make interest payments as follows:

- (a) Lakeview failed to make its monthly interest payments under the Lakeview Commitment Letter due July 31, August 31 and September 30, 2023;
- (b) Ravine failed to make its monthly interest payments under each of the First Derry Commitment Letter and the Second Derry Commitment Letter due September 30 and October 31, 2023;
- (c) 240 failed to make its monthly interest payments under the Royal York Commitment Letter due September 30 and October 31, 2023; and
- (d) Uptowns and Heart Lake failed to make their monthly interest payment under the Uptowns/Heart Lake Commitment Letter due September 30, 2023.

100. KingSett has also received information from Mr. Vandyk indicating that the Debtors have outstanding property taxes for 2023. Further inquiry with the applicable municipalities has since made clear that the Debtors' outstanding property taxes include the following:

- (a) 240 has approximately \$77,599.69 and \$565.63 in outstanding property taxes for 2023 and 2022, respectively, as of October 12, 2023;
- (b) Lakeview has approximately \$86,475.57 and \$2,084.04 in outstanding property taxes for 2023 and 2022, respectively, as of October 12, 2023;
- (c) Heartlake has approximately \$648.26 in outstanding property taxes for 2023 as of October 22, 2023;
- (d) Uptowns has approximately \$83,949.48 in outstanding property taxes for 2023 as of October 22, 2023; and
- (e) Ravine has approximately \$141,850.77 and \$136,627.26 in outstanding property taxes for 2023 and 2022, respectively, as of October 27, 2023.

101. The Debtors' failure to pay their regularly scheduled instalments of interest when due and any and all property taxes constitute events of default under the Loan and Security Documents.

102. Without diminishing the extent and gravity of the above-noted events of default, the Initial Misappropriation referred to in the MCAP Demand Letter is particularly alarming. The Applicants understand that the Initial Misappropriation involved the diversion of approximately \$17 million of funds advanced by MCAP and/or released from purchaser deposit monies that had been provided to Uptowns for the purposes of paying development charges reported as being due. As a result of the Initial Misappropriation, such development charges currently remain unpaid. Additionally, based on the Applicants' review of information recently provided by C.B. Ross Partners, the Applicants' cost consultant for certain of the Projects, Lakeview appears to have

similarly diverted approximately \$20 million in purchaser deposit monies released by Westmount for the purposes of funding Lakeview's Project costs elsewhere.

103. In light of certain of the foregoing events of default, the Applicants issued the KingSett/Dorr Demand Letters on September 29, 2023 to each of the Debtors and the applicable guarantors advising that events of default had occurred under the Loan and Security Documents and demanding repayment of the Indebtedness. The Demand Letters were delivered to the Debtors and the applicable guarantors contemporaneously with the KingSett/Dorr NITES in accordance with section 244 of the BIA. Copies of the KingSett/Dorr Demand Letters and the KingSett/Dorr NITES are collectively attached hereto as **Exhibits "QQQ"** and **"RRR"**, respectively.

104. The ten-day period afforded to the Debtors and the applicable guarantors to repay all of the Indebtedness prior to the commencement of any enforcement action has expired. Notwithstanding the issuance of the Demand Letters, the entirety of the Indebtedness remains outstanding and no prospect for immediate repayment, in whole or in part, has materialized to date.

105. Since the issuance of the Demand Letters, and emblematic of the Debtors' pervasive liquidity and other financial issues, the Applicants understand that MCAP and Otéra Capital Inc. ("**Otéra**") separately issued demands for repayment to certain of the Debtors' affiliates within the "Vandyk Properties" group – Vandyk – Backyard Kings Mill Limited and 2495065 Ontario Inc. ("**Newcastle**"). Moreover, the Applicants have been advised by Otera, and believe that, Otera has brought an application for an order appointing KSV as receiver and manager of the assets, undertakings and property of Newcastle, including the real property owned by Newcastle abutting the Royal York Lands. The Applicants understand that Otera's application – which is solely in respect of vacant land – is currently scheduled to be heard on December 12, 2023.

IV. THE PROPOSED RECEIVERSHIP

106. The Debtors are in default of their obligations under the Loan and Security Documents and the Acquired Loan and Security Documents, and are unable to repay the Indebtedness. Certain of the Debtors as well as certain of their affiliates have likewise received notices of default and acceleration and demands for repayment from other secured creditors. In the circumstances, the Applicants have lost all confidence in the Debtors' management to continue to satisfy the Debtors' significant obligations, obtain refinancing, manage the Property and complete the Projects in a timely manner or at all. The Applicants have likewise lost all faith in the Debtors' ability to protect the Property by which the Indebtedness is secured.

107. Pursuant to the Loan and Security Documents and the Acquired Loan and Security Documents, the Applicants have a contractual right to the appointment of a receiver upon the occurrence of a default or event of default, as applicable. In furtherance of their contractual rights, the Applicants have commenced these Receivership Proceedings to protect their respective investments and preserve and maximize the value of the Property.

108. The Receiver's proposed appointment is sought on an urgent basis in light of, among other things, the critical and value-preserving steps that are required to prevent the deterioration of certain of the Property. Such steps include immediately engaging and re-engaging certain trades (many of which have gone unpaid for months) and commencing work to ensure the safety of the Projects undertaken thereon. For instance, the Applicants understand that the Uptowns Lands require construction to be advanced urgently before the existing shoring systems destabilize or fail in the winter months to come, which would likely require the excavation to be backfilled for safety reasons, materially deteriorating the value of the site. Dewatering, site security and ongoing

monitoring are also immediately required. While value-preserving, such steps require that the numerous construction liens registered against the Real Property be vacated or otherwise addressed immediately, and the incurrence of additional costs that the Debtors do not have the wherewithal to pay.

109. The Applicants believe that if the Receiver is appointed on the terms of the proposed Receivership Order, these Receivership Proceedings will provide the stability, structure and supervision required to preserve the value of the Property, including each of the Projects. Moreover, the Applicants believe that these Court-supervised Receivership Proceedings and the appointment of the proposed Receiver will, among other things, provide the most effective and appropriate means of:

- (a) attending to, securing and advancing the development of the Projects as and where appropriate;
- (b) accessing value-maximizing remedies not currently available to the Debtors, including, the potential disclaimer of existing agreements of purchase and sale associated with the Projects and the sale of the Property free and clear of claims and encumbrances; and
- (c) effecting an orderly, efficient and transparent sale of the Property, with a view to maximizing recoveries for, and distributing funds to, the Debtors' stakeholders.

110. In light of the foregoing, I believe that the appointment of the proposed Receiver over the Property is just and convenient.

- 47 -

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

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

SWORN REMOTELY by Daniel Pollack stated as being located in the City of Toronto, in the Province of Ontario, before me at the City of Oakville, in the Province of Ontario, on November 7, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Joshua Foster

JOSHUA FOSTER

Commissioner for Taking Affidavits
 (or as may be)

Daniel Pollack

DANIEL POLLACK

TAB A

THIS IS **EXHIBIT "A"** REFERRED TO IN THE AFFIDAVIT
OF DANIEL POLLACK, SWORN BEFORE ME THIS
7TH DAY OF NOVEMBER, 2023.

Joshua Foster

Joshua Foster

A Commissioner for taking Affidavits
(or as may be)

Ministry of Public and
Business Service Delivery

Profile Report

VANDYK - HEARTLAKE LIMITED as of October 03, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	VANDYK - HEARTLAKE LIMITED
Ontario Corporation Number (OCN)	2366885
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	March 27, 2013
Registered or Head Office Address	1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

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

A handwritten signature in black ink, appearing to read "V. Quintanilla W.".

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name JOHN VANDYK
Address for Service 1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1
Resident Canadian Yes
Date Began November 06, 2014

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

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Officer(s)**Name****Position****Address for Service****Date Began**

JOHN VANDYK

President

1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

March 27, 2013

Name**Position****Address for Service****Date Began**

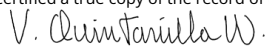
JOHN VANDYK

Secretary

1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

March 27, 2013

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



Director/Registrar

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Corporate Name History

Name	VANDYK - HEARTLAKE LIMITED
Effective Date	July 20, 2022
Previous Name	2366885 ONTARIO INC.
Effective Date	December 27, 2021
Previous Name	VANDYK - HEARTLAKE LIMITED
Effective Date	July 30, 2021
Previous Name	2366885 ONTARIO INC.
Effective Date	March 27, 2013

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

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Business Names

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

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

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

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

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
Annual Return - 2022 PAF: JOHN VANDYK	June 21, 2023
Annual Return - 2021 PAF: JOHN VANDYK	June 21, 2023
BCA - Articles of Amendment	July 20, 2022
BCA - Articles of Amendment	December 27, 2021
BCA - Articles of Amendment	July 30, 2021
Annual Return - 2020 PAF: JOHN VANDYK - DIRECTOR	April 25, 2021
Annual Return - 2019 PAF: JOHN VANDYK - DIRECTOR	June 07, 2020
Annual Return - 2018 PAF: JOHN VANDYK - DIRECTOR	July 21, 2019
Annual Return - 2017 PAF: JOHN VANDYK - DIRECTOR	July 01, 2018
Annual Return - 2016 PAF: JOHN VANDYK - DIRECTOR	May 21, 2017
Annual Return - 2015 PAF: JOHN VANDYK - DIRECTOR	October 09, 2016
Annual Return - 2014 PAF: JOHN VANDYK - DIRECTOR	October 09, 2016
Annual Return - 2013 PAF: JOHN VANDYK - DIRECTOR	October 09, 2016
CIA - Notice of Change PAF: BRUCE MILBURN - OTHER	November 06, 2014

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

V. Quintanilla W.

Director/Registrar

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CIA - Initial Return
PAF: MONICA TROMBETTA - OTHER

April 08, 2013

BCA - Articles of Incorporation

March 27, 2013

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

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

V. Quintanilla W.

Director/Registrar

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Ministry of Public and
Business Service Delivery

Profile Report

VANDYK-UPTOWNS LIMITED as of October 03, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	VANDYK-UPTOWNS LIMITED
Ontario Corporation Number (OCN)	2492090
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	November 19, 2015
Registered or Head Office Address	1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

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

A handwritten signature in black ink, appearing to read "V. Quintanilla W.".

Director/Registrar

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Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name JOHN VANDYK
Address for Service 1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1
Resident Canadian Yes
Date Began November 19, 2015

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

V. Quintanilla W.

Director/Registrar

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Active Officer(s)**Name**

JOHN VANDYK

Position

President

Address for Service

1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

Date Began

November 19, 2015

Name

JOHN VANDYK

Position

Secretary

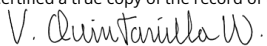
Address for Service

1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

Date Began

November 19, 2015

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



Director/Registrar

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Corporate Name History

Name	VANDYK-UPTOWNS LIMITED
Effective Date	March 02, 2017
Previous Name	2492090 ONTARIO INC.
Effective Date	November 19, 2015

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

V. Quintanilla W.

Director/Registrar

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Active Business Names

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

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

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

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

V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
BCA - Articles of Amendment	March 30, 2021
Annual Return - 2019 PAF: JOHN VANDYK - DIRECTOR	June 07, 2020
Annual Return - 2018 PAF: JOHN VANDYK - DIRECTOR	July 07, 2019
Annual Return - 2017 PAF: JOHN VANDYK - DIRECTOR	April 29, 2018
Annual Return - 2016 PAF: JOHN VANDYK - DIRECTOR	May 07, 2017
BCA - Articles of Amendment	March 02, 2017
Annual Return - 2015 PAF: JOHN VANDYK - DIRECTOR	October 09, 2016
CIA - Initial Return PAF: BRUCE MILBURN - OTHER	November 19, 2015
BCA - Articles of Incorporation	November 19, 2015

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V. Quintanilla W.

Director/Registrar

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Ministry of Public and
Business Service Delivery

Profile Report

VANDYK-LAKEVIEW-DXE-WEST LIMITED as of October 03, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	VANDYK-LAKEVIEW-DXE-WEST LIMITED
Ontario Corporation Number (OCN)	2587916
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	July 18, 2017
Registered or Head Office Address	1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

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

A handwritten signature in black ink, appearing to read "V. Quintanilla W.".

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name JOHN VANDYK
Address for Service 1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1
Resident Canadian Yes
Date Began July 18, 2017

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

V. Quintanilla W.

Director/Registrar

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Active Officer(s)**Name****Position****Address for Service****Date Began**

JOHN VANDYK

President

1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

July 18, 2017

Name**Position****Address for Service****Date Began**

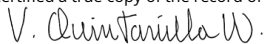
JOHN VANDYK

Secretary

1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

July 18, 2017

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



Director/Registrar

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Corporate Name History

Name	VANDYK-LAKEVIEW-DXE-WEST LIMITED
Effective Date	October 14, 2021
Previous Name	VANDYK - MASON - WEST LIMITED
Effective Date	December 16, 2020
Previous Name	VANDYK - THE MASON LIMITED
Effective Date	March 03, 2020
Previous Name	2587916 ONTARIO INC.
Effective Date	July 18, 2017

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

V. Quintanilla W.

Director/Registrar

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Active Business Names

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

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

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
BCA - Articles of Amendment	October 14, 2021
Annual Return - 2020 PAF: JOHN VANDYK - DIRECTOR	February 07, 2021
BCA - Articles of Amendment	December 16, 2020
BCA - Articles of Amendment	March 03, 2020
Annual Return - 2019 PAF: JOHN VANDYK - DIRECTOR	February 09, 2020
Annual Return - 2018 PAF: JOHN VANDYK - DIRECTOR	June 18, 2019
Annual Return - 2017 PAF: JOHN VANDYK - DIRECTOR	January 21, 2018
CIA - Notice of Change PAF: BRUCE MILBURN - OTHER	July 27, 2017
CIA - Initial Return PAF: BRUCE MILBURN - DIRECTOR	July 18, 2017
BCA - Articles of Incorporation	July 18, 2017

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Ministry of Public and
Business Service Delivery

Profile Report

VANDYK - THE RAVINE LIMITED as of October 03, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	VANDYK - THE RAVINE LIMITED
Ontario Corporation Number (OCN)	1000146928
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	March 16, 2022
Registered or Head Office Address	1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

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

A handwritten signature in black ink, appearing to read "V. Quintanilla W.".

Director/Registrar

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Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name JOHN VANDYK
Address for Service 1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1
Resident Canadian Yes
Date Began March 16, 2022

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

V. Quintanilla W.

Director/Registrar

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Active Officer(s)**Name**

JOHN VANDYK

Position

President

Address for Service

1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

Date Began

March 16, 2022

Name

JOHN VANDYK

Position

Secretary

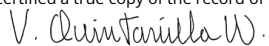
Address for Service

1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

Date Began

March 16, 2022

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Director/Registrar

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Corporate Name History**Name**

VANDYK - THE RAVINE LIMITED

Effective Date

March 16, 2022

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V. Quintanilla W.

Director/Registrar

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Active Business Names

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Director/Registrar

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Expired or Cancelled Business Names

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Initial Return PAF: John VANDYK	March 28, 2022
BCA - Articles of Incorporation	March 16, 2022

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

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

V. Quintanilla W.

Director/Registrar

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Ministry of Public and
Business Service Delivery

Profile Report

2402871 ONTARIO INC. as of October 03, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2402871 ONTARIO INC.
Ontario Corporation Number (OCN)	2402871
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	January 10, 2014
Registered or Head Office Address	1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

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

A handwritten signature in black ink, appearing to read "V. Quintanilla W.".

Director/Registrar

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Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name JOHN VANDYK
Address for Service 1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1
Resident Canadian Yes
Date Began January 10, 2014

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

V. Quintanilla W.

Director/Registrar

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Active Officer(s)**Name****Position****Address for Service****Date Began**

JOHN VANDYK

President

1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

January 10, 2014

Name**Position****Address for Service****Date Began**

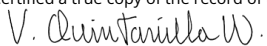
JOHN VANDYK

Secretary

1944 Fowler Drive, Mississauga, Ontario, Canada, L5K 0A1

January 10, 2014

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



Director/Registrar

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Additional historical information may exist in paper or microfiche format.

Corporate Name History**Name**

2402871 ONTARIO INC.

Effective Date

January 10, 2014

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V. Quintanilla W.

Director/Registrar

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Active Business Names

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

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V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
Annual Return - 2020 PAF: JOHN VANDYK - DIRECTOR	January 26, 2021
Annual Return - 2019 PAF: JOHN VANDYK - DIRECTOR	April 12, 2020
Annual Return - 2018 PAF: JOHN VANDYK - DIRECTOR	June 02, 2019
Annual Return - 2018 PAF: JOHN VANDYK - DIRECTOR	April 07, 2019
Annual Return - 2017 PAF: JOHN VANDYK - DIRECTOR	December 10, 2017
Annual Return - 2016 PAF: JOHN VANDYK - DIRECTOR	December 10, 2017
Annual Return - 2015 PAF: JOHN VANDYK - DIRECTOR	December 10, 2017
Annual Return - 2014 PAF: JOHN VANDYK - DIRECTOR	December 10, 2017
CIA - Initial Return PAF: BRUCE MILBURN - OTHER	January 14, 2014
BCA - Articles of Incorporation	January 10, 2014

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

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

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

TAB B

THIS IS **EXHIBIT "B"** REFERRED TO IN THE AFFIDAVIT
OF DANIEL POLLACK, SWORN BEFORE ME THIS
7TH DAY OF NOVEMBER, 2023.

Joshua Foster

Joshua Foster

A Commissioner for taking Affidavits
(or as may be)

Dorr Capital Corporation

41 Scarsdale Road, Unit 6
Toronto, ON M3B 2R2



May 6, 2022

Vandyk Uptown Limited
1944 Fowler Drive
Mississauga, Ontario
L5K 0A1

Attention: Mr. Richard Ma

Dear Sirs:

Re: Blanket Mortgage
Project Name: 10302 & 10194 Heart Lake Road, Brampton, Ontario
Loan No.: 22010

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: Vandyk Uptown Limited & 2366885 Ontario Inc (the “**Borrower**”)

Lender: KingSett Mortgage Corporation (the “**Lender**”)

Servicer: Dorr Capital Corporation (“**DCC**”)

Guarantor(s): Vandyk Holdings Incorporated (the “**Corporate Guarantor**”) and Mr. John Vandyk (the “**Individual Guarantor**”) and any other parties as the Lender may deem advisable collectively known as (the “**Guarantor**” and/or “**Guarantors**”).

Limited Recourse Guarantor(s): Vandyk – The Ravine Limited and 2402871 Ontario Inc. (the “**Limited Resource Guarantors**”).

Loan Facility: \$55,000,000 Blanket Mortgage

Project Description: The subject property is located at 10302 and 10194 Heart Lake Road, Brampton, Ontario. The site located at 10302 Heart Lake



Handwritten signature or initials in blue ink.

Road is approximately 6.5 acres currently under development consisting of 342 stacked townhouses with a total 379,842 sf of gross floor area (“Uptowns”). The site located at 10194 Heart Lake Road is approximately 22.47 acres, of which 9.67 acres are developable. The land is zoned for the development of 200 townhouses comprising of 20 street townhouse units, 28 rear lane townhouse units, 36 back-to-back townhouse units and 116 stacked townhouse units. The gross floor area for the proposed development is 242,602 sf (“Jordan Lands”).

(Collectively, the “Project” or “Property”).

**Property Legal
Description:**

10302 Heart Lake Road, Brampton, Ontario

PIN: 14227-1291

PT LOT 12, CONCESSION 2, EHS DES PT 1, PL 43R33117 SUBJECT TO AN EASEMENT IN GROSS OVER PT 1, 43R35581 AS IN PR2508870 SUBJECT TO AN EASEMENT IN GROSS AS IN PR3253482 SUBJECT TO AN EASEMENT IN GROSS AS IN PR3770466 SUBJECT TO AN EASEMENT AS IN PR3853334 CITY OF BRAMPTON

10194 Heart Lake Road, Brampton, Ontario

PIN: 14227-1266

PT LT 11 CON 2 EHS CHING DES PT 1 PL 43R-19750, SAVE AND EXCEPT PT 7 PL 43R-31217; BRAMPTON

PIN: 14227-1264

PT LT 11 CON 2 EHS CHING AS IN CH21799, SAVE AND EXCEPT BL 696, PTS 1,2, 3, 4, 5 PL 43R-31098, LYING NORTH EAST OF PT 1 PL 43R-31217 AND PTS1, 2 PL 43R-31192; BRAMPTON; T/W ROW OVER PT LT 11 CON 2 EHS CHING DESPTS 1, 2, 3, 4, 5 PL 43R-31098, AS IN PR1167589

PIN: 14227-1262

PT LT 11 CON 2 EHS CHING DES PTS 1, 2 PL 43R-31192; BRAMPTON; T/W ROW OVER PT LT 11 CON 2 EHS CHING DES PTS 1, 2, 3, 4, 5 PL 43R-31098, AS IN PR1167589

Collateral Properties:

320 Derry Road W, Mississauga, ON

A subdivision of approximately 11.6 acres located at 320 Derry Road West, Mississauga, ON (the “Derry Collateral Property”). The serviced site is approved for the development of 39 detached units and 6 semi-detached units.

327 Royal York, Etobicoke, ON

Mixed-use land site to be development with a two-tower project comprised of 692 residential condo units, ~5,726 sf of ground floor retail, ~75,000sf of office space and ~16,416 sf of Metrolinx station space located at 327 Royal York, Etobicoke, ON (the "Royal York Collateral Property").

(Collectively, the "Collateral Property")

- Purpose:** The Loan shall be utilized by the Borrower only for the following purposes: to refinance the existing debt, establish the Interest Reserve and fund transaction costs.
- Initial Funding:** \$49,500,000 (the "Initial Advance") net of the \$5,500,000 Interest Reserve.
- Interest Rate:** The greater of RBC Prime plus 7.95% and 11.15% per annum (the "Interest Rate").
- Interest:** Interest shall accrue and be calculated daily on the outstanding balance of the amounts of the Loan advanced from time to time at the Interest Rate and be compounded monthly, not in advance, and shall be payable monthly, interest only throughout the Term of the loan. Up to a maximum of \$230,000 of interest per month can be capitalized to the loan and the Borrower will be required to fund the balance of the monthly interest at the Interest Rate from its own resources, by way of pre-authorized debits to the Borrower's Project account.
- Capitalized Interest Reserve:** Provided an Event of Default has not occurred which is continuing, monthly interest shall be capitalized to the outstanding principal balance of the Loan, up to a maximum of \$230,000 per month, until the earlier of repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security in full or the capitalization of a total of \$5,500,000, which amount shall be subject to change at any time upon review by the Project Monitor and Lender in its sole, absolute and unfettered discretion (the "Interest Reserve"). At such time as the Loan is in default or upon full

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utilization of the Interest Reserve, the Borrower shall be required to make the full monthly payments from its own financial resources and not from the Interest Reserve.

Term:

Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, the Loan is repayable in full on the date that is 24 months from the date of the Initial Advance if the same occurs on the first calendar day of a month otherwise 24 months from the first calendar day of the month next following the date of the Initial Advance (the "**Maturity Date**").

Optional extension:

The term of the Loan is subject to two extension rights of three (3) months each, as follows: not earlier than 90 days prior to the Maturity Date but not less than 60 days prior to the Maturity Date (as it may have been extended), provided that no Event of Default has ever occurred during the term of the Loan, the Borrower shall be entitled to give written notice to the Lender advising that it wishes to extend the Maturity Date by 3 months, whereupon at the Lender's option the term of the Loan shall be extended by 3 months.

Commitment Fee:

\$1,155,000 (2.10% of Loan Amount) deemed earned upon acceptance of this Commitment (the "**Commitment Fee**") with \$450,000 that has been received as a Good Faith Deposit the balance of \$705,000 payable upon funding of the Initial Advance. The Borrower acknowledges that this fee and the Placement Fee are a reasonable estimate of the Lender's costs incurred in sourcing, investigating, underwriting and preparing the Loan and holding monies available to fund the Loan and that these fees are still earned by the Lender and payable by the Borrower if the Loan is not advanced. In the event that the funding of the Loan is not completed for any reason other than the Lender's default, the full Commitment Fee and Placement Fee will be payable and retained as liquidated damages without prejudice to and in addition to any other remedy available to the Lender. If the Lender suffers losses, costs and damages in excess of the amount of the Commitment Fee and the Placement Fee, the Lender shall be entitled to seek compensation from the Borrower in addition to the Commitment Fee and Placement Fee. The Borrower directs the Lender to deduct the amount of

the Commitment Fee and the Placement Fee from the proceeds of the Initial Advance.

Placement Fee: Not applicable

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

Discharge Fee: A discharge fee ("**Discharge Fee**") of \$500 shall be deemed earned by the Lender and payable by the Borrower prior to the delivery of the partial discharge of the Security for the Project.

The final discharge for the project that discharges the mortgage will be \$150,000 deemed earned by the Lender and payable by the Borrower prior to the delivery of the final discharge of the Security for the Project. The discharge fee will be reduced by 50% upon successfully funding the construction loan of Jordan Lands from the current Lender.

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

Uptowns Partial Discharge: Provided there has been no default, the Lender will provide partial discharges on Uptowns upon the closing of each lot upon payment of the greater of:

- a) 100% Net Sales Proceeds defined as Gross Sale Price (includes closing adjustments, parking revenue, recoveries and upgrade revenue) less HST, less deposits used in the Project, less closing costs not to exceed \$10,000 per unit and deferred costs; and
- b) the minimum net closing proceeds as per Schedule G, less deposits used in the Project, less closing costs not to exceed \$10,000 per unit and deferred costs,

which shall be applied as follows:

1. Firstly, to repay any outstanding amounts specifically advanced by MCAP under their senior debt for the subject property.
2. Secondly, upon full repayment of the senior debt the remaining Net Sale Proceeds shall be used to repay the subject facility.

Collateral Partial Discharge: Provided there has been no default, the Lender will provide partial discharges on 320 Derry Road upon the closing of each lot upon payment of the greater of:

- a) 100% Net Sales Proceeds defined as Gross Sale Price (includes closing adjustments, recoveries and upgrade revenue) less HST, less deposits used in the Project, less reasonable closing costs and trade credits or deferred costs; and
- b) the minimum net closing proceeds as per Schedule G, less deposits used in the Project, less reasonable closing costs and trade credits or deferred costs,

which shall be applied as follows:

1. Firstly, to repay any outstanding amounts specifically advanced under the 320 Derry Road Permitted Encumbrances under their senior debt for the subject property.
2. Secondly, upon full repayment of the 320 Derry Road senior debt, the remaining Net Sale Proceeds shall be used to repay the subject facility.

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

- Extension Fee of 0.30% (per extension period) of the outstanding amount under the Loan shall become due and payable upon the first day of the Extension period.

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

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

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

Prepayment: The loan will be fully closed for the term subject only to partial discharges.

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. A \$68,750,000 mortgage charge granted by the Borrower over the Property.
2. A \$68,750,000 third ranking mortgage charge granted by Vandyk – The Ravine Limited over 320 Derry Road West, Mississauga, ON.
3. A \$68,750,000 third ranking mortgage charge granted by 2402871 Ontario Inc. on 327 Royal York Road, Etobicoke, ON.
4. An assignment of rents and leases registered against title to the Project granted by the Borrower.
5. An assignment of rents and leases registered against title to the Derry Collateral Property granted by the Limited Recourse Guarantors.
6. An assignment of rents and leases registered against title to the Royal York Collateral Property granted by the Limited Recourse Guarantors.
7. As assignment of insurance granted by the Borrower with respect to any and all insurance proceeds arising in connection with all insurance for the Project as set out in Schedule A.
8. As assignment of insurance granted by the Limited Recourse Guarantor with respect to any and all insurance proceeds arising in connection with all insurance for the Derry Collateral Property.
9. As assignment of insurance granted by the Limited Recourse Guarantor with respect to any and all insurance proceeds arising in connection with all insurance for the Royal York Collateral Property.

10. The unlimited joint and several guarantee of the Guarantor 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 Guarantor and all shareholders of the Borrower relating to any claims against the Borrower and the other Guarantor. The Borrower and the Guarantor shall represent and warrant to the Lender the amount (if any) of any existing claims by any shareholders of the Borrower and the Guarantor against the Borrower or any Guarantor.

11. The limited joint and several guarantee of the Limited Recourse 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 Limited Recourse Guarantors and all shareholders of the Borrower relating to any claims against the Borrower and the other Guarantors, provided that recourse thereunder shall be limited to the Limited Recourse Guarantors' right, title and interest in and to the Collateral Property. The Borrower and the Guarantor shall represent and warrant to the Lender the amount (if any) of any existing claims by any shareholders of the Borrower and the Limited Recourse Guarantor against the Borrower or the Limited Recourse Guarantor.

12. General Security Agreement registered under the Personal Property Security Act of Ontario granting a blanket mortgage security interest in all personal property of the Borrower, including without limitation:
 - (a) Accounts and Book Debts of the Borrower in respect of the Project.
 - (b) Agreements of Purchase and Sale inclusive of Purchasers' Deposits
 - (c) All present and after acquired personal property of the Borrower in respect of Project.
 - (d) 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.

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

The Borrower shall maintain Builder's Risk Insurance which is satisfactory to the Lender for which incorporates a standard mortgage clause and which names the Lender as second mortgagee and loss payee.

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

14. If registered title to the Property is held by a nominee or trustee, the beneficial owner or owners will execute a beneficial owners agreement, pursuant to which, among other things, it or they charge its or their beneficial interest or interests in the Property in favour of the Lender, authorizes the nominee or trustee to execute all documentation as required pursuant to this Commitment (including, if such nominee or trustee is not the Borrower, a guarantee and postponement and assignment of claims), and agree to be bound thereby as if it or they executed the same itself or themselves.
15. The Lender's solicitors shall obtain Title Insurance, at the cost of the Borrower, on the mortgage and the Property.

16. 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.

17. Subordination and Standstill Agreement for all permitted financial encumbrances with terms satisfactory to the Lender.

18. Assignment of all condominium voting rights upon registration of the condominium corporation to be exercisable in the event of default which assignment may be included in the mortgage. (if applicable)

19. Negative pledge by Borrower and Guarantors to not repay any shareholder loans, redeem shares, pay out dividends, withdraw equity from the Project or increase compensation to principals of any of the Borrower or Guarantors until the Loan has been fully repaid which shall be included in the mortgage and the guarantee, as applicable.

20. Joint and several environmental warranty and indemnity agreement by the Borrower and Guarantors stated to

survive repayment of the Loan.

21. A cost overrun and completion guarantee from the Borrower and Guarantor with respect to the Project.
22. 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 KingSett Mortgage Corporation or its Nominee. Notwithstanding such registration, day-to-day administration of the Loan shall be by:

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

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

Funding Conditions:

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

1. Title to the Property must be satisfactory to 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. Receipt and satisfactory review of the Commitment Letter

from the Senior Lender (MCAP) for a loan amount not to exceed \$121,100,000 with all security and prefunding conditions being satisfied.

4. Receipt and satisfactory review of the Commitment Letter from the deposit insurer for a loan amount not to exceed \$20,204,750 with all security and prefunding conditions being satisfied.
5. Satisfactory confirmation of cash equity injected in Uptowns in the amount of \$13,420,000.
6. Inspection of the Property by the Lender and if required a meeting with the Borrower, all to the satisfaction of the Lender.
7. A soils test report and Geotechnical Report by an acceptable professional engineer or such other similar report as is acceptable to the Lender, must be provided, demonstrating to the satisfaction of the Lender that the proposed construction and site improvements of the Project are feasible under existing soil conditions, together with evidence that the construction specifications for the Project provide for construction in compliance with such conditions and with the recommendations, if any, which may be contained in such soils test report. Such report must be accompanied by the Form of Reliance Certificate (attached to this Commitment as Schedule "C") from the consultant to the Lender and shall confirm that the Lender and its assigns can rely upon such report for lending purposes.
8. The Borrower will obtain at its own expense an environmental audit, from a firm approved by the Lender, confirming that in their professional opinion there is no evidence that the site or any structures thereon are contaminated by any environmental hazards and recommending that no further action need be taken or will provide evidence of a remediation plan that will leave the site environmentally acceptable to the relevant Provincial and Federal Agencies and further evidence that said remediation plan is being performed, as budgeted for

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

9. Execution of the Lender's ESG Survey (attached to the Commitment as Schedule "F").
- 10 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.
- 11 The Borrower shall have provided the Lender with evidence of satisfactory coverage in a loan policy of title insurance.
- 12 The Lender is to be satisfied in its sole discretion that the required municipal and/or regional approvals necessary to proceed with the Project are in place.
- 13 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.
- 14 Receipt and satisfactory review of 317 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 \$176,714,830 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 10% per unit.
 - 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.
- 15 Receipt and satisfactory review of the Agreement of Purchase and Sale of the Property.
- 16 Confirmation that 70% of the hard cost budget to be supported by fixed price contracts.
- 17 Receipt and review by Lender of an initial report on Uptowns by the Lender's Cost Consultant to the Lender's satisfaction.
- 18 Receipt and satisfactory review of payout statement from each lender being repaid on closing.
- 19 Receipt and satisfactory review of all outstanding Letters of Credit on Uptowns and confirmation by the Lender's Cost Consultant that Letters of Credit are duplicative of budgeted costs.
- 20 The Borrower and the Project shall be fully registered with Tarion.
- 21 Receipt and satisfactory Anti-Money Laundering and Client Information inclusive of beneficial owners within the Project.
- 22 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.

- 23 Receipt and satisfactory review of a personal net worth and/or financial statement(s) for the last three years from the Borrower and the Guarantors on DCC's standard form, duly signed and witnessed. In addition, the Lender is to receive satisfactory bank references and credit reports for the Borrower and Guarantors, both prior to the initial advance and at any time thereafter, as required by the Lender, until the Loan is fully repaid.
- 24 Receipt and satisfactory review of any cost sharing agreements related to the subject Project, by the Lender and its legal counsel (if applicable).
- 25 This Commitment is conditional on the Lender receiving full approval by the Lender's Board of Directors.
- 26 A statutory declaration regarding the Borrower's compliance with the *Construction Act* (Ontario).
- 27 The Borrower shall have provided a signed Mortgage Application in the form of Schedule "D".
- 28 Other conditions precedent deemed appropriate by the Lender for a project of this nature.

Other Conditions

1. Advances of the Loan shall take place only (a) if no Event of Default exists and (b) on title to the Project being acceptable to our solicitors and all matters in connection with the Security and other documentation deemed necessary or advisable by our solicitors being complied with by the Borrower and Guarantors and all Security and other instruments and agreements to evidence and secure the Loan are duly executed, with evidence of registration where applicable.
2. The Project may not be sold by the Borrower, in whole or in part, other than by individual unit sales in the normal course

of business without the Lender's prior written consent, which consent may be unreasonably withheld, conditioned and/or delayed by the Lender.

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

3. The Lender shall require a satisfactory opinion and report from its solicitors indicating, among other things, the validity, enforceability and priority of all Security and the state of title of the Project. The Borrower shall be entitled to pay for title insurance to replace any title opinion, if it wishes.
4. The Lender shall require for the Borrower, any corporate beneficial owners and corporate Guarantors, evidence of corporate existence and authority, including without limitation certified copies of articles, by-laws and authorizing resolutions of directors, a certificate of non-restriction and incumbency and a certificate of status, all as the Lender and its counsel may require, together with an opinion of counsel to the Borrower and the Guarantors as to usual matters such as: corporate existence, powers and authority, absence of litigation, and execution, delivery and enforceability of this Commitment and all Security.
5. The Borrower shall establish a separate bank account for the Project at a financial institution acceptable to the Lender, through which all advances and disbursements shall be made in respect to the Project. (if applicable)
6. The Lender will require a satisfactory Letter of Transmittal regarding all professional reports including, without limiting, the environmental report. A Transmittal Letter is to be issued for each report, addressed to DCC and state that the report can be relied upon by the Lender, and its assigns, for mortgage financing purposes.
7. The representations and warranties of the Borrower and the

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Guarantors set out herein and in the Security must be true and correct and there shall be no Event of Default that shall have occurred and be continuing.

- 8. Such other information that the Lender and/or its solicitor may reasonably require.

Availability:

The Loan will be advanced in a single draw to repay the existing second mortgage on Uptowns and first and second mortgages on Jordan Lands less interest reserve and transaction costs, subject to Lender receipt of evidence confirming the unfunded portion of the senior debt is sufficient to fund remaining cost-to-complete on Uptowns.

First Advance	
Loan Amount	\$ 55,000,000
Less:	
Commitment Fee	\$ (1,155,000)
Interest Reserve	\$ (5,500,000)
Net Advance	\$ 48,345,000

Financing Program:

Sources of Funds			Total	Per Unit	Per BSF
1st Mortgage	MCAP	55%	\$ 121,100,000	\$ 353,801	\$ 319
2nd Mortgage (Blanket)	Kingsett	25%	55,000,000	160,819	145
Total Exposure		80%	\$ 176,100,000	\$ 514,620	\$ 463
Purchaser Deposits		9%	20,204,750	59,078	53
Deferred Costs		2%	4,275,250	12,501	11
Equity	Cash	8%	13,420,000	48,674	44
	Appraisal Surplus	2%	6,724,113	10,223	9
Total Sources of Funds		100%	\$ 220,724,113	\$ 645,095	\$ 581

USES			Total	Per Unit	Per BSF
Jordan Land Value			45,597,613.00	277,481.00	189.00
Land Value			6,608,800.00	19,324.00	17.00
Hard Costs			115,375,828.00	337,356.00	304.00
Soft Costs			53,141,872.00	155,386.00	140.00
Total Uses of Funds			\$ 220,724,113	N/A	N/A

Closing Date:

On or before June 3, 2022, or such other date as is agreed to by the lender and the Borrower. In any event if the initial advance of the Loan is not funded by July 15, 2022, for any reason other than Lender default, this Commitment, at the option of the Lender, shall be null and void and the Lender shall be released of any present or further obligations hereunder. Notwithstanding

the foregoing, the Borrower and Guarantors shall remain liable for any outstanding fees and costs as set out herein.

Representations and Warranties:

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

- (i) If any of the Borrower and the Guarantors is a corporation, it is a corporation validly existing, duly organized and in good standing under the laws of its jurisdiction of incorporation and is in compliance with legal requirements applicable to doing business in such jurisdiction. The Borrower is not a "non-resident" within the meaning of the *Income Tax Act* (Canada). The Borrower and the Guarantors have the right to enter into this Commitment and to charge or pledge the Property and all other assets herein stipulated as security for the Loan and have the power and authority to execute and deliver this Commitment, the Security and all other documents contemplated hereby and to perform and complete the transaction contemplated herein;
- (ii) The legal description of the Property is accurately set out above. The legal and beneficial owner of the Property is the Borrower. Title to the Property is good and marketable and free from all easements, rights-of-way, agreements, restrictions, mortgages, charges, liens, executions and other encumbrances. The Borrower and the Guarantors have not withheld any information of a material nature relating to the Property, the Borrower or the Guarantors;
- (iii) The execution and delivery by the Borrower and the Guarantors of this Commitment and the applicable Security and the performance of their respective obligations hereunder and thereunder do not and will not conflict with or result in a breach of any of the terms, conditions or provisions of their articles, charter documents, by-laws or any unanimous shareholder agreement, as applicable;

- (iv) The execution and delivery by the Borrower and the Guarantors of this Commitment and the applicable Security and the performance of their respective obligations hereunder and thereunder have been duly authorized or will, prior to funding, have been ratified by all necessary corporate action, and no authorization under any applicable law and no registration, qualification, approval, designation, declaration or filing with any government body, agency, or authority having jurisdiction over the Borrower or any of the Guarantors is or was necessary therefor, except as contemplated herein;
- (v) The Borrower possesses all consents, approvals, permits and authorizations under any applicable law and under any agreement to which it is a party or by which it is bound, which are necessary in connection with the operation of its business, the Project, and the performance of its obligations hereunder and under the Security. All such consents, approvals, permits and authorizations are in full force and effect and the Borrower is not in default in any respect thereunder, which default would have a material adverse effect. No action exists, is pending or threatened which has as its object the revocation, amendment or qualification of any such consent or authorization and all applicable appeal periods in respect of such actions have expired. The Project and its development and construction are in compliance with all laws;
- (vi) The Borrower is not in default under any indenture, mortgage, deed of trust, agreement or other instrument to which it is a party or by which it or any of its property may be bound;
- (vii) Each of the Borrower and the Guarantors has filed all tax returns which is required to be filed by it and has paid or remitted when due all taxes, assessment and government charges imposed upon it except such tax, assessment or charge which is being contested in good faith and for which each of the Borrower or Guarantors, as the case may be, has made adequate reserves;

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- (viii) With respect to the Property the Borrower has obtained and is in compliance with: (a) all terms and conditions of all authorizations which are required under any environmental law; and (b) all environmental laws. The Borrower does not generate hazardous materials or transport, treat or dispose of any hazardous materials nor is the Borrower aware of any underground storage tanks or surface contaminants located on the Property. The Borrower has never caused or permitted (A) a release of any contaminant from or on the Property or (B) any hazardous materials to be placed, held, located, or disposed of on or under the Property. No enforcement action, investigation or outstanding order from any official body in respect of any hazardous materials or release of contaminants is existing, threatened or pending with respect to the Borrower or the Property. No hazardous substances are used, stored, discharged or present on the Property, except in compliance with environmental laws;
- (ix) The Borrower has complied with and will, at all times during the term of the Loan, comply with the requirements of the *Construction Act* (Ontario) and the regulations pursuant thereto;
- (x) The Property complies in all material respects with all relevant by-laws relating to the use thereof and there are no work orders issued against the Property by any governmental body;
- (xi) All documents and information delivered by or on behalf of the Borrower and the Guarantors to the Lender is true and accurate and may be relied upon by the Lender in executing this Commitment and making the Loan;
- (xii) There are no existing or pending claims, suits, actions, proceedings, judgments or orders outstanding against the Borrower or any of the Guarantors or involving the Property;
- (xiii) All necessary municipal services are available to the lot line of the Project;

- (xiv) All financial information provided by the Borrower and Guarantors to the Lender, including but not limited to, financial information provided in respect of the values and other matters pertaining to the Property and financial statements for the Borrower and the Guarantors, is true and accurate and may be relied upon by the Lender in executing this Commitment and making the Loan and there has been no material adverse change in the Borrower's or any Guarantor's financial condition or operations since the date of such financial statements; and
- (xv) All property taxes, levies, assessments, penalties or other costs payable to a municipality or other local government in respect of the Property have been paid and no such amount is in arrears or is due and unpaid or will be paid on the Initial Advance.

Reporting Requirements:

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

1. Within 120 days of each fiscal year end during the term of the Loan, accountant prepared financial statements for the Borrower and each corporate Guarantor;
2. Updated financial statements and/or net worth statements annually for each personal Guarantor;
3. Quarterly updates regarding zoning approval and servicing progress, costs, and sales activity relating to the Project;
4. The Borrower and Guarantors agree to be fully responsible for remittance and payment of any and all HST collected by or due to any of them and submission of HST credits or claims, and will provide monthly accounting of same to the Lender if requested by the Lender; and
5. Such other financial and supporting information as the Lender may request acting reasonably.
6. A project budget review report with respect to every drawdown from project monitor confirming the amount of each draw.

Permitted Encumbrances:

The Lender hereby acknowledges and consents to the following encumbrances:

- First mortgage on 10302 Heart Lake Road, Brampton, ON for \$140,000,000 held by MCAP, noting that the loan amount is not to exceed \$121,100,000;
- Second mortgage on 10302 Heart Lake Road, Brampton, ON for \$20,204,750 held by the deposit insurer. Any deposits exceeding \$20,204,750 will reduce the availability under the First mortgage a dollar-for-dollar basis;
- First and second mortgage on 320 Derry Road West, Mississauga, ON in the amount of \$62,000,000 held by KingSett Mortgage Corporation;
- First mortgage on 327 Royal York Road, Etobicoke, ON in the amount of \$56,250,000 held by KingSett Mortgage Corporation; and
- A second mortgage on 327 Royal York Road, Etobicoke, in an amount not to exceed \$7,500,000, provided by a private lender at an interest rate of National Bank of Canada Prime Rate plus 7.25% on terms and conditions acceptable to Lender.

Subsequent Financing:

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

Assignment:

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

Sign: DCC shall have the right to erect a sign on the Project, at its own expense, indicating it has provided financing on the Project during the period for which the financing or any portion thereof, remains outstanding. DCC may also refer to this Project in its advertising at any time after the first advance under the Loan.

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

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

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

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

Construction Liens:

If a construction lien is filed or registered against title to the Property or if the Borrower, any Guarantor or Lender receives

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

Costs:

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

Waiver:

No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on its behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to, or waiver of any provision of, this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantors. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.

Governing Law:

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

Time:

Time is of the essence in this Commitment.

Severance:

The Borrower and Guarantors agree that if any one or more of the provisions contained in this Commitment shall for any

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

Joint and Several:

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

First Right:

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

Indemnity:

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

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

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

Lender's Solicitors:

The Lender's solicitor shall be:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario
M5X 1A4 Canada

Attention: Mr. John D. van Gent

**Lender's Insurance
Consultant:**

The Lender's insurance consultant shall be:

Proincon Limited
287 Tache Avenue
Winnipeg, Manitoba
R2H 2A1

Attention: Wayne Fast

Lender's Cost Consultant:

The Lender's cost consultant shall be:

CB Ross

1920 Yonge St. Suite 501
Toronto, ON
M4S 3E2

Attention: Charlie Ross

No Merger; Conflict:

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

Confidentiality:

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

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

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

Material Changes:

If at any time before the Closing Date there is or has been any material change, discrepancy or inaccuracy in any information, statements, representations or warranties made or furnished to

the Lender by or on behalf of the Borrower or upon the occurrence of an Event of Default under this Commitment which cannot be or is not rectified or nullified by the Borrower to the Lender's satisfaction within ten (10) days after written notification thereof by the Lender to the Borrower or the Lender's due diligence investigations regarding the Act produces a materially adverse result, the Lender shall be entitled forthwith to withdraw and cancel its obligations hereunder and to declare any funds which have been advanced, together with Interest and other amounts, to be forthwith due and repayable in full.

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

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

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

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

- b) If the security for your loan includes an insured mortgage, to disclose your Personal Information to the mortgage insurer and to exchange, on an on-going basis, your Personal Information with such mortgage insurer, for all purposes related to the provision of mortgage insurance; and;
- c) Use, disclose and exchange, on an on-going basis, all the personal information collected by us or delivered by you to us from time to time in connection with your loan and any information obtained by us from time to time pursuant to paragraphs (a) and (b) above (collectively your "**Personal Information**") to other organizations (including members of the Dorr Capital Corp) which may fund all or any part of your loan and/or own all or any part of your loan and the security securing your loan from time to time and permit prospective investors in your loan to inspect your Personal Information

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

If you are in agreement with the foregoing terms and conditions, please indicate by signing and returning one (1) copy of this Commitment to the Lender's office by noon on May 11, 2022. If the Loan is not advanced for any reason other than a Lender default, any deposits received on account of this loan will be applied against due diligence expenses of the Lender and fees owing hereunder and will not be refundable. If this letter is not returned to us, duly executed, by such date and time, this letter shall be deemed null and void.

Yours truly,

Dorr Capital Corporation



Brian Dorr – President 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 Office, this 09 day of May, 2022.

Vandyk Uptown Limited



Name:
Title:
I have the authority to bind the corporation

2366885 Ontario Inc.



Name:
Title:
I have the authority to bind the corporation

Guarantor

Vandyk Holdings Incorporated



Name:
Title:
I have the authority to bind the corporation



[Witness]



Mr. John Vandyk

K

SCHEDULE "A"
INSURANCE REQUIREMENTS

1. GENERAL

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

2. COURSE OF CONSTRUCTION

The following policies of insurance must be submitted:

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

ADDITIONAL INFORMATION

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

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

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

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

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

SCHEDULE "B"
PERSONAL NET WORTH STATEMENT

PERSONAL & EMPLOYMENT INFORMATION

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

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

10302 & 10194 Heart Lake Road, Brampton, ON
File No: 22010

(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 09 day of May, 2012

Signature (in ink)

10302 & 10194 Heart Lake Road, Brampton, ON
File No: 22010

SCHEDULE "C"
RELIANCE

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

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

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

DATED the 9 day of May, 2022

By: _____
Name:
Title:

10302 & 10194 Heart Lake Road, Brampton, ON
File No: 22010

SCHEDULE 'D'
MORTGAGE DISCLOSURE STATEMENT

10302 & 10194 Heart Lake Road, Brampton, ON
File No: 22010

SCHEDULE "F" ESG SURVEY

The Lender is committed to integrating best-in-class ESG practices throughout all its investment vehicles. We kindly ask that you complete this questionnaire so that we can track the Environmental, Social and Governance performance of the mortgage investments managed by the Lender.

Date:
Borrower Name:
Property Address:
Completed By:

Please identify any of the following ESG initiatives that apply to your organization and/or the property being financed.

General	Does your organization have an ESG strategy or annual report? If yes, where can we find more information? _____
Environmental Initiatives (please select all that apply to the property being financed)	<input type="checkbox"/> Water & energy consumption tracking <input type="checkbox"/> Waste volume tracking <input type="checkbox"/> On-site clean or renewable energy generation or storage (ex. solar, geothermal) <input type="checkbox"/> Retrofits to improve the energy-efficiency of the property (ex. lighting, HVAC, windows) <input type="checkbox"/> Stormwater management system <input type="checkbox"/> Green roof or green wall <input type="checkbox"/> Electric vehicle chargers on site <input type="checkbox"/> High performance envelope (ex. triple glazing) <input type="checkbox"/> Air tightness testing <input type="checkbox"/> High-efficiency appliances or fixtures <input type="checkbox"/> Green building certifications (ex. LEED, BOMA, WELL) _____ <input type="checkbox"/> Is the property's carbon footprint tracked? <input type="checkbox"/> Are carbon offsets purchased to offset embodied or operational carbon? <input type="checkbox"/> Other _____
Social Impact	<input type="checkbox"/> Does the project create or preserve any affordable housing units? Number of units _____ <input type="checkbox"/> Is there any community space (ex. daycare, arts & culture) in the property? Sq. ft. _____ <input type="checkbox"/> Tenant wellness or community focused programs <input type="checkbox"/> Other _____
Governance	<input type="checkbox"/> Does your organization have an ESG strategy or annual report? <input type="checkbox"/> Does your organization have a code of ethics? <input type="checkbox"/> Does your organization have ESG performance targets (ex. emissions reduction, diversity targets)? <input type="checkbox"/> Does your organization have any responsible hiring or contracting policies in place? <input type="checkbox"/> Other _____

Please tell us about any other ESG initiatives not highlighted above:

10302 & 10194 Heart Lake Road, Brampton, ON
File No: 22010

SCHEDULE "G"
MINIMUM DISCHARGE SCHEDULE

Uptowns

No.	Suite	Block	Phase	Collection	Unit	Purchase Price	HST	Minimum Net Closing Proceeds
1	101	1	1	Garden Towns	01	\$489,990	\$35,132	\$454,858
2	102	1	1	Garden Towns	02	\$449,990	\$28,917	\$421,073
3	103	1	1	Garden Towns	03	\$449,990	\$28,917	\$421,073
4	104	1	1	Garden Towns	04	\$449,990	\$28,917	\$421,073
5	105	1	1	Garden Towns	05	\$449,990	\$28,917	\$421,073
6	106	1	1	Garden Towns	06	\$449,990	\$28,917	\$421,073
7	107	1	1	Garden Towns	07	\$464,990	\$31,344	\$433,646
8	108	1	1	Garden Towns	08	\$449,990	\$28,917	\$421,073
9	109	1	1	Garden Towns	09	\$449,990	\$28,917	\$421,073
10	110	1	1	Garden Towns	10	\$489,990	\$35,132	\$454,858
11	111	1	1	Urban Towns	01	\$464,990	\$31,344	\$433,646
12	112	1	1	Rooftop Towns	02	\$579,990	\$45,486	\$534,504
13	113	1	1	Rooftop Towns	03	\$579,990	\$45,486	\$534,504
14	114	1	1	Urban Towns	04	\$439,990	\$27,299	\$412,691
15	115	1	1	Rooftop Towns	05	\$549,990	\$42,034	\$507,956
16	116	1	1	Rooftop Towns	06	\$549,990	\$42,034	\$507,956
17	117	1	1	Urban Towns	07	\$439,990	\$27,299	\$412,691
18	118	1	1	Rooftop Towns	08	\$549,990	\$42,034	\$507,956
19	119	1	1	Rooftop Towns	09	\$579,990	\$45,486	\$534,504
20	120	1	1	Urban Towns	10	\$439,990	\$27,299	\$412,691
21	121	1	1	Rooftop Towns	11	\$579,990	\$45,486	\$534,504
22	122	1	1	Rooftop Towns	12	\$579,990	\$45,486	\$534,504
23	123	1	1	Urban Towns	13	\$464,990	\$31,344	\$433,646
24	124	1	1	Rooftop Towns	14	\$614,990	\$49,512	\$565,478
25	125	1	1	Rooftop Towns	15	\$614,990	\$49,512	\$565,478
26	126	1	1	Urban Towns	16	\$464,990	\$31,344	\$433,646
27	127	1	1	Rooftop Towns	17	\$579,990	\$45,486	\$534,504
28	128	1	1	Rooftop Towns	18	\$579,990	\$45,486	\$534,504
29	129	1	1	Urban Towns	19	\$439,990	\$27,299	\$412,691
30	130	1	1	Rooftop Towns	20	\$579,990	\$45,486	\$534,504
31	131	1	1	Rooftop Towns	21	\$579,990	\$45,486	\$534,504
32	132	1	1	Urban Towns	22	\$439,990	\$27,299	\$412,691
33	133	1	1	Rooftop Towns	23	\$579,990	\$45,486	\$534,504
34	134	1	1	Rooftop Towns	24	\$579,990	\$45,486	\$534,504
35	135	1	1	Urban Towns	25	\$439,990	\$27,299	\$412,691
36	136	1	1	Rooftop Towns	26	\$579,990	\$45,486	\$534,504
37	137	1	1	Rooftop Towns	27	\$579,990	\$45,486	\$534,504
38	138	1	1	Urban Towns	28	\$464,990	\$31,344	\$433,646
39	139	1	1	Rooftop Towns	29	\$614,990	\$49,512	\$565,478
40	140	1	1	Rooftop Towns	30	\$624,990	\$50,663	\$574,327
41	201B	2	1	Garden Towns	11	\$339,990	\$16,806	\$323,184
42	201A	2	1	Garden Towns	12	\$324,990	\$16,064	\$308,926
43	202	2	1	Garden Towns	13	\$899,990	\$82,300	\$817,690
44	203A	2	1	Garden Towns	14	\$324,990	\$16,064	\$308,926
45	203B	2	1	Garden Towns	15	\$649,990	\$53,539	\$596,451
46	204	2	1	Garden Towns	16	\$534,990	\$40,309	\$494,681
47	205	2	1	Garden Towns	17	\$299,990	\$14,828	\$285,162
48	206	2	1	Garden Towns	18	\$299,990	\$14,828	\$285,162
49	207	2	1	Garden Towns	19	\$539,990	\$40,884	\$499,106
50	208	2	1	Urban Towns	31	\$499,990	\$36,282	\$463,708

10302 & 10194 Heart Lake Road, Brampton, ON
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No.	Suite	Block	Phase	Collection	Unit	Purchase Price	HST	Minimum Net Closing Proceeds
51	209	2	1	Rooftop Towns	32	\$589,990	\$46,636	\$543,354
52	210	2	1	Rooftop Towns	33	\$559,990	\$43,185	\$516,805
53	211	2	1	Urban Towns	34	\$469,990	\$32,153	\$437,837
54	212	2	1	Rooftop Towns	35	\$589,990	\$46,636	\$543,354
55	213	2	1	Rooftop Towns	36	\$584,990	\$46,061	\$538,929
56	214	2	1	Urban Towns	37	\$494,990	\$35,707	\$459,283
57	215	2	1	Rooftop Towns	38	\$664,990	\$55,264	\$609,726
58	216	2	1	Rooftop Towns	39	\$614,990	\$49,512	\$565,478
59	217	2	1	Urban Towns	40	\$464,990	\$31,344	\$433,646
60	218	2	1	Rooftop Towns	41	\$579,990	\$45,486	\$534,504
61	219	2	1	Rooftop Towns	42	\$579,990	\$45,486	\$534,504
62	220	2	1	Urban Towns	43	\$439,990	\$27,299	\$412,691
63	221	2	1	Rooftop Towns	44	\$579,990	\$45,486	\$534,504
64	222	2	1	Rooftop Towns	45	\$549,990	\$42,034	\$507,956
65	223	2	1	Urban Towns	46	\$469,990	\$32,153	\$437,837
66	224	2	1	Rooftop Towns	47	\$619,990	\$50,087	\$569,903
67	225	2	1	Rooftop Towns	48	\$669,990	\$55,840	\$614,150
68	301B	3	2	Garden Towns	20	\$334,990	\$16,558	\$318,432
69	301A	3	2	Garden Towns	21	\$324,990	\$16,064	\$308,926
70	302	3	2	Garden Towns	22	\$539,990	\$40,884	\$499,106
71	303A	3	2	Garden Towns	23	\$324,990	\$16,064	\$308,926
72	303B	3	2	Garden Towns	24	\$334,990	\$16,558	\$318,432
73	304	3	2	Garden Towns	25	\$939,990	\$86,902	\$853,088
74	305	3	2	Garden Towns	26	\$309,990	\$15,323	\$294,667
75	306	3	2	Garden Towns	27	\$309,990	\$15,323	\$294,667
76	307	3	2	Garden Towns	28	\$534,990	\$40,309	\$494,681
77	308	3	2	Urban Towns	49	\$514,990	\$38,008	\$476,982
78	309	3	2	Rooftop Towns	50	\$1,019,990	\$96,105	\$923,885
79	310	3	2	Rooftop Towns	51	\$994,990	\$93,229	\$901,761
80	311	3	2	Urban Towns	52	\$479,990	\$33,770	\$446,220
81	312	3	2	Rooftop Towns	53	\$1,019,990	\$96,105	\$923,885
82	313	3	2	Rooftop Towns	54	\$624,990	\$50,663	\$574,327
83	314	3	2	Urban Towns	55	\$504,990	\$36,857	\$468,133
84	315	3	2	Rooftop Towns	56	\$674,990	\$56,415	\$618,575
85	316	3	2	Rooftop Towns	57	\$639,990	\$52,388	\$587,602
86	317	3	2	Urban Towns	58	\$474,990	\$32,962	\$442,028
87	318	3	2	Rooftop Towns	59	\$1,009,990	\$94,955	\$915,035
88	319	3	2	Rooftop Towns	60	\$589,990	\$46,636	\$543,354
89	320	3	2	Urban Towns	61	\$449,990	\$28,917	\$421,073
90	321	3	2	Rooftop Towns	62	\$589,990	\$46,636	\$543,354
91	322	3	2	Rooftop Towns	63	\$589,990	\$46,636	\$543,354
92	323	3	2	Urban Towns	64	\$474,990	\$32,962	\$442,028
93	324	3	2	Rooftop Towns	65	\$639,990	\$52,388	\$587,602
94	325	3	2	Rooftop Towns	66	\$674,990	\$56,415	\$618,575
95	401	4	2	Garden Towns	29	\$539,990	\$40,884	\$499,106
96	402	4	2	Garden Towns	30	\$539,990	\$40,884	\$499,106
97	403	4	2	Garden Towns	31	\$564,990	\$43,760	\$521,230
98	404	4	2	Garden Towns	32	\$534,990	\$40,309	\$494,681
99	405	4	2	Garden Towns	33	\$314,990	\$15,570	\$299,420
100	406	4	2	Garden Towns	34	\$314,990	\$15,570	\$299,420

10302 & 10194 Heart Lake Road, Brampton, ON
File No: 22010

No.	Suite	Block	Phase	Collection	Unit	Purchase Price	HST	Minimum Net Closing Proceeds
101	407	4	2	Garden Towns	35	\$534,990	\$40,309	\$494,681
102	408	4	2	Urban Towns	67	\$504,990	\$36,857	\$468,133
103	409	4	2	Rooftop Towns	68	\$599,990	\$47,786	\$552,204
104	410	4	2	Rooftop Towns	69	\$999,990	\$93,804	\$906,186
105	411	4	2	Urban Towns	70	\$479,990	\$33,770	\$446,220
106	412	4	2	Rooftop Towns	71	\$999,990	\$93,804	\$906,186
107	413	4	2	Rooftop Towns	72	\$999,990	\$93,804	\$906,186
108	414	4	2	Urban Towns	73	\$514,990	\$38,008	\$476,982
109	415	4	2	Rooftop Towns	74	\$1,014,990	\$95,530	\$919,460
110	416	4	2	Rooftop Towns	75	\$639,990	\$52,388	\$587,602
111	417	4	2	Urban Towns	76	\$484,990	\$34,556	\$450,434
112	418	4	2	Rooftop Towns	77	\$564,990	\$43,760	\$521,230
113	419	4	2	Rooftop Towns	78	\$969,990	\$90,353	\$879,637
114	420	4	2	Urban Towns	79	\$459,990	\$30,535	\$429,455
115	421	4	2	Rooftop Towns	80	\$589,990	\$46,636	\$543,354
116	422	4	2	Rooftop Towns	81	\$969,990	\$90,353	\$879,637
117	423	4	2	Urban Towns	82	\$474,990	\$32,962	\$442,028
118	424	4	2	Rooftop Towns	83	\$989,990	\$92,654	\$897,336
119	425	4	2	Rooftop Towns	84	\$674,990	\$56,415	\$618,575
120	501	5	3	Garden Towns	36	\$549,990	\$42,034	\$507,956
121	502	5	3	Garden Towns	37	\$539,990	\$40,884	\$499,106
122	503	5	3	Garden Towns	38	\$909,990	\$83,450	\$826,540
123	504	5	3	Garden Towns	39	\$544,990	\$41,459	\$503,531
124	505	5	3	Garden Towns	40	\$334,990	\$16,558	\$318,432
125	506	5	3	Garden Towns	41	\$344,990	\$17,053	\$327,937
126	507	5	3	Garden Towns	42	\$544,990	\$41,459	\$503,531
127	508	5	3	Urban Towns	85	\$539,990	\$40,884	\$499,106
128	509	5	3	Rooftop Towns	86	\$1,039,990	\$98,406	\$941,584
129	510	5	3	Rooftop Towns	87	\$1,029,990	\$97,255	\$932,735
130	511	5	3	Urban Towns	88	\$529,990	\$39,733	\$490,257
131	512	5	3	Rooftop Towns	89	\$1,029,990	\$97,255	\$932,735
132	513	5	3	Rooftop Towns	90	\$619,990	\$50,087	\$569,903
133	514	5	3	Urban Towns	91	\$539,990	\$40,884	\$499,106
134	515	5	3	Rooftop Towns	92	\$669,990	\$55,840	\$614,150
135	516	5	3	Rooftop Towns	93	\$634,990	\$51,813	\$583,177
136	517	5	3	Urban Towns	94	\$499,990	\$36,282	\$463,708
137	518	5	3	Rooftop Towns	95	\$1,009,990	\$94,955	\$915,035
138	519	5	3	Rooftop Towns	96	\$594,990	\$47,211	\$547,779
139	520	5	3	Urban Towns	97	\$479,990	\$33,770	\$446,220
140	521	5	3	Rooftop Towns	98	\$594,990	\$47,211	\$547,779
141	522	5	3	Rooftop Towns	99	\$564,990	\$43,760	\$521,230
142	523	5	3	Urban Towns	100	\$509,990	\$37,432	\$472,558
143	524	5	3	Rooftop Towns	101	\$989,990	\$92,654	\$897,336
144	525	5	3	Rooftop Towns	102	\$669,990	\$55,840	\$614,150
145	601B	6	3	Garden Towns	43	\$379,990	\$19,584	\$360,406
146	601A	6	3	Garden Towns	44	\$369,990	\$18,410	\$351,580
147	602	6	3	Garden Towns	45	\$559,990	\$43,185	\$516,805
148	603A	6	3	Garden Towns	46	\$369,990	\$18,410	\$351,580
149	603B	6	3	Garden Towns	47	\$389,990	\$20,758	\$369,232
150	604	6	3	Garden Towns	48	\$544,990	\$41,459	\$503,531

10302 & 10194 Heart Lake Road, Brampton, ON
File No: 22010

No.	Suite	Block	Phase	Collection	Unit	Purchase Price	HST	Minimum Net Closing Proceeds
151	605	6	3	Garden Towns	49	\$349,990	\$17,300	\$332,690
152	606	6	3	Garden Towns	50	\$299,990	\$14,828	\$285,162
153	607	6	3	Garden Towns	51	\$544,990	\$41,459	\$503,531
154	608	6	3	Urban Towns	103	\$539,990	\$40,884	\$499,106
155	609	6	3	Rooftop Towns	104	\$624,990	\$50,663	\$574,327
156	610	6	3	Rooftop Towns	105	\$624,990	\$50,663	\$574,327
157	611	6	3	Urban Towns	106	\$509,990	\$37,432	\$472,558
158	612	6	3	Rooftop Towns	107	\$1,029,990	\$97,255	\$932,735
159	613	6	3	Rooftop Towns	108	\$594,990	\$47,211	\$547,779
160	614	6	3	Urban Towns	109	\$864,990	\$78,273	\$786,717
161	615	6	3	Rooftop Towns	110	\$669,990	\$55,840	\$614,150
162	616	6	3	Rooftop Towns	111	\$634,990	\$51,813	\$583,177
163	617	6	3	Urban Towns	112	\$499,990	\$36,282	\$463,708
164	618	6	3	Rooftop Towns	113	\$559,990	\$43,185	\$516,805
165	619	6	3	Rooftop Towns	114	\$589,990	\$46,636	\$543,354
166	620	6	3	Urban Towns	115	\$499,990	\$36,282	\$463,708
167	621	6	3	Rooftop Towns	116	\$969,990	\$90,353	\$879,637
168	622	6	3	Rooftop Towns	117	\$589,990	\$46,636	\$543,354
169	623	6	3	Urban Towns	118	\$499,990	\$36,282	\$463,708
170	624	6	3	Rooftop Towns	119	\$639,990	\$52,388	\$587,602
171	625	6	3	Rooftop Towns	120	\$669,990	\$55,840	\$614,150
172	701	7	4	Garden Towns	52	\$919,990	\$84,601	\$835,389
173	702	7	4	Garden Towns	53	\$559,990	\$43,185	\$516,805
174	703	7	4	Garden Towns	54	\$574,990	\$44,910	\$530,080
175	704	7	4	Garden Towns	55	\$544,990	\$41,459	\$503,531
176	705	7	4	Garden Towns	56	\$367,990	\$18,190	\$349,800
177	706	7	4	Garden Towns	57	\$334,990	\$16,558	\$318,432
178	707	7	4	Garden Towns	58	\$544,990	\$41,459	\$503,531
179	708	7	4	Urban Towns	121	\$909,990	\$83,450	\$826,540
180	709	7	4	Rooftop Towns	122	\$624,990	\$50,663	\$574,327
181	710	7	4	Rooftop Towns	123	\$594,990	\$47,211	\$547,779
182	711	7	4	Urban Towns	124	\$864,990	\$78,273	\$786,717
183	712	7	4	Rooftop Towns	125	\$619,990	\$50,087	\$569,903
184	713	7	4	Rooftop Towns	126	\$589,990	\$46,636	\$543,354
185	714	7	4	Urban Towns	127	\$539,990	\$40,884	\$499,106
186	715	7	4	Rooftop Towns	128	\$664,990	\$55,264	\$609,726
187	716	7	4	Rooftop Towns	129	\$639,990	\$52,388	\$587,602
188	717	7	4	Urban Towns	130	\$509,990	\$37,432	\$472,558
189	718	7	4	Rooftop Towns	131	\$589,990	\$46,636	\$543,354
190	719	7	4	Rooftop Towns	132	\$589,990	\$46,636	\$543,354
191	720	7	4	Urban Towns	133	\$499,990	\$36,282	\$463,708
192	721	7	4	Rooftop Towns	134	\$589,990	\$46,636	\$543,354
193	722	7	4	Rooftop Towns	135	\$589,990	\$46,636	\$543,354
194	723	7	4	Urban Towns	136	\$509,990	\$37,432	\$472,558
195	724	7	4	Rooftop Towns	137	\$634,990	\$51,813	\$583,177
196	725	7	4	Rooftop Towns	138	\$1,064,990	\$101,282	\$963,708
197	801	8	4	Garden Towns	59	\$549,990	\$42,034	\$507,956
198	802	8	4	Garden Towns	60	\$969,990	\$90,353	\$879,637
199	803	8	4	Garden Towns	61	\$959,990	\$89,202	\$870,788
200	804	8	4	Garden Towns	62	\$549,990	\$42,034	\$507,956

10302 & 10194 Heart Lake Road, Brampton, ON
File No: 22010

No.	Suite	Block	Phase	Collection	Unit	Purchase Price	HST	Minimum Net Closing Proceeds
201	805	8	4	Urban Towns	139	\$514,990	\$38,008	\$476,982
202	806	8	4	Rooftop Towns	140	\$1,059,990	\$100,707	\$959,283
203	807	8	4	Rooftop Towns	141	\$704,990	\$59,866	\$645,124
204	808	8	4	Urban Towns	142	\$924,990	\$85,176	\$839,814
205	809	8	4	Rooftop Towns	143	\$1,044,990	\$98,981	\$946,009
206	810	8	4	Rooftop Towns	144	\$1,044,990	\$98,981	\$946,009
207	811	8	4	Urban Towns	145	\$914,990	\$84,025	\$830,965
208	812	8	4	Rooftop Towns	146	\$1,069,990	\$101,857	\$968,133
209	813	8	4	Rooftop Towns	147	\$1,019,990	\$96,105	\$923,885
210	814	8	4	Urban Towns	148	\$514,990	\$38,008	\$476,982
211	815	8	4	Rooftop Towns	149	\$569,990	\$44,335	\$525,655
212	816	8	4	Rooftop Towns	150	\$599,990	\$47,786	\$552,204
213	901	9	4	Garden Towns	63	\$549,990	\$42,034	\$507,956
214	902	9	4	Garden Towns	64	\$964,990	\$89,778	\$875,212
215	903	9	4	Garden Towns	65	\$979,990	\$91,503	\$888,487
216	904	9	4	Garden Towns	66	\$549,990	\$42,034	\$507,956
217	905	9	4	Urban Towns	151	\$894,990	\$81,725	\$813,265
218	906	9	4	Rooftop Towns	152	\$1,029,990	\$97,255	\$932,735
219	907	9	4	Rooftop Towns	153	\$1,079,990	\$103,008	\$976,982
220	908	9	4	Urban Towns	154	\$924,990	\$85,176	\$839,814
221	909	9	4	Rooftop Towns	155	\$1,054,990	\$100,132	\$954,858
222	910	9	4	Rooftop Towns	156	\$1,054,990	\$100,132	\$954,858
223	911	9	4	Urban Towns	157	\$934,990	\$86,326	\$848,664
224	912	9	4	Rooftop Towns	158	\$1,124,990	\$108,185	\$1,016,805
225	913	9	4	Rooftop Towns	159	\$1,049,990	\$99,556	\$950,434
226	914	9	4	Urban Towns	160	\$544,990	\$41,459	\$503,531
227	915	9	4	Rooftop Towns	161	\$594,990	\$47,211	\$547,779
228	916	9	4	Rooftop Towns	163	\$599,990	\$47,786	\$552,204
229	1001B	10	3	Garden Towns	67	\$334,990	\$16,558	\$318,432
230	1001A	10	3	Garden Towns	68	\$324,990	\$16,064	\$308,926
231	1002	10	3	Garden Towns	69	\$509,990	\$37,432	\$472,558
232	1003	10	3	Garden Towns	70	\$509,990	\$37,432	\$472,558
233	1004A	10	3	Garden Towns	71	\$344,990	\$17,053	\$327,937
234	1004B	10	3	Garden Towns	72	\$334,990	\$16,558	\$318,432
235	1005	10	3	Garden Towns	73	\$539,990	\$40,884	\$499,106
236	1006	10	3	Garden Towns	74	\$329,990	\$16,311	\$313,679
237	1007	10	3	Garden Towns	75	\$329,990	\$16,311	\$313,679
238	1008	10	3	Garden Towns	76	\$329,990	\$16,311	\$313,679
239	1009	10	3	Garden Towns	77	\$329,990	\$16,311	\$313,679
240	1010	10	3	Garden Towns	78	\$544,990	\$41,459	\$503,531
241	1011	10	3	Urban Towns	163	\$514,990	\$38,008	\$476,982
242	1012	10	3	Rooftop Towns	164	\$569,990	\$44,335	\$525,655
243	1013	10	3	Rooftop Towns	165	\$569,990	\$44,335	\$525,655
244	1014	10	3	Urban Towns	166	\$479,990	\$33,770	\$446,220
245	1015	10	3	Rooftop Towns	167	\$569,990	\$44,335	\$525,655
246	1016	10	3	Rooftop Towns	168	\$539,990	\$40,884	\$499,106
247	1017	10	3	Urban Towns	169	\$479,990	\$33,770	\$446,220
248	1018	10	3	Rooftop Towns	170	\$594,990	\$47,211	\$547,779
249	1019	10	3	Rooftop Towns	171	\$569,990	\$44,335	\$525,655
250	1020	10	3	Urban Towns	172	\$509,990	\$37,432	\$472,558

10302 & 10194 Heart Lake Road, Brampton, ON
File No: 22010

No.	Suite	Block	Phase	Collection	Unit	Purchase Price	HST	Minimum Net Closing Proceeds
251	1021	10	3	Rooftop Towns	173	\$994,990	\$93,229	\$901,761
252	1022	10	3	Rooftop Towns	174	\$629,990	\$51,238	\$578,752
253	1023	10	3	Urban Towns	175	\$504,990	\$36,857	\$468,133
254	1024	10	3	Rooftop Towns	176	\$544,990	\$41,459	\$503,531
255	1025	10	3	Rooftop Towns	177	\$544,990	\$41,459	\$503,531
256	1026	10	3	Urban Towns	178	\$484,990	\$34,556	\$450,434
257	1027	10	3	Rooftop Towns	179	\$549,990	\$42,034	\$507,956
258	1028	10	3	Rooftop Towns	180	\$589,990	\$46,636	\$543,354
259	1029	10	3	Urban Towns	181	\$484,990	\$34,556	\$450,434
260	1030	10	3	Rooftop Towns	182	\$574,990	\$44,910	\$530,080
261	1031	10	3	Rooftop Towns	183	\$574,990	\$44,910	\$530,080
262	1032	10	3	Urban Towns	184	\$514,990	\$38,008	\$476,982
263	1033	10	3	Rooftop Towns	185	\$639,990	\$52,388	\$587,602
264	1034	10	3	Rooftop Towns	186	\$989,990	\$92,654	\$897,336
265	1101B	11	2	Garden Towns	79	\$329,990	\$16,311	\$313,679
266	1101A	11	2	Garden Towns	80	\$319,990	\$15,817	\$304,173
267	1102	11	2	Garden Towns	81	\$509,990	\$37,432	\$472,558
268	1103A	11	2	Garden Towns	82	\$324,990	\$16,064	\$308,926
269	1103B	11	2	Garden Towns	83	\$329,990	\$16,311	\$313,679
270	1104	11	2	Garden Towns	84	\$544,990	\$41,459	\$503,531
271	1105	11	2	Garden Towns	85	\$314,990	\$15,570	\$299,420
272	1106	11	2	Garden Towns	86	\$314,990	\$15,570	\$299,420
273	1107	11	2	Garden Towns	87	\$539,990	\$40,884	\$499,106
274	1108	11	2	Urban Towns	187	\$474,990	\$32,962	\$442,028
275	1109	11	2	Rooftop Towns	188	\$539,990	\$40,884	\$499,106
276	1110	11	2	Rooftop Towns	189	\$539,990	\$40,884	\$499,106
277	1111	11	2	Urban Towns	190	\$459,990	\$30,535	\$429,455
278	1112	11	2	Rooftop Towns	191	\$569,990	\$44,335	\$525,655
279	1113	11	2	Rooftop Towns	192	\$579,990	\$45,486	\$534,504
280	1114	11	2	Urban Towns	193	\$484,990	\$34,556	\$450,434
281	1115	11	2	Rooftop Towns	194	\$989,990	\$92,654	\$897,336
282	1116	11	2	Rooftop Towns	195	\$999,990	\$93,804	\$906,186
283	1117	11	2	Urban Towns	196	\$534,990	\$40,309	\$494,681
284	1118	11	2	Rooftop Towns	197	\$594,990	\$47,211	\$547,779
285	1119	11	2	Rooftop Towns	198	\$589,990	\$46,636	\$543,354
286	1120	11	2	Urban Towns	199	\$454,990	\$29,726	\$425,264
287	1121	11	2	Rooftop Towns	200	\$594,990	\$47,211	\$547,779
288	1122	11	2	Rooftop Towns	201	\$584,990	\$46,061	\$538,929
289	1123	11	2	Urban Towns	202	\$479,990	\$33,770	\$446,220
290	1124	11	2	Rooftop Towns	203	\$999,990	\$93,804	\$906,186
291	1125	11	2	Rooftop Towns	204	\$619,990	\$50,087	\$569,903
292	1201B	12	1	Garden Towns	88	\$329,990	\$16,311	\$313,679
293	1201A	12	1	Garden Towns	89	\$319,990	\$15,817	\$304,173
294	1202	12	1	Garden Towns	90	\$509,990	\$37,432	\$472,558
295	1203A	12	1	Garden Towns	91	\$319,990	\$15,817	\$304,173
296	1203B	12	1	Garden Towns	92	\$329,990	\$16,311	\$313,679
297	1204	12	1	Garden Towns	93	\$539,990	\$40,884	\$499,106
298	1205	12	1	Garden Towns	94	\$299,990	\$14,828	\$285,162
299	1206	12	1	Garden Towns	95	\$299,990	\$14,828	\$285,162
300	1207	12	1	Garden Towns	96	\$539,990	\$40,884	\$499,106

10302 & 10194 Heart Lake Road, Brampton, ON
File No: 22010

No.	Suite	Block	Phase	Collection	Unit	Purchase Price	HST	Minimum Net Closing Proceeds
301	1208	12	1	Urban Towns	205	\$464,990	\$31,344	\$433,646
302	1209	12	1	Rooftop Towns	206	\$569,990	\$44,335	\$525,655
303	1210	12	1	Rooftop Towns	207	\$539,990	\$40,884	\$499,106
304	1211	12	1	Urban Towns	208	\$439,990	\$27,299	\$412,691
305	1212	12	1	Rooftop Towns	209	\$539,990	\$40,884	\$499,106
306	1213	12	1	Rooftop Towns	210	\$539,990	\$40,884	\$499,106
307	1214	12	1	Urban Towns	211	\$464,990	\$31,344	\$433,646
308	1215	12	1	Rooftop Towns	212	\$624,990	\$50,663	\$574,327
309	1216	12	1	Rooftop Towns	213	\$619,990	\$50,087	\$569,903
310	1217	12	1	Urban Towns	214	\$469,990	\$32,153	\$437,837
311	1218	12	1	Rooftop Towns	215	\$544,990	\$41,459	\$503,531
312	1219	12	1	Rooftop Towns	216	\$589,990	\$46,636	\$543,354
313	1220	12	1	Urban Towns	217	\$444,990	\$28,108	\$416,882
314	1221	12	1	Rooftop Towns	218	\$584,990	\$46,061	\$538,929
315	1222	12	1	Rooftop Towns	219	\$574,990	\$44,910	\$530,080
316	1223	12	1	Urban Towns	220	\$469,990	\$32,153	\$437,837
317	1224	12	1	Rooftop Towns	221	\$619,990	\$50,087	\$569,903
318	1225	12	1	Rooftop Towns	222	\$614,990	\$49,512	\$565,478
319	1401	14	1	Garden Towns	97	\$579,990	\$45,486	\$534,504
320	1402	14	1	Garden Towns	98	\$319,990	\$15,817	\$304,173
321	1403	14	1	Garden Towns	99	\$299,990	\$14,828	\$285,162
322	1404	14	1	Garden Towns	100	\$899,990	\$82,300	\$817,690
323	1405	14	1	Garden Towns	101	\$329,990	\$16,311	\$313,679
324	1406	14	1	Garden Towns	102	\$609,990	\$48,937	\$561,053
325	1408	14	1	Urban Towns	223	\$549,990	\$42,034	\$507,956
326	1409	14	1	Rooftop Towns	224	\$594,990	\$47,211	\$547,779
327	1410	14	1	Rooftop Towns	225	\$594,990	\$47,211	\$547,779
328	1411	14	1	Urban Towns	226	\$439,990	\$27,299	\$412,691
329	1412	14	1	Rooftop Towns	227	\$594,990	\$47,211	\$547,779
330	1413	14	1	Rooftop Towns	228	\$1,009,990	\$94,955	\$915,035
331	1414	14	1	Urban Towns	229	\$464,990	\$31,344	\$433,646
332	1415	14	1	Rooftop Towns	230	\$614,990	\$49,512	\$565,478
333	1416	14	1	Rooftop Towns	231	\$624,990	\$50,663	\$574,327
334	1417	14	1	Urban Towns	232	\$474,990	\$32,962	\$442,028
335	1418	14	1	Rooftop Towns	233	\$594,990	\$47,211	\$547,779
336	1419	14	1	Rooftop Towns	234	\$594,990	\$47,211	\$547,779
337	1420	14	1	Urban Towns	235	\$449,990	\$28,917	\$421,073
338	1421	14	1	Rooftop Towns	236	\$594,990	\$47,211	\$547,779
339	1422	14	1	Rooftop Towns	237	\$589,990	\$46,636	\$543,354
340	1423	14	1	Urban Towns	238	\$479,990	\$33,770	\$446,220
341	1424	14	1	Rooftop Towns	239	\$629,990	\$51,238	\$578,752
342	1425	14	1	Rooftop Towns	240	\$619,990	\$50,087	\$569,903
Totals						\$201,554,580	\$15,856,228	\$185,698,352

10302 & 10194 Heart Lake Road, Brampton, ON
File No: 22010

320 Derry Road

Lot type	Number of Lots	Price per unit	HST payable	Hst Rebate	Price net of HST (Minimum Discharge Amount)	
Semi Detached	6	\$ 1,850,000	\$ 215,593	\$ 24,000	\$	1,658,407
Longview	10	\$ 2,119,990	\$ 246,654	\$ 24,000	\$	1,897,336
Ravine	10	\$ 2,190,990	\$ 254,822	\$ 24,000	\$	1,960,168
Fletcher	10	\$ 2,229,990	\$ 259,309	\$ 24,000	\$	1,994,681
Creek	9	\$ 2,290,990	\$ 266,326	\$ 24,000	\$	2,048,664

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



DELIVERED VIA EMAIL

June 2, 2022

Vandyk Uptown Limited
1944 Fowler Drive
Mississauga, Ontario
L5K 0A1

Attention: Mr. Richard Ma

Dear Sirs:

Re: Blanket Mortgage
Project Name: 10302 & 10194 Heart Lake Road Brampton, Ontario
Loan No.: 22010

Reference is made to the commitment letter dated May 6, 2022 from Dorr Capital Corporation ("DCC") to Vandyk Uptown Limited & 2366885 Ontario 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.

Purpose:

1. To amend the budget from \$220,724,113 to \$228,422,789 (a budget increase of \$7,698,676)
2. To amend the purchaser deposits from \$20,204,750 to \$23,703,427 (an increase of \$3,498,677)
3. To amend Borrower's equity requirement from \$13,420,000 to \$17,620,000 (an increase of \$4,200,000)



4. To add additional permitted encumbrance; A third mortgage charge on 327 Royal York Road, Etobicoke, in an amount not to exceed \$20,240,000 provided by Fiera FP Real Estate Financing Fund L.P. on terms and conditions acceptable to the Lender.

DELETE:**Financing Program:**

Sources of Funds			Total	Per Unit	Per BSF
1st Mortgage	MCAP	55%	\$ 121,100,000	\$ 353,801	\$ 319
2nd Mortgage (Blanket)	Kingsett	25%	55,000,000	160,819	145
Total Exposure		80%	\$ 176,100,000	\$ 514,620	\$ 463
Purchaser Deposits		9%	20,204,750	59,078	53
Deferred Costs		2%	4,275,250	12,501	11
Equity	Cash	8%	13,420,000	48,674	44
	Appraisal Surplus	2%	6,724,113	10,223	9
Total Sources of Funds		100%	\$ 220,724,113	\$ 645,095	\$ 581

USES	Total	Per Unit	Per BSF
Jordan Land Value	45,597,613.00	277,481.00	189.00
Land Value	6,608,800.00	19,324.00	17.00
Hard Costs	115,375,828.00	337,356.00	304.00
Soft Costs	53,141,872.00	155,386.00	140.00
Total Uses of Funds	\$ 220,724,113	N/A	N/A

INSERT:**Financing Program:**

Sources of Funds			Total	Per Unit	Per BSF
1st Mortgage	MCAP	55%	\$ 121,100,000	\$ 353,801	\$ 319
2nd Mortgage (Blanket)	Kingsett	25%	55,000,000	160,819	145
Total Exposure		80%	\$ 176,100,000	\$ 514,620	\$ 463
Purchaser Deposits		9%	23,703,427	59,078	53
Deferred Costs		2%	4,275,250	12,501	11
Equity	Cash	8%	17,620,000	48,674	44
	Appraisal Surplus	2%	6,724,112	10,223	9
Total Sources of Funds		100%	\$ 228,422,789	\$ 645,095	\$ 581

USES	Total	Per Unit	Per BSF
Jordan Land Value	45,597,613.00	277,481.00	189.00
Land Value	6,608,800.00	19,324.00	17.00
Hard Costs	124,663,637.00	337,356.00	304.00
Soft Costs	51,552,739.00	155,386.00	140.00
Total Uses of Funds	\$ 228,422,789	N/A	N/A

DELETE:

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

- First mortgage on 10302 Heart Lake Road, Brampton, ON for \$140,000,000 held by MCAP, noting that the loan amount is not to exceed \$121,100,000;

- Second mortgage on 10302 Heart Lake Road, Brampton, ON for \$20,204,750 held by the deposit insurer. Any deposits exceeding \$20,204,750 will reduce the availability under the First mortgage a dollar-for-dollar basis;
- First and second mortgage on 320 Derry Road West, Mississauga, ON in the amount of \$62,000,000 held by KingSett Mortgage Corporation;
- First mortgage on 327 Royal York Road, Etobicoke, ON in the amount of \$56,250,000 held by KingSett Mortgage Corporation; and
- A second mortgage on 327 Royal York Road, Etobicoke, in an amount not to exceed \$7,500,000, provided by a private lender at an interest rate of National Bank of Canada Prime Rate plus 7.25% on terms and conditions acceptable to Lender.

INSERT:

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

- First mortgage on 10302 Heart Lake Road, Brampton, ON for \$140,000,000 held by MCAP, noting that the loan amount is not to exceed \$121,100,000;
- Second mortgage on 10302 Heart Lake Road, Brampton, ON for \$20,204,750 held by the deposit insurer. Any deposits exceeding \$20,204,750 will reduce the availability under the First mortgage a dollar-for-dollar basis;
- First and second mortgage on 320 Derry Road West, Mississauga, ON in the amount of \$62,000,000 held by KingSett Mortgage Corporation;
- First mortgage on 327 Royal York Road, Etobicoke, ON in the amount of \$56,250,000 held by KingSett Mortgage Corporation; and
- A second mortgage on 327 Royal York Road, Etobicoke, in an amount not to exceed \$7,500,000, provided by a private lender at an interest rate of National Bank of Canada Prime Rate plus 7.25% on terms and conditions acceptable to Lender.
- A third mortgage on 327 Royal York Road, Etobicoke, in an amount not to exceed \$20,240,000 provided by Fiera FP Real Estate Financing Fund L.P. on terms and conditions acceptable to the Lender.

If you are in agreement with the foregoing terms and conditions, please indicate by signing and returning one (1) copy of this Commitment Amendment to the Lender's office by noon on June 2, 2022 failing which this letter shall be deemed null and void.

Yours truly,

Dorr Capital Corporation



Brian Dorr – President and Principal Broker

ACCEPTANCE

Borrower and Guarantor 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 MISSISSAUGA this 2nd day of June, 2022.

Vandyk Uptown Limited

Name:

Title:

I have the authority to bind the corporation

2366885 Ontario Inc.

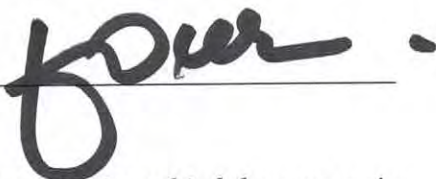
Name:

Title:

I have the authority to bind the corporation

Guarantor(s)

Vandyk Holdings Incorporated



Name:

Title:

I have the authority to bind the corporation



[Witness]



Mr. John Vandyk

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



DELIVERED VIA EMAIL

April 27, 2023

Vandyk - Uptowns Limited
1944 Fowler Drive
Mississauga, Ontario
L5K 0A1

Attention: Mr. Richard Ma

Dear Sirs:

Re: Blanket Mortgage
Project Name: 10302 & 10194 Heart Lake Road Brampton, Ontario
Loan No.: 22010

Reference is made to the commitment letter dated May 6, 2022 from Dorr Capital Corporation ("DCC") to Vandyk Uptown Limited & 2366885 Ontario 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 June 2, 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:

1. To amend the Borrower(s).
2. To add an additional property located at 1345 Lakeshore Road East, Mississauga, ON to the security.
3. To amend the Limited Recourse Guarantor(s).
4. To increase the Loan Facility from \$55,000,000 to \$59,380,000.



DELETE:

Borrower Name: Vandyk Uptown Limited & 2366885 Ontario Inc. (the "Borrower")

INSERT:

Borrower Name: Vandyk – Uptowns Limited & Vandyk – Heart Lake Limited (the "Borrower")

DELETE:

Term: Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, the Loan is repayable in full on the date that is 24 months from the date of the Initial Advance if the same occurs on the first calendar day of a month otherwise 24 months from the first calendar day of the month next following the date of the Initial Advance (the "Maturity Date").

INSERT:

Term: The loan is due to mature on September 1, 2025.

DELETE:

Collateral Properties: 320 Derry Road W, Mississauga, ON
A subdivision of approximately 11.6 acres located at 320 Derry Road West, Mississauga, ON (the "Derry Collateral Property"). The serviced site is approved for the development of 39 detached units and 6 semi-detached units.

327 Royal York, Etobicoke, ON
Mixed-use land site to be development with a two-tower project comprised of 692 residential condo units, ~5,726 sf of ground floor retail, ~75,000sf of office space and ~16,416 sf of Metrolinx station space located at 327 Royal York, Etobicoke, ON (the "Royal York Collateral Property").

(Collectively, the "Collateral Property")

INSERT:

Collateral Properties: 320 Derry Road W, Mississauga, ON
A subdivision of approximately 11.6 acres located at 320 Derry Road West, Mississauga, ON (the "Derry Collateral Property"). The serviced site is approved for the development of 39 detached units and 6 semi-detached units.

327 Royal York, Etobicoke, ON

Mixed-use land site to be development with a two-tower project comprised of 692 residential condo units, ~5,726 sf of ground floor retail, ~75,000sf of office space and ~16,416 sf of Metrolinx station space located at 327 Royal York, Etobicoke, ON (the “**Royal York Collateral Property**”).

1345 Lakeshore Road East, Mississauga, ON

A two-tower (8 and 12 stories), 478-unit residential condo project with 10,218 square feet of ground floor retail space located at 1345 Lakeshore Road East, Mississauga, ON (the “**Lakeview DXE Collateral**”).

(Collectively, the “**Collateral Property**”)

DELETE:

**Limited Recourse
Guarantor(s):**

Vandyk – The Ravine Limited and 2402871 Ontario Inc. (the “**Limited Resource Guarantors**”).

INSERT:

**Limited Recourse
Guarantor(s):**

Vandyk – The Ravine Limited, 2402871 Ontario Inc., Vandyk-Lakeview-DXE-West Limited, and Vandyk Properties Incorporated (collectively, the “**Limited Recourse Guarantors**”).

DELETE:

Loan Facility:

\$55,000,000 Blanket Mortgage

INSERT:

Loan Facility:

\$59,380,000 Blanket Mortgage

Extension Fee:

\$765,000 earned and payable as follows:

- \$163,570 payable on July 1, 2024 (the previous maturity date)
- \$163,570 payable on October 1, 2024
- \$163,570 payable on January 1, 2024
- \$163,570 payable on April 1, 2025
- \$110,720 payable on July 1, 2025

For greater clarity, if the Loan is repaid in full (inclusive of all interest and fees) prior to any of the payment dates noted above, the subsequent payment amounts will not be payable.

DELETE:**Interest:**

Interest shall accrue and be calculated daily on the outstanding balance of the amounts of the Loan advanced from time to time at the Interest Rate and be compounded monthly, not in advance, and shall be payable monthly, interest only throughout the Term of the loan. Up to a maximum of \$230,000 of interest per month can be capitalized to the loan and the Borrower will be required to fund the balance of the monthly interest at the Interest Rate from its own resources, by way of pre-authorized debits to the Borrower's Project account.

Capitalized Interest Reserve: Provided an Event of Default has not occurred which is continuing, monthly interest shall be capitalized to the outstanding principal balance of the Loan, up to a maximum of \$230,000 per month, until the earlier of repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security in full or the capitalization of a total of \$5,500,000, which amount shall be subject to change at any time upon review by the Project Monitor and Lender in its sole, absolute and unfettered discretion (the "**Interest Reserve**"). At such time as the Loan is in default or upon full utilization of the Interest Reserve, the Borrower shall be required to make the full monthly payments from its own financial resources and not from the Interest Reserve.

INSERT:**Interest:**

Interest shall accrue and be calculated daily on the outstanding balance of the amounts of the Loan advanced from time to time at the Interest Rate and be compounded monthly, not in advance, and shall be payable monthly, interest only throughout the Term of the loan.

Capitalized Interest Reserve: Provided an Event of Default has not occurred which is continuing, monthly interest shall be capitalized to the outstanding principal balance of the Loan, up to a maximum of \$9,880,000, which amount shall be subject to change at any time upon review by the Project Monitor and Lender in its sole, absolute and unfettered discretion (the "**Interest Reserve**"). At such time as the Loan is in default or upon full utilization of the Interest Reserve, the Borrower shall be required to make the full monthly payments from its own financial resources and not from the Interest Reserve.

DELETE:

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

- First mortgage on 10302 Heart Lake Road, Brampton, ON for \$140,000,000 held by MCAP, noting that the loan amount is not to exceed \$121,100,000;
- Second mortgage on 10302 Heart Lake Road, Brampton, ON for \$20,204,750 held by the deposit insurer. Any deposits exceeding \$20,204,750 will reduce the availability under the First mortgage a dollar-for-dollar basis;
- First and second mortgage on 320 Derry Road West, Mississauga, ON in the amount of \$62,000,000 held by KingSett Mortgage Corporation;
- First mortgage on 327 Royal York Road, Etobicoke, ON in the amount of \$56,250,000 held by KingSett Mortgage Corporation; and
- A second mortgage on 327 Royal York Road, Etobicoke, in an amount not to exceed \$7,500,000, provided by a private lender at an interest rate of National Bank of Canada Prime Rate plus 7.25% on terms and conditions acceptable to Lender.
- A third mortgage on 327 Royal York Road, Etobicoke, in an amount not to exceed \$20,240,000 provided by Fiera FP Real Estate Financing Fund L.P. on terms and conditions acceptable to the Lender.

INSERT:

Permitted Encumbrances: The Lender hereby acknowledges and consents to the following permitted encumbrances (each a "**Permitted Encumbrance**"), each to be on terms and conditions acceptable to the Lender:

Uptowns Permitted Encumbrances	Ranking	Loan Amount	Charge Amount	Lender
Uptowns & Jordan 1 st Mortgage	First	\$90,000,000	\$112,500,000	KingSett
Uptowns DPI Mortgage*	Second	\$21,717,521	\$21,717,521	Trisura
Uptowns & Jordan 3 rd Mortgage	Third	\$59,380,000	\$76,725,000	KingSett

Royal York 1 st Collateral Mortgage	Fourth	\$45,000,000	\$56,250,000	KingSett
Lakeview DXE 1 st Collateral Mortgage Land Loan**	Fifth	\$34,000,000	\$40,000,000	Dorr Capital
Lakeview DXE 1 st Collateral Mortgage Construction Loan**	Fifth	\$180,000,000	\$225,000,000	KingSett
Lakeview DXE 3 rd Collateral Mortgage Construction Loan**	Sixth	\$55,000,000	\$68,750,000	KingSett
Derry Road 1st Mortgage	Seventh	\$21,000,000	\$25,000,000	KingSett
Derry Road 2nd Mortgage	Eighth	\$32,400,000	\$37,000,000	KingSett

*In the event that the amount of purchaser deposits used in the Project exceeds \$21,717,521, the amount available under the First Mortgage is to be permanently reduced dollar for dollar with the amount of the exceedance. Note, this charge is only registered against Uptowns.

**Mortgage for the Lakeview DXE 1st Mortgage Land Loan to be fully discharged concurrently with an advance under either the Lakeview DXE 1st Mortgage Construction Loan or the Lakeview DXE 3rd Mortgage Construction Loan. Mortgage charges for the construction loans will not be registered until the loans are funded.

Jordan Lands Permitted Encumbrances	Ranking	Loan Amount	Charge Amount	Lender
Uptowns & Jordan 1 st Mortgage	First	\$90,000,000	\$112,500,000	KingSett
Uptowns & Jordan 3 rd Mortgage	Second	\$59,380,000	\$76,725,000	KingSett

Royal York 1 st Collateral Mortgage	Third	\$45,000,000	\$56,250,000	KingSett
Lakeview DXE 1 st Collateral Mortgage Land Loan**	Fourth	\$34,000,000	\$40,000,000	Dorr Capital
Lakeview DXE 1 st Collateral Mortgage Construction Loan*	Fourth	\$180,000,000	\$225,000,000	KingSett
Lakeview DXE 3 rd Collateral Mortgage Construction Loan**	Fifth	\$55,000,000	\$68,750,000	KingSett
Derry Road 1st Mortgage	Sixth	\$21,000,000	\$25,000,000	KingSett
Derry Road 2nd Mortgage	Seventh	\$32,400,000	\$37,000,000	KingSett

*Mortgage for the Lakeview DXE 1st Mortgage Land Loan to be fully discharged concurrently with an advance under either the Lakeview DXE 1st Mortgage Construction Loan or the Lakeview DXE 3rd Mortgage Construction Loan. Mortgage charges for the construction loans will not be registered until the loans are funded.

Derry Road Collateral Permitted Encumbrances	Ranking	Loan Amount	Charge Amount	Lender
Derry Road 1 st Mortgage	First	\$21,000,000	\$25,000,000	KingSett
Derry Road 2 nd Mortgage	Second	\$32,400,000	\$37,000,000	KingSett

Derry Road DPI	Third	\$9,030,000	\$9,030,000	TBD
Uptowns & Jordan 1st Collateral mortgage	Fourth	\$90,000,000	\$112,500,000	KingSett
Uptowns & Jordan 3rd Collateral Mortgage	Fifth	\$59,380,000	\$74,225,000	KingSett
Royal York 1st Collateral Mortgage	Sixth	\$45,000,000	\$56,250,000	KingSett
Lakeview DXE 1st Collateral Mortgage Land Loan**	Seventh	\$34,000,000	\$40,000,000	Dorr Capital
Lakeview DXE 1st Collateral Mortgage Construction Loan**	Seventh	\$180,000,000	\$225,000,000	KingSett
Lakeview DXE 3rd Collateral Mortgage Construction Loan**	Eighth	\$55,000,000	\$68,750,000	KingSett

**Mortgage for the Lakeview DXE 1st Mortgage Land Loan to be fully discharged concurrently with an advance under either the Lakeview DXE 1st Mortgage Construction Loan or the Lakeview DXE 3rd Mortgage Construction Loan. Mortgage charges for the construction loans will not be registered until the loans are funded.

Lakeview DXE Collateral Permitted Encumbrances	Ranking	Loan Amount	Charge Amount	Lender
Lakeview DXE 1 st Mortgage Land Loan**	First	\$34,000,000	\$40,000,000	Dorr Capital
Lakeview DXE 2 nd Mortgage Land Loan***	Second/Fourth	\$3,300,000	\$3,300,000	BPA Group
Lakeview DXE 1 st Mortgage Construction Loan**	First	\$180,000,000	\$225,000,000	KingSett
Lakeview DXE DPI Mortgage*	Second	\$47,245,133	\$100,000,000	Westmount
Lakeview DXE 3 rd Mortgage Construction Loan**	Third	\$55,000,000	\$68,750,000	KingSett
Uptowns & Jordan 1 st Collateral Mortgage	Fifth	\$90,000,000	\$112,500,000	KingSett
Uptowns & Jordan 3 rd Collateral Mortgage	Sixth	\$59,380,000	\$74,225,000	KingSett
Royal York 1 st Collateral Mortgage	Seventh	\$45,000,000	\$56,250,000	KingSett
Derry Road 1 st Mortgage	Eighth	\$21,000,000	\$25,000,000	KingSett

Derry Road 2nd Mortgage	Ninth	\$32,400,000	\$37,000,000	KingSett
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*In the event that the amount of purchaser deposits used in the Project exceeds \$47,245,133, the amount available under the Lakeview DXE 1st Mortgage Construction Loan is to be permanently reduced dollar for dollar with the amount of the exceedance.

**Lakeview DXE 1st Mortgage Land Loan to be fully discharged concurrently with an advance under either the Lakeview DXE 1st Mortgage Construction Loan or the Lakeview DXE 3rd Mortgage Construction Loan. Mortgage charges for the construction loans will not be registered until the loans are funded.

***Lakeview DXE 2nd Mortgage Land Loan will become Fourth priority concurrently with an advance under either the Lakeview DXE 1st Mortgage Construction Loan or the Lakeview DXE 3rd Mortgage Construction Loan.

Royal York Collateral Permitted Encumbrances	Ranking	Loan Amount	Charge Amount	Lender
Royal York 1 st Mortgage**	First	\$45,000,000	\$56,250,000	KingSett
Royal York 2 nd Mortgage	Second	\$7,500,000	\$7,500,000	1820277 Ontario Limited
Uptowns & Jordan 3rd Collateral Mortgage	Third	\$59,380,000	\$74,225,000	KingSett

**Further, provided that no Event of Default (in any of the of the related party loans as referenced within the Collateral) as defined in the Mortgage has occurred which is continuing, the Lender shall permit discharge of the Royal York security across all loans upon payment of \$60,000,000 (inclusive of the \$45,000,000 First Mortgage on Royal York). As well, the Jordan Lands Collateral will be released across all loans upon paydown of \$30,000,000 to the Uptowns 1st Mortgage.

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**").

DELETE:

Uptowns Partial Discharge: Provided there has been no default, the Lender will provide partial discharges on Uptowns upon the closing of each lot upon payment of the greater of:

- a) 100% Net Sales Proceeds defined as Gross Sale Price (includes closing adjustments, parking revenue, recoveries and upgrade revenue) less HST, less deposits used in the Project, less closing costs not to exceed \$10,000 per unit and deferred costs; and
- b) the minimum net closing proceeds as per Schedule G, less deposits used in the Project, less closing costs not to exceed \$10,000 per unit and deferred costs,

which shall be applied as follows:

1. Firstly, to repay any outstanding amounts specifically advanced by MCAP under their senior debt for the subject property.
2. Secondly, upon full repayment of the senior debt the remaining Net Sale Proceeds shall be used to repay the subject facility.

INSERT:

Uptowns Partial Discharge: Provided there has been no default, the Lender will provide partial discharges on Uptowns upon the closing of each lot upon payment of the greater of:

- a) 100% Net Sales Proceeds defined as Gross Sale Price (includes closing adjustments, parking revenue, recoveries and upgrade revenue) less HST, less deposits used in the Project, less closing costs not to exceed \$10,000 per unit and deferred costs; and
- b) the minimum net closing proceeds as per Schedule G, less deposits used in the Project, less closing costs not to exceed \$10,000 per unit and deferred costs,

which shall be applied as follows:

1. Firstly, to the permanent reduction of the First Mortgage until repaid in full;
2. Secondly, to cash secure any outstanding Letters of Credit;

3. Thirdly, to the permanent reduction of the Uptowns & Jordan Lands \$59,380,000 third mortgage loan; and
4. Fourthly, to the permanent reduction of any cross collateralized loans.

DELETE:

Collateral Partial Discharge: Provided there has been no default, the Lender will provide partial discharges on 320 Derry Road upon the closing of each lot upon payment of the greater of:

- a) 100% Net Sales Proceeds defined as Gross Sale Price (includes closing adjustments, recoveries and upgrade revenue) less HST, less deposits used in the Project, less reasonable closing costs and trade credits or deferred costs; and
- b) the minimum net closing proceeds as per Schedule G, less deposits used in the Project, less reasonable closing costs and trade credits or deferred costs,

which shall be applied as follows:

1. Firstly, to repay any outstanding amounts specifically advanced under the 320 Derry Road Permitted Encumbrances under their senior debt for the subject property.
2. Secondly, upon full repayment of the 320 Derry Road senior debt, the remaining Net Sale Proceeds shall be used to repay the subject facility.

INSERT:

Collateral Partial Discharge: 320 Derry Road W, Mississauga, ON

Provided there has been no default, the Lender will provide partial discharges on 320 Derry Road upon the closing of each lot upon payment of the greater of:

- a) 100% Net Sales Proceeds defined as Gross Sale Price (includes closing adjustments, recoveries and upgrade revenue) less HST, less deposits used in the Project, less reasonable closing costs and trade credits or deferred costs; and
- b) the minimum net closing proceeds as per Schedule G, less deposits used in the Project, less reasonable closing costs and trade credits or deferred costs,

1345 Lakeshore Road East, Mississauga, ON

Provided there has been no default, the Lender will provide partial discharges on 1345 Lakeshore Road East upon the closing of each lot upon payment of the greater of:

- a) 100% Net Sales Proceeds defined as Gross Sale Price (includes closing adjustments, recoveries and upgrade revenue) less HST, less deposits used in the Project, less reasonable closing costs and trade credits or deferred costs; and
- b) the minimum net closing proceeds as per Schedule G, less deposits used in the Project, less reasonable closing costs and trade credits or deferred costs,

Allocation of Net Closing Proceeds: In order of priority, the Net Closing Proceeds from Uptowns will be applied as (a) firstly to the permanent reduction of the First Mortgage until repaid in full, (b) to cash secure any outstanding Letters of Credit, (c) to the permanent reduction of the Uptowns & Jordan \$59,380,000 third mortgage loan, and (c) thirdly to the permanent reduction of any cross collateralized loans.

In order of priority, the Net Closing Proceeds from the Derry Collateral Property, Lakeview DXE Collateral, Royal York Collateral and from the 134-unit residential condominium building located at 144 Berry Road, Etobicoke, Ontario will be applied as (a) firstly to the permanent reduction of the indebtedness specific to that project, and (b) secondly to the permanent reduction of any of the following loans, at the Lender's discretion:

Commitment Letter Date	Loan Name	Loan Amount
September 8, 2021	Royal York 1 st Mortgage	\$45,000,000
November 5, 2021	Lakeview DXE 1 st Mortgage Land Loan	\$34,000,000
August 23, 2022	Lakeview DXE 1 st Mortgage Construction Loan	\$180,000,000
August 23, 2022	Lakeview DXE 3 rd Mortgage Construction Loan	\$55,000,000
April 20, 2023	Uptowns & Jordan 1 st Mortgage	\$90,000,000
May 6, 2022	Uptowns & Jordan 3 rd	\$59,380,000

	Mortgage	
March 11, 2022	Derry Road 1st Mortgage	\$21,000,000
March 11, 2022	Derry Road 2nd Mortgage	\$32,400,000

Conditions Precedent to the Amendment:**Additional Security:**

1. An assignment of rents and leases registered against title to the Lakeview Collateral Property granted by the Limited Recourse Guarantors.
2. An assignment of insurance granted by the Limited Recourse Guarantor with respect to any and all insurance proceeds arising in connection with all insurance for the Lakeview Collateral Property.
3. A \$56,250,000 sixth ranking mortgage charge granted by Vandyk-Lakeview-DXE-West Limited and Vandyk-Lakeview-DXE East Limited on the Lakeview DXE Collateral.
4. A specific assignment of the shareholder cash distributions from the following two projects:
 - a. A 10-storey, 234-unit residential condo project located at 15 Neighbourhood Lane, Etobicoke, Ontario. Unlimited assignment of approximately \$13,500,000 profit and equity to be provided to the Lender by Vandyk Holdings Incorporated. Which assignment relates to cash distributions provided from Vandyk-Backyard Kings Mill Limited and Vandyk-Backyard HumberSide Limited; and
 - b. A 37-storey, three-tower, 749-unit residential condo project located 23 Buckingham Street, Etobicoke, Ontario. Unlimited assignment of approximately \$66,800,000 profit and equity to be provided to the Lender by Vandyk Properties Incorporated. Which assignment relates to cash distributions provided from Vandyk – The Buckingham South – Grand Central Limited, Vandyk – The Buckingham North – Grand Central Limited, and Vandyk – The Buckingham Commercial – Grand Central Limited.

- 5. Existing 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 subject Amendment.

If you are in agreement with the foregoing terms and conditions, please indicate by signing and returning one (1) copy of this Commitment Amendment together with applicable fees to the Lender's office by noon on June 28, 2023 failing which this letter shall be deemed null and void.

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[Handwritten signature]

Yours truly,

Dorr Capital Corporation

[Handwritten signature]

Brian Dorr – President and CEO

ACCEPTANCE

Borrower and Guarantor 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 Mississauga, this 30 day of June, 2023.

Vandyk - Uptowns Limited

[Handwritten signature]

Name:

Title:

John Vandyk
CEO

I have the authority to bind the corporation

Vandyk - Heart Lake Limited

[Handwritten signature]

Name:

Title:

John Vandyk
CEO

I have the authority to bind the corporation

[Handwritten mark]

Guarantor(s)

Vandyk Holdings Incorporated


Name: John Vandyk
Title: CEO
I have the authority to bind the corporation


[Witness]


Mr. John Vandyk

Limited Recourse Guarantors:


Vandyk - The Ravine Limited


2402871 Ontario Inc.


Vandyk-Lakeview-DXE-West Limited


Vandyk Properties Incorporated



TAB C

THIS IS **EXHIBIT "C"** REFERRED TO IN THE AFFIDAVIT
OF DANIEL POLLACK, SWORN BEFORE ME THIS
7TH DAY OF NOVEMBER, 2023.

Joshua Foster

Joshua Foster

A Commissioner for taking Affidavits
(or as may be)

GUARANTEE

THIS GUARANTEE made as of the 15th day of June, 2022.

B E T W E E N:

JOHN VANDYK and VANDYK HOLDINGS INCORPORATED

(collectively, the "**Guarantors**" and each a "**Guarantor**")

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Lender**")

OF THE SECOND PART

WHEREAS Vandyk-Uptowns Limited and 2366885 Ontario Inc. (collectively, the "**Mortgagor**"), as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Lender, as mortgagee, of the lands and premises charged therein (the "**Lands**"), notice of which was registered on the date hereof in the Land Registry Office for the Land Titles Division of Peel (No. 43) to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

AND WHEREAS each Guarantor will benefit from extension of the Loan Indebtedness to the Mortgagor and the Lender has stipulated that the Guarantors enter into this Guarantee as a further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations,

NOW THEREFORE IN CONSIDERATION of the recitals, the Lender extending the Loan Indebtedness and for such other good and valuable consideration received by the Guarantors, the receipt and adequacy of which is acknowledged by each Guarantor, each Guarantor agrees with the Lender as follows:

ARTICLE 1

DEFINITIONS, INTERPRETATION

1.1 Definitions

In this Guarantee capitalized terms used but not defined herein shall have the meaning ascribed thereto in the Mortgage. Otherwise, in this Guarantee:

- (a) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time

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assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;

- (b) "**Loan Indebtedness**" means any Indebtedness from time to time of the Mortgagor and any of the other Covenantors to the Lender arising under any of the Loan Documents; and
- (c) "**Loan Obligations**" means the obligations of the Mortgagor and any of the other Covenantors arising under the Loan Documents.

1.2 Interpretation

For the purposes of this Guarantee, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

1.3 Headings

In this Guarantee, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Guarantee.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Guarantors

Each Guarantor makes the following representations and warranties to the Lender which will continue to be true and correct as long as any Loan Indebtedness remains unpaid:

- (a) each Guarantor is executing and delivering this Guarantee at the sole and exclusive request of the Mortgagor;
- (b) each Guarantor has derived or expects to derive financial and other advantage from the Loan Indebtedness;
- (c) no Guarantor has received or relied on any representation from the Lender or any agreement or undertaking with the Lender or any officer, employee or agent of the Lender, except as expressly set out in this Guarantee;
- (d) the Mortgagor has furnished each Guarantor with all financial and other information and copies of all agreements and documents such Guarantor has requested concerning the Mortgagor, any of the other Covenantors, the Lands, the Loan Documents, the Loan Indebtedness, the Loan Obligations and the nature and extent of the risk each Guarantor incurs under this Guarantee;

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- (e) each Guarantor has established means satisfactory to it of obtaining from the Mortgagor, independently of the Lender, such other information and copies of all agreements and other writings such Guarantor deems desirable concerning the Mortgagor, any of the other Covenantors, the Lands, the Loan Documents, the Loan Indebtedness, the Loan Obligations, the Mortgagor's and any of the other Covenantors' relationship with the Lender and the nature and extent of the risk each Guarantor incurs under this Guarantee;
- (f) each Guarantor which is a corporate entity:
 - (i) is an entity validly formed and existing under the laws of its jurisdiction of incorporation;
 - (ii) has the legal right and all necessary corporate or other power and authority to own its assets and carry on its business in all material respects;
 - (iii) is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it conducts business, except where failure to be so qualified, licensed or registered has not and is not reasonably likely to have a Material Adverse Effect; and
 - (iv) each Guarantor has all requisite power and authority to enter into and perform its obligations under this Guarantee, and to do all acts and things and execute and deliver all other documents and instruments as are required hereunder to be done, observed or performed by it in accordance with the terms hereof;
- (g) the execution and delivery by each Guarantor which is a corporate entity, and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Guarantee will not conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) its articles, by-laws, shareholders' agreements or other organizational documents; as the case may be;
 - (ii) any applicable laws;
 - (iii) any material contracts, material authorizations or material contractual restriction binding on or affecting it or its assets; or
 - (iv) any material judgment, injunction, determination or award which is binding on it in each such case, except to the extent that such breach has not and is not reasonably likely to have a Material Adverse Effect;
- (h) the execution and delivery by each Guarantor which is a corporate entity of this Guarantee, and the performance by it of its obligations thereunder have been duly authorized by all necessary corporate or other action including, without limitation, the obtaining of all necessary partner, shareholder or other material and relevant

consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any governmental entity, or other person, is or was necessary in connection with the execution, delivery and performance of each Guarantor's obligations under this Guarantee to which it is a party, except where failure to obtain same would not have or be reasonably likely to have a Material Adverse Effect;

- (i) each Guarantor that is a natural person has the full power to enter into this Guarantee, is mentally competent as of the date hereof and is freely executing this Guarantee without any fear, threat, influence, duress or compulsion of, from or by any other person; and
- (j) this Guarantee has been duly executed and delivered, as the case may be, by each Guarantor, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of creditors rights generally), is (or will be immediately upon the execution thereof by such person) in full force and effect, and each Guarantor has performed and complied in all material respects with all the terms, provisions, agreements and conditions set forth herein and therein and required to be performed or complied with by each Guarantor.

ARTICLE 3 **COVENANTS**

3.1 Covenants

Each Guarantor unconditionally, absolutely and irrevocably covenants and agrees with the Lender:

- (a) in addition to and separate and distinct from its agreements in Subsections 3.1(b) and 3.1(c), to guarantee to the Lender the repayment by the Mortgagor and any Covenantors of the Loan Indebtedness and to guarantee to the Lender the punctual performance of the Loan Obligations;
- (b) in addition to and separate and distinct from its agreements in Subsections 3.1(a) and 3.1(c), to indemnify and save harmless the Lender from and against all loss, damage, expenses, costs and liability whatsoever which shall arise from or be caused by the default or breach by the Mortgagor and any of the other Covenantors with respect to the repayment of the Loan Indebtedness and the performance of the Loan Obligations;
- (c) in addition to and separate and distinct from its agreements in Subsections 3.1(a) and 3.1(b), as primary obligor and not as guarantor, to repay the Loan Indebtedness and to perform the Loan Obligations; and
- (d) that it will not accept from the Mortgagor at any time prior to the repayment in full of all Loan Indebtedness; (i) the repayment of any loans (principal or interest) to,

- (ii) the redeeming or purchase of any of shares, units or partnership interests held by or on behalf of, (iii) the payment of any compensation, fee or other amount to, or (iv) the payment of any distributions or dividends or return on partnership or shareholder investment to, in each case, any Guarantor or any shareholder, unitholder or partner of the Guarantor, save and except for those development, marketing and/or construction fees specifically approved in writing by the Lender; and
- (e) that it will not compensate any person who is a sponsor of the Project or any other non-arms length parties at any time prior to the repayment in full of all Loan Indebtedness, save and except for those development, marketing and or construction fees specifically approved in writing by the Lender.

3.2 Nature of Obligations of Guarantors

Each Guarantor covenants and agrees with the Lender that:

- (a) except as expressly set out in this Guarantee the obligations and liabilities of each Guarantor under this Guarantee will be irrevocable and as long as any of the Loan Indebtedness remains unpaid, will continue and be of full force and effect and will not be terminated or in any manner affected, and no right of the Lender under this Guarantee will in any manner be prejudiced or impaired by:
 - (i) the dissolution, winding-up or other cessation of existence of the Mortgagor or any of the other Covenantors or the institution of any proceeding relating thereto, any continuance, reorganization or change in the business, directors, management, objects, organization or shareholders of the Mortgagor or any of the other Covenantors, the amalgamation of the Mortgagor or any of the other Covenantors with another corporation, the sale or disposal of or appointment of a liquidator, receiver, receiver-manager, receiver and manager or trustee in respect of any of the assets or undertaking of the Mortgagor or any of the other Covenantors, any distribution of the assets of the Mortgagor or any of the other Covenantors on any arrangement, bankruptcy, composition insolvency, liquidation, receivership, reorganization or other similar proceeding or occurrence, any assignment by the Mortgagor or any of the other Covenantors for the benefit of creditors, any other marshalling of any of the assets of the Mortgagor or any of the other Covenantors or any other act or event which constitutes a novation of any obligation or liability of the Mortgagor or any of the other Covenantors in respect of the Loan Indebtedness and the Loan Obligations, whether by substitution of the obligations or liabilities of any other person in place of those of the Mortgagor or any of the other Covenantors or otherwise;
 - (ii) any obligation or liability of the Mortgagor or any of the other Covenantors, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise, any Guarantor, whether under this Guarantee or otherwise or any

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- agreement or instrument evidencing any such obligation or liability at any time being unenforceable;
- (iii) any defect in, omission from, failure to file or register, or defective filing or registration of any document under which the Lender has taken security for payment of the Loan Indebtedness or for performance of the Loan Obligations, or any failure or loss in respect of any such security of the Lender, whether arising in connection with the fault of the Lender or otherwise;
 - (iv) any issue or levy by any administrative, government, judicial or other authority or arbitrator of any award, execution, injunction, judgment, order, attachment, writ or similar process against the Mortgagor or any of the other Covenantors, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise;
 - (v) any occurrence or non-occurrence of any other act or event which would result in termination, discharge, limitation, merger, novation, reduction or release of any Guarantor or of any of its obligations or liabilities under this Guarantee or which would otherwise prejudice or impair any right of the Lender under this Guarantee; or
 - (vi) any sale, transfer, agreement to sell or other disposition of the Lands by the Mortgagor;
- (b) the obligations and liabilities of each Guarantor under this Guarantee are absolute and independent of and not in consideration of or conditional on any other obligation or liability of any Guarantor, the Mortgagor or any of the other Covenantors, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise, or any prior notice or protest to, demand upon or action, suit or other proceeding against the Mortgagor or any of the other Covenantors. The Lender may bring or prosecute a separate action, suit or other proceeding against any Guarantor whether it is brought or prosecuted against the Mortgagor or any of the other Covenantors or whether the Mortgagor or any of the other Covenantors is joined;
 - (c) this Guarantee will be binding in respect of any modification or renewal of the Loan Indebtedness or the Loan Obligations by the Mortgagor, any of the other Covenantors or any subsequent owner of the Lands, whether or not each Guarantor has consented to same and whether or not such modification or renewal constitutes an adverse or material alteration of such Guarantor's obligations under this Guarantee; and
 - (d) any part payment by the Mortgagor and/or any of the other Covenantors of any of the Loan Indebtedness or part performance of any of the Loan Obligations that operates to extend any statute of limitations or law of prescription as to the Mortgagor and/or any of the other Covenantors will operate to extend such statute

of limitations or law of prescription as to each Guarantor to the extent permitted by applicable law.

3.3 Authorizations

Each Guarantor authorizes the Lender, in the sole discretion of the Lender, without notice to or demand on the Guarantors and without in any manner affecting any obligation or liability of any Guarantor under this Guarantee or any security furnished to the Lender by any Guarantor in connection with the Loan Indebtedness and the Loan Obligations or prejudicing or impairing any right of the Lender under this Guarantee, from time to time to:

- (a) adjust, compromise, extend, modify, accelerate, renew or otherwise change the time, form or manner for payment of or any term in respect of the Loan Indebtedness or the Loan Obligations, including, without limitation, increasing or decreasing the rate of interest, changing the method of calculation of interest, extending the term, or altering the periodic payments;
- (b) take any security for payment of the Loan Indebtedness or for performance of the Loan Obligations and enforce, exchange, perfect, release, subordinate, subrogate, substitute, surrender, waive or take advantage of or defer or waive taking, perfecting, enforcing or otherwise taking advantage of any such security and apply such security and direct the manner of sale as the Lender determines in its sole discretion;
- (c) compromise, release, substitute, delay or waive the exercise of any right or remedy against the Mortgagor, any Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness and the Loan Obligations;
- (d) grant any other indulgence to the Mortgagor or any of the other Covenantors liable in respect of the Loan Indebtedness and the Loan Obligations and deal with all or any of such persons as the Lender sees fit;
- (e) accept payment of any Loan Indebtedness from the Mortgagor or any of the other Covenantors incurred by the Mortgagor or any of the other Covenantors after the execution of this Guarantee;
- (f) apply any payment by, recovery from or credit, deposit or offset due to, or any funds realized from any security furnished to the Lender by the Mortgagor, any Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness and the Loan Obligations, to any Indebtedness, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise of the Mortgagor, any Guarantor or any of the other Covenantors to the Lender, as the case may be, in such manner and at such times as the Lender in its sole discretion determines;
- (g) otherwise deal with the Mortgagor, any Guarantor or any of the other Covenantors or the Loan Indebtedness, the Loan Obligations or any security provided to the

Lender by the Mortgagor, any Guarantor or any of the other Covenantors as the Lender deems appropriate; and

- (h) impose a lien on or set off any money, security or other property of any Guarantor at any time in the possession of or on deposit with the Lender, whether held in a special account or on deposit or for safekeeping or otherwise, against any payment due from such Guarantor to the Lender under this Guarantee.

3.4 Waiver

Subject to compliance with applicable laws by the Lender, each Guarantor unconditionally waives:

- (a) any right to receive from the Lender any communication with respect to the Loan Indebtedness, the Loan Obligations or any other obligation or liability of any Guarantor under this Guarantee, or of any of the other Covenantors liable in respect of any of the Loan Indebtedness or the Loan Obligations, including, without limitation:
 - (i) any notice of the creation or existence of any Indebtedness, the intention of the Lender to act on or in reliance on any obligation or liability of the Guarantor, whether under this Guarantee or otherwise, or of any of the other Covenantors, or any default by or non-observance of any obligation of the Mortgagor, any Guarantor or any of the other Covenantors;
 - (ii) any communication of any information known by the Lender relating to the financial condition of the Mortgagor or any of the other Covenantors or to any other circumstance bearing upon the risk of non-payment under the Loan Indebtedness or non-performance of any of the Loan Obligations; or
 - (iii) any demand for performance, notice of dishonour, notice of protest, presentment or protest relating to any obligation or liability of the Mortgagor, any Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness or the Loan Obligations;
- (b) any right to require the Lender to:
 - (i) proceed against the Mortgagor, any Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness or the Loan Obligations, including, without limitation, any right or benefit of discussion or division;
 - (ii) proceed against or exhaust any security furnished to the Lender by the Mortgagor, any Guarantor or any of the other Covenantors;
 - (iii) first apply any property or assets of the Mortgagor or any of the other Covenantors to the discharge of the Loan Indebtedness and the Loan Obligations or to marshal in favour of any Guarantor; or

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- (iv) pursue or exercise any other right or remedy of the Lender whatsoever;
- (c) as long as any of the Loan Indebtedness remains unpaid or any of the Loan Obligations have not been performed, any right of subrogation to or any right to enforce any right or remedy of the Lender in respect of the Mortgagor or any of the other Covenantors or any security provided to the Lender by the Mortgagor or any of the other Covenantors or any benefit of or right to participate in any such security; and
- (d) any defence arising out of or in connection with:
 - (i) any absence, impairment or loss of any right of contribution, reimbursement or subrogation or any other right or remedy of any Guarantor in respect of the Mortgagor or any of the other Covenantors;
 - (ii) any disability, incapacity or other defence available to the Mortgagor or any of the other Covenantors liable in respect of the Loan Indebtedness or the Loan Obligations, or any cessation from any cause whatsoever of any obligation or liability of the Mortgagor or any of the other Covenantors in respect of the Loan Indebtedness or the Loan Obligations; or
 - (iii) any other circumstance which might otherwise constitute a defence to any action, suit or other proceeding against any Guarantor, whether under this Guarantee or otherwise.

3.5 Bankruptcy, etc.

In the event of any distribution of any of the assets of the Mortgagor, any Guarantor or any of the other Covenantors, any arrangement, bankruptcy, composition, execution, sale, insolvency, liquidation, receivership, reorganization or other similar proceeding or occurrence, any proceeding for the dissolution, liquidation, winding-up or other cessation of existence of the Mortgagor or any of the other Covenantors, voluntary or involuntary, whether or not involving bankruptcy or insolvency proceedings, any assignment by the Mortgagor or any of the other Covenantors for the benefit of creditors or any other marshalling of any of the assets of any such person:

- (a) no obligation or liability of any Guarantor under this Guarantee will be terminated or in any manner affected and no right of the Lender under this Guarantee will in any manner be prejudiced or impaired by same or by any omission by the Lender to prove its claim or its full claim and the Lender may prove such claim as it sees fit and may refrain from proving any claim and may value or refrain from valuing any security held by the Lender; and
- (b) if any of the Loan Indebtedness is unpaid or if any of the Loan Obligations has not been performed, the Lender has the right to include in any claim made by it all sums paid by any Guarantor, whether under this Guarantee or otherwise, and to prove and rank for and receive dividends in respect of such claim, all right to prove and rank for such sums paid by such Guarantor and to receive the full amount of all

dividends in respect thereof, which are hereby assigned and transferred by each Guarantor to the Lender.

ARTICLE 4 **SUBORDINATION**

4.1 Subordination of Indebtedness

Each Guarantor defers, postpones and subordinates in the manner set out in this Article all of the Indebtedness from time to time of the Mortgagor and any of the other Covenantors to such Guarantor, to all of the Loan Indebtedness and each Guarantor assigns and transfers to the Lender every right of such Guarantor relating to the Indebtedness.

4.2 Payment of Indebtedness

Any right of any Guarantor to receive any payment on account of Indebtedness of the Mortgagor and any of the other Covenantors to any Guarantor will be subordinated to any right of the Lender to receive any payment of the Loan Indebtedness and no Guarantor shall:

- (a) commence any action, take any proceeding, collect or receive any payment upon, by set off or counterclaim or in any other manner, any of the Indebtedness of the Mortgagor and any of the other Covenantors to any Guarantor;
- (b) assign, charge, mortgage, pledge, sell, transfer or otherwise encumber or give a security interest in any of the Indebtedness of the Mortgagor and any of the other Covenantors to any Guarantor;
- (c) enforce or apply any security now or hereafter furnished by the Mortgagor and any of the other Covenantors to any Guarantor; or
- (d) incur any Indebtedness to or receive any loan, advance or gift from the Mortgagor or any of the other Covenantors.

4.3 Payment in Trust

If an Event of Default has occurred which is continuing, and any payment or distribution of assets of the Mortgagor and any of the other Covenantors are made to any Guarantor on account of the Indebtedness to which such Guarantor would be entitled except for this Article 4, such payment or distribution will be received by such Guarantor in trust for the benefit of the Lender, and such Guarantor shall forthwith pay same to the Lender for application to the Loan Indebtedness.

ARTICLE 5
MISCELLANEOUS

5.1 Payments

All payments required to be made by any Guarantor to the Lender under this Guarantee will be made at the address of the Lender set out in Section 5.12 (or at any other place specified by the Lender by written notice to such Guarantor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

5.2 Guarantors to Keep Informed

As long as any of the Loan Indebtedness is unpaid or the Loan Obligations have yet to be performed in full each Guarantor assumes responsibility for keeping itself informed of the financial condition of the Mortgagor and any of the other Covenants and of all other circumstances bearing on the risk it incurs under this Guarantee.

5.3 Lender's Records

The records of the Lender as to the Loan Indebtedness, the Loan Obligations or any failure by the Mortgagor or any of the other Covenants to make full and punctual payment or performance when due are conclusive evidence of the relevant facts without further proof.

5.4 Release

Upon payment in full of the Loan Indebtedness and the satisfaction of all of the Loan Obligations, this Guarantee shall terminate and the Lender shall, upon the receipt of a request in writing from the Guarantors and at each Guarantor's expense, provide such releases and other documents as the Guarantors may reasonably request evidencing the termination of this Guarantee.

5.5 Failure of Indulgence Not Waiver

No extension of time, waiver, or other indulgence given by the Lender to any Guarantor, or anyone claiming under such Guarantor, shall in any way affect or prejudice the rights of the Lender against such Guarantor or any other Covenantor. Each power and right under this Guarantee is cumulative and is in addition to and not in substitution for any other rights and remedies at law, or in equity or otherwise.

5.6 Modification

No modification or waiver of this Guarantee is binding on the Lender unless made in writing and signed by a duly authorized officer of the Lender.

5.7 Entire Agreement

On execution and delivery by each Guarantor, this Guarantee is deemed to be finally executed and delivered by each Guarantor to the Lender and is not subject to or affected

by any condition as to the receipt by the Lender of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Lender of any other Loan Documents, nor by any promise or condition affecting the liability of any Guarantor. No agreement, promise, representation or statement by the Lender or any of its officers, employees or agents unless in this Guarantee forms part of this Guarantee, has induced the making of it or affects the liability of any Guarantor and the Mortgagor under it.

5.8 Severability

If any Section or part thereof of this Guarantee is invalid or unenforceable for any reason, then such Section or part thereof will be severable from this Guarantee and will not affect the validity or enforceability of any other part of this Guarantee.

5.9 Non-Merger

The giving of this Guarantee is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this Guarantee, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Lender.

5.10 Paramountcy

The provisions of any agreement between any Guarantor and the Lender in connection with the Loan Indebtedness, including but not limited to any loan application in respect thereof, the Mortgage and all of the other Loan Documents, shall form part of this Guarantee except where inconsistent with the provisions hereof. In the case of any inconsistency between this Guarantee and the Mortgage, the provisions of the Mortgage shall prevail.

5.11 Assignability

Each Guarantor hereby consents to the Lender assigning, transferring or selling all or any portion of its interest under this Guarantee in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Lender may enter into participation, contending or syndication agreements with other lenders in connection with this Guarantee, the Loan Indebtedness and the Loan Obligations. The Lender may provide information of a financial or other nature to any prospective assignee, transferee, purchaser or other lenders concerning any Guarantor, this Guarantee, the Loan Indebtedness and the Loan Obligations.

5.12 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Guarantee shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party, addressed:

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(a) to the Guarantors:

1944 Fowler Drive
Mississauga, Ontario
L5K 0A1

Attention: John Vandyk
Email: jvandyk@vandyk.com
Facsimile: 905-823-4014

with a copy to the Guarantors' solicitors at

Schneider Ruggiero Spencer Milburn LLP
120 Adelaide Street West, Suite 1000
Toronto, Ontario
M5H 3V1

Attention: Bruce Milburn
Email: bmilburn@srlawpractice.com
Facsimile: 416-363-0645

(b) to the Lender:

Scotia Plaza
40 King Street West, Suite 3700
Toronto, Ontario
M5H 3Y2

Attention: Scott Coates
Email: SCoates@kingsettcapital.com
Facsimile: 416-687-6701

with a copy to the Servicer at:

41 Scarsdale Road, Unit 6
Toronto, Ontario
M3B 2R2

Attention: Judy Wong
Email: JWong@DorrCapital.com

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered personally or by courier, or transmitted by electronic or digital transmission (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3rd) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to

disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

5.13 Expenses, Fees and Indemnity

Each Guarantor will pay to the Lender all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Lender in connection with the collection of any amount payable under this Guarantee by any Guarantor to the Lender. Each Guarantor shall indemnify the Lender against all claims, loss or damages arising out of or in connection with any breach or default by any Guarantor under this Guarantee.

5.14 Applicable Law

This Guarantee and the rights and obligations of the Guarantors and the Lender under it are governed by and construed according to the laws of the jurisdiction in which the Lands are situate (the "**Province**") and the laws of Canada applicable therein.

5.15 Time of the Essence

Time is of the essence of this Guarantee.

5.16 Execution by the Lender

This Guarantee need not be executed by the Lender to be binding on and to enure to the benefit of the Lender.

5.17 Counterparts

This Guarantee may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this Guarantee to produce or account for more than one such counterpart. Transmission of executed or electronically executed copies of this Guarantee whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.

5.18 Further Assurances

Each Guarantor will promptly do all further acts and execute and deliver further documents as may be required to carry out the terms or intent of this Guarantee.

5.19 Successors and Assigns

This Guarantee is binding on and enures to the benefit of the Lender and the Guarantors and their respective executors, administrators, successors and permitted assigns and to any Person to whom the Lender may grant any participation in this Guarantee, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Lender under this Guarantee or any of the Lender's interest herein or in the Loan Indebtedness and the Loan Obligations.

5.20 Multiple Parties

This Guarantee will be read with all necessary grammatical changes and each reference to the Guarantors includes each and every such Person. All covenants and agreements herein of the Guarantors are the joint and several covenants and agreements of each such Person. If the Lender consists of more than one party, this Guarantee will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Lender under this Guarantee.

-- signatures follow on next page --

IN WITNESS WHEREOF each Guarantor has executed this Guarantee as of the date and year first written above.

VANDYK HOLDINGS INCORPORATED

DocuSigned by:
Per: Richard ma
Name: 04B6BBFEDFC840B...
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

DocuSigned by:
Bruce Milburn
7A305E2C83E2443...
Witness:


DocuSigned by:
John Vandyk
81ED1B7C5369445...
JOHN VANDYK

ACCEPTANCE OF SUBORDINATION

The undersigned, for good and valuable consideration (the receipt and sufficiency of which is acknowledged), accepts and consents to the provisions of Article 4 of the Guarantee to which this acceptance is attached and agrees to be bound by its provisions and to recognize all priorities and other rights granted to the Lender and to pay the Lender in accordance therewith.

DATED as of the date of the Guarantee.


VANDYK-UPTOWNS LIMITED

Per: 
Name: _____
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

2366885 ONTARIO INC.

Per: 
Name: _____
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

LIMITED RECOURSE GUARANTEE

THIS GUARANTEE made as of the 15th day of June, 2022.

B E T W E E N:

VANDYK – BACKYARD HUMBERSIDE LIMITED and 2402871 ONTARIO INC.

(collectively, the "**Guarantors**" and each a "**Guarantor**")

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Lender**")

OF THE SECOND PART

WHEREAS Vandyk-Uptowns Limited and 2366885 Ontario Inc. (collectively, the "**Mortgagor**"), as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Lender, as mortgagee, of the lands and premises charged therein (the "**Lands**"), notice of which was registered on the date hereof in the Land Registry Office for the Land Titles Division of Peel (No. 43) to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

AND WHEREAS each Guarantor will benefit from extension of the Loan Indebtedness to the Mortgagor and the Lender has stipulated that the Guarantors enter into this Guarantee as a further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations,

NOW THEREFORE IN CONSIDERATION of the recitals, the Lender extending the Loan Indebtedness and for such other good and valuable consideration received by the Guarantors, the receipt and adequacy of which is acknowledged by each Guarantor, each Guarantor agrees with the Lender as follows:

ARTICLE 1
DEFINITIONS, INTERPRETATION

1.1 Definitions

In this Guarantee capitalized terms used but not defined herein shall have the meaning ascribed thereto in the Mortgage. Otherwise, in this Guarantee:

- (a) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees,

liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;

- (b) **"Loan Indebtedness"** means any Indebtedness from time to time of the Mortgagor and any of the other Covenantors to the Lender arising under any of the Loan Documents; and
- (c) **"Loan Obligations"** means the obligations of the Mortgagor and any of the other Covenantors arising under the Loan Documents.

1.2 Interpretation

For the purposes of this Guarantee, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

1.3 Headings

In this Guarantee, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Guarantee.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Guarantors

Each Guarantor makes the following representations and warranties to the Lender which will continue to be true and correct as long as any Loan Indebtedness remains unpaid:

- (a) each Guarantor is executing and delivering this Guarantee at the sole and exclusive request of the Mortgagor;
- (b) each Guarantor has derived or expects to derive financial and other advantage from the Loan Indebtedness;
- (c) no Guarantor has received or relied on any representation from the Lender or any agreement or undertaking with the Lender or any officer, employee or agent of the Lender, except as expressly set out in this Guarantee;
- (d) the Mortgagor has furnished each Guarantor with all financial and other information and copies of all agreements and documents such Guarantor has requested concerning the Mortgagor, any of the other Covenantors, the Lands, the Loan Documents, the Loan Indebtedness, the Loan Obligations and the nature and extent of the risk each Guarantor incurs under this Guarantee;

- (e) each Guarantor has established means satisfactory to it of obtaining from the Mortgagor, independently of the Lender, such other information and copies of all agreements and other writings such Guarantor deems desirable concerning the Mortgagor, any of the other Covenantors, the Lands, the Loan Documents, the Loan Indebtedness, the Loan Obligations, the Mortgagor's and any of the other Covenantors' relationship with the Lender and the nature and extent of the risk each Guarantor incurs under this Guarantee;
- (f) each Guarantor:
 - (i) is an entity validly formed and existing under the laws of its jurisdiction of incorporation;
 - (ii) has the legal right and all necessary corporate or other power and authority to own its assets and carry on its business in all material respects;
 - (iii) is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it conducts business, except where failure to be so qualified, licensed or registered has not and is not reasonably likely to have a Material Adverse Effect; and
 - (iv) has all requisite power and authority to enter into and perform its obligations under this Guarantee, and to do all acts and things and execute and deliver all other documents and instruments as are required hereunder to be done, observed or performed by it in accordance with the terms hereof;
- (g) the execution and delivery by each Guarantor, and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Guarantee will not conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) its articles, by-laws, shareholders' agreements or other organizational documents; as the case may be;
 - (ii) any applicable laws;
 - (iii) any material contracts, material authorizations or material contractual restriction binding on or affecting it or its assets; or
 - (iv) any material judgment, injunction, determination or award which is binding on it in each such case, except to the extent that such breach has not and is not reasonably likely to have a Material Adverse Effect;
- (h) the execution and delivery by each Guarantor of this Guarantee, and the performance by it of its obligations thereunder have been duly authorized by all necessary corporate or other action including, without limitation, the obtaining of all necessary partner, shareholder or other material and relevant consents. No authorization, consent, approval, registration, qualification, designation,

declaration or filing with any governmental entity, or other person, is or was necessary in connection with the execution, delivery and performance of each Guarantor's obligations under this Guarantee to which it is a party, except where failure to obtain same would not have or be reasonably likely to have a Material Adverse Effect;

- (i) this Guarantee has been duly executed and delivered, as the case may be, by each Guarantor, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of creditors rights generally), is (or will be immediately upon the execution thereof by such person) in full force and effect, and each Guarantor has performed and complied in all material respects with all the terms, provisions, agreements and conditions set forth herein and therein and required to be performed or complied with by each Guarantor.

ARTICLE 3 **COVENANTS**

3.1 Covenants

Each Guarantor unconditionally, absolutely and irrevocably covenants and agrees with the Lender:

- (a) in addition to and separate and distinct from its agreements in Subsections 3.1(b) and 3.1(c), to guarantee to the Lender the repayment by the Mortgagor and any of the other Covenantors of the Loan Indebtedness and to guarantee to the Lender the punctual performance of the Loan Obligations;
- (b) in addition to and separate and distinct from its agreements in Subsections 3.1(a) and 3.1(c), to indemnify and save harmless the Lender from and against all loss, damage, expenses, costs and liability whatsoever which shall arise from or be caused by the default or breach by the Mortgagor and any of the other Covenantors with respect to the repayment of the Loan Indebtedness and the performance of the Loan Obligations;
- (c) in addition to and separate and distinct from its agreements in Subsections 3.1(a) and 3.1(b), as primary obligor and not as guarantor, to repay the Loan Indebtedness and to perform the Loan Obligations; and
- (d) that it will not at any time prior to the repayment in full of all Loan Indebtedness accept from the Mortgagor; (i) the repayment of any loans (principal or interest) to, (ii) the redeeming or purchase of any shares or units or partnership interests held by or on behalf of, (iii) the payment of any compensation, fee or other amount to, or (iv) the payment of any distributions or dividends or return on partnership or shareholder investment to, in each case, any Guarantor or any shareholder, unitholder or partner of any Guarantor or any other person not at arms-length to any of the foregoing.

3.2 Nature of Obligations of the Guarantor

Each Guarantor covenants and agrees with the Lender that:

- (a) except as expressly set out in this Guarantee the obligations and liabilities of each Guarantor under this Guarantee will be irrevocable and as long as any of the Loan Indebtedness remains unpaid, will continue and be of full force and effect and will not be terminated or in any manner affected, and no right of the Lender under this Guarantee will in any manner be prejudiced or impaired by:
 - (i) the dissolution, winding-up or other cessation of existence of the Mortgagor or any of the other Covenantors or the institution of any proceeding relating thereto, any continuance, reorganization or change in the business, directors, management, objects, organization or shareholders of the Mortgagor or any of the other Covenantors, the amalgamation of the Mortgagor or any of the other Covenantors with another corporation, the sale or disposal of or appointment of a liquidator, receiver, receiver-manager, receiver and manager or trustee in respect of any of the assets or undertaking of the Mortgagor or any of the other Covenantors, any distribution of the assets of the Mortgagor or any of the other Covenantors on any arrangement, bankruptcy, composition insolvency, liquidation, receivership, reorganization or other similar proceeding or occurrence, any assignment by the Mortgagor or any of the other Covenantors for the benefit of creditors, any other marshalling of any of the assets of the Mortgagor or any of the other Covenantors or any other act or event which constitutes a novation of any obligation or liability of the Mortgagor or any of the other Covenantors in respect of the Loan Indebtedness and the Loan Obligations, whether by substitution of the obligations or liabilities of any other person in place of those of the Mortgagor or any of the other Covenantors or otherwise;
 - (ii) any obligation or liability of the Mortgagor or any of the other Covenantors, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise, any Guarantor, whether under this Guarantee or otherwise or any agreement or instrument evidencing any such obligation or liability at any time being unenforceable;
 - (iii) any defect in, omission from, failure to file or register, or defective filing or registration of any document under which the Lender has taken security for payment of the Loan Indebtedness or for performance of the Loan Obligations, or any failure or loss in respect of any such security of the Lender, whether arising in connection with the fault of the Lender or otherwise;
 - (iv) any issue or levy by any administrative, government, judicial or other authority or arbitrator of any award, execution, injunction, judgment, order, attachment, writ or similar process against the Mortgagor or any of the other

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Covenantors, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise;

- (v) any occurrence or non-occurrence of any other act or event which would result in termination, discharge, limitation, merger, novation, reduction or release of any Guarantor or of any of its obligations or liabilities under this Guarantee or which would otherwise prejudice or impair any right of the Lender under this Guarantee; or
 - (vi) any sale, transfer, agreement to sell or other disposition of the Lands by the Mortgagor;
- (b) the obligations and liabilities of each Guarantor under this Guarantee are absolute and independent of and not in consideration of or conditional on any other obligation or liability of any Guarantor, the Mortgagor or any of the other Covenantors, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise, or any prior notice or protest to, demand upon or action, suit or other proceeding against the Mortgagor or any of the other Covenantors. The Lender may bring or prosecute a separate action, suit or other proceeding against any Guarantor whether it is brought or prosecuted against the Mortgagor or any of the other Covenantors or whether the Mortgagor or any of the other Covenantors is joined;
- (c) this Guarantee will be binding in respect of any modification or renewal of the Loan Indebtedness or the Loan Obligations by the Mortgagor, any of the other Covenantors or any subsequent owner of the Lands, whether or not each Guarantor has consented to same and whether or not such modification or renewal constitutes an adverse or material alteration of such Guarantor's obligations under this Guarantee; and
- (d) any part payment by the Mortgagor and/or any of the other Covenantors of any of the Loan Indebtedness or part performance of any of the Loan Obligations that operates to extend any statute of limitations or law of prescription as to the Mortgagor and/or any of the other Covenantors will operate to extend such statute of limitations or law of prescription as to each Guarantor to the extent permitted by applicable law.

3.3 Recourse

It is a condition of this Guarantee, and the Lender hereby agrees that, notwithstanding any other provision of this Guarantee, the Lender's recourse against the Guarantors and the liability of the Guarantors for any indebtedness, liability or obligation to the Lender under this Guarantee shall be limited to each Guarantor's interest in the Derry Project and the Royal York Project, as applicable notwithstanding that the amount of the Loan Indebtedness may exceed such amount.

3.4 Authorizations

Each Guarantor authorizes the Lender, in the sole discretion of the Lender, without notice to or demand on the Guarantors and without in any manner affecting any obligation or liability of any Guarantor under this Guarantee or any security furnished to the Lender by any Guarantor in connection with the Loan Indebtedness and the Loan Obligations or prejudicing or impairing any right of the Lender under this Guarantee, from time to time to:

- (a) adjust, compromise, extend, modify, accelerate, renew or otherwise change the time, form or manner for payment of or any term in respect of the Loan Indebtedness or the Loan Obligations, including, without limitation, increasing or decreasing the rate of interest, changing the method of calculation of interest, extending the term, or altering the periodic payments;
- (b) take any security for payment of the Loan Indebtedness or for performance of the Loan Obligations and enforce, exchange, perfect, release, subordinate, subrogate, substitute, surrender, waive or take advantage of or defer or waive taking, perfecting, enforcing or otherwise taking advantage of any such security and apply such security and direct the manner of sale as the Lender determines in its sole discretion;
- (c) compromise, release, substitute, delay or waive the exercise of any right or remedy against the Mortgagor, any Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness and the Loan Obligations;
- (d) grant any other indulgence to the Mortgagor or any of the other Covenantors liable in respect of the Loan Indebtedness and the Loan Obligations and deal with all or any of such persons as the Lender sees fit;
- (e) accept payment of any Loan Indebtedness from the Mortgagor or any of the other Covenantors incurred by the Mortgagor or any of the other Covenantors after the execution of this Guarantee;
- (f) apply any payment by, recovery from or credit, deposit or offset due to, or any funds realized from any security furnished to the Lender by the Mortgagor, any Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness and the Loan Obligations, to any Indebtedness, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise of the Mortgagor, any Guarantor or any of the other Covenantors to the Lender, as the case may be, in such manner and at such times as the Lender in its sole discretion determines;
- (g) otherwise deal with the Mortgagor, any Guarantor or any of the other Covenantors or the Loan Indebtedness, the Loan Obligations or any security provided to the Lender by the Mortgagor, any Guarantor or any of the other Covenantors as the Lender deems appropriate; and

- (h) impose a lien on or set off any money, security or other property of any Guarantor at any time in the possession of or on deposit with the Lender, whether held in a special account or on deposit or for safekeeping or otherwise, against any payment due from such Guarantor to the Lender under this Guarantee.

3.5 Waiver

Subject to compliance with applicable laws by the Lender, each Guarantor unconditionally waives:

- (a) any right to receive from the Lender any communication with respect to the Loan Indebtedness, the Loan Obligations or any other obligation or liability of any Guarantor under this Guarantee, or of any of the other Covenantors liable in respect of any of the Loan Indebtedness or the Loan Obligations, including, without limitation:
 - (i) any notice of the creation or existence of any Indebtedness, the intention of the Lender to act on or in reliance on any obligation or liability of the Guarantor, whether under this Guarantee or otherwise, or of any of the other Covenantors, or any default by or non-observance of any obligation of the Mortgagor, any Guarantor or any of the other Covenantors;
 - (ii) any communication of any information known by the Lender relating to the financial condition of the Mortgagor or any of the other Covenantors or to any other circumstance bearing upon the risk of non-payment under the Loan Indebtedness or non-performance of any of the Loan Obligations; or
 - (iii) any demand for performance, notice of dishonour, notice of protest, presentment or protest relating to any obligation or liability of the Mortgagor, any Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness or the Loan Obligations;
- (b) any right to require the Lender to:
 - (i) proceed against the Mortgagor, any Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness or the Loan Obligations, including, without limitation, any right or benefit of discussion or division;
 - (ii) proceed against or exhaust any security furnished to the Lender by the Mortgagor, any Guarantor or any of the other Covenantors;
 - (iii) first apply any property or assets of the Mortgagor or any of the other Covenantors to the discharge of the Loan Indebtedness and the Loan Obligations or to marshal in favour of any Guarantor; or
 - (iv) pursue or exercise any other right or remedy of the Lender whatsoever;

- (c) as long as any of the Loan Indebtedness remains unpaid or any of the Loan Obligations have not been performed, any right of subrogation to or any right to enforce any right or remedy of the Lender in respect of the Mortgagor or any of the other Covenantors or any security provided to the Lender by the Mortgagor or any of the other Covenantors or any benefit of or right to participate in any such security; and
- (d) any defence arising out of or in connection with:
 - (i) any absence, impairment or loss of any right of contribution, reimbursement or subrogation or any other right or remedy of any Guarantor in respect of the Mortgagor or any of the other Covenantors;
 - (ii) any disability, incapacity or other defence available to the Mortgagor or any of the other Covenantors liable in respect of the Loan Indebtedness or the Loan Obligations, or any cessation from any cause whatsoever of any obligation or liability of the Mortgagor or any of the other Covenantors in respect of the Loan Indebtedness or the Loan Obligations; or
 - (iii) any other circumstance which might otherwise constitute a defence to any action, suit or other proceeding against any Guarantor, whether under this Guarantee or otherwise.

3.6 Bankruptcy, etc.

In the event of any distribution of any of the assets of the Mortgagor, any Guarantor or any of the other Covenantors, any arrangement, bankruptcy, composition, execution, sale, insolvency, liquidation, receivership, reorganization or other similar proceeding or occurrence, any proceeding for the dissolution, liquidation, winding-up or other cessation of existence of the Mortgagor or any of the other Covenantors, voluntary or involuntary, whether or not involving bankruptcy or insolvency proceedings, any assignment by the Mortgagor or any of the other Covenantors for the benefit of creditors or any other marshalling of any of the assets of any such person:

- (a) no obligation or liability of any Guarantor under this Guarantee will be terminated or in any manner affected and no right of the Lender under this Guarantee will in any manner be prejudiced or impaired by same or by any omission by the Lender to prove its claim or its full claim and the Lender may prove such claim as it sees fit and may refrain from proving any claim and may value or refrain from valuing any security held by the Lender; and
- (b) if any of the Loan Indebtedness is unpaid or if any of the Loan Obligations has not been performed, the Lender has the right to include in any claim made by it all sums paid by any Guarantor, whether under this Guarantee or otherwise, and to prove and rank for and receive dividends in respect of such claim, all right to prove and rank for such sums paid by such Guarantor and to receive the full amount of all dividends in respect thereof, which are hereby assigned and transferred by each Guarantor to the Lender.

ARTICLE 4
SUBORDINATION

4.1 Subordination of Indebtedness

Each Guarantor defers, postpones and subordinates in the manner set out in this Article all of the Indebtedness from time to time of the Mortgagor and any of the other Covenants to such Guarantor, to all of the Loan Indebtedness and each Guarantor assigns and transfers to the Lender every right of such Guarantor relating to the Indebtedness.

4.2 Payment of Indebtedness

Any right of any Guarantor to receive any payment on account of Indebtedness of the Mortgagor and any of the other Covenants to any Guarantor will be subordinated to any right of the Lender to receive any payment of the Loan Indebtedness and no Guarantor shall:

- (a) commence any action, take any proceeding, collect or receive any payment upon, by set off or counterclaim or in any other manner, any of the Indebtedness of the Mortgagor and any of the other Covenants to any Guarantor;
- (b) assign, charge, mortgage, pledge, sell, transfer or otherwise encumber or give a security interest in any of the Indebtedness of the Mortgagor and any of the other Covenants to any Guarantor;
- (c) enforce or apply any security now or hereafter furnished by the Mortgagor and any of the other Covenants to any Guarantor; or
- (d) incur any Indebtedness to or receive any loan, advance or gift from the Mortgagor or any of the other Covenants.

4.3 Payment in Trust

If an Event of Default has occurred which is continuing, and any payment or distribution of assets of the Mortgagor and any of the other Covenants are made to any Guarantor on account of the Indebtedness to which such Guarantor would be entitled except for this Article 4, such payment or distribution will be received by such Guarantor in trust for the benefit of the Lender, and such Guarantor shall forthwith pay same to the Lender for application to the Loan Indebtedness.

ARTICLE 5
MISCELLANEOUS

5.1 Payments

All payments required to be made by any Guarantor to the Lender under this Guarantee will be made at the address of the Lender set out in Section 5.12 (or at any other place

specified by the Lender by written notice to such Guarantor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

5.2 Guarantors to Keep Informed

As long as any of the Loan Indebtedness is unpaid or the Loan Obligations have yet to be performed in full each Guarantor assumes responsibility for keeping itself informed of the financial condition of the Mortgagor and any of the other Covenants and of all other circumstances bearing on the risk it incurs under this Guarantee.

5.3 Lender's Records

The records of the Lender as to the Loan Indebtedness, the Loan Obligations or any failure by the Mortgagor or any of the other Covenants to make full and punctual payment or performance when due are conclusive evidence of the relevant facts without further proof.

5.4 Release

Upon payment in full of the Loan Indebtedness and the satisfaction of all of the Loan Obligations, this Guarantee shall terminate and the Lender shall, upon the receipt of a request in writing from the Guarantors and at each Guarantor's expense, provide such releases and other documents as the Guarantors may reasonably request evidencing the termination of this Guarantee.

5.5 Failure of Indulgence Not Waiver

No extension of time, waiver, or other indulgence given by the Lender to any Guarantor, or anyone claiming under such Guarantor, shall in any way affect or prejudice the rights of the Lender against such Guarantor or any other Covenantor. Each power and right under this Guarantee is cumulative and is in addition to and not in substitution for any other rights and remedies at law, or in equity or otherwise.

5.6 Modification

No modification or waiver of this Guarantee is binding on the Lender unless made in writing and signed by a duly authorized officer of the Lender.

5.7 Entire Agreement

On execution and delivery by each Guarantor, this Guarantee is deemed to be finally executed and delivered by each Guarantor to the Lender and is not subject to or affected by any condition as to the receipt by the Lender of any of the other Security Documents or as to the execution and delivery by any of the other Covenants to the Lender of any other Loan Documents, nor by any promise or condition affecting the liability of any Guarantor. No agreement, promise, representation or statement by the Lender or any of its officers, employees or agents unless in this Guarantee forms part of this Guarantee, has induced the making of it or affects the liability of any Guarantor and the Mortgagor under it.

5.8 Severability

If any Section or part thereof of this Guarantee is invalid or unenforceable for any reason, then such Section or part thereof will be severable from this Guarantee and will not affect the validity or enforceability of any other part of this Guarantee.

5.9 Non-Merger

The giving of this Guarantee is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this Guarantee, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Lender.

5.10 Paramountcy

The provisions of any agreement between any Guarantor and the Lender in connection with the Loan Indebtedness, including but not limited to any loan application in respect thereof, the Mortgage and all of the other Loan Documents, shall form part of this Guarantee except where inconsistent with the provisions hereof. In the case of any inconsistency between this Guarantee and the Mortgage, the provisions of the Mortgage shall prevail.

5.11 Assignability

Each Guarantor hereby consents to the Lender assigning, transferring or selling all or any portion of its interest under this Guarantee in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Lender may enter into participation, contending or syndication agreements with other lenders in connection with this Guarantee, the Loan Indebtedness and the Loan Obligations. The Lender may provide information of a financial or other nature to any prospective assignee, transferee, purchaser or other lenders concerning any Guarantor, this Guarantee, the Loan Indebtedness and the Loan Obligations.

5.12 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Guarantee shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party, addressed:

(a) to the Guarantors:

1944 Fowler Drive
Mississauga, Ontario
L5K 0A1

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Attention: John Vandyk
Email: jvandyk@vandyk.com
Facsimile: 905-823-4014

with a copy to the Guarantors' solicitors at

Schneider Ruggiero Spencer Milburn LLP
120 Adelaide Street West, Suite 1000
Toronto, Ontario
M5H 3V1

Attention: Bruce Milburn
Email: bmilburn@srlawpractice.com
Facsimile: 416-363-0645

(b) to the Lender:

Scotia Plaza
40 King Street West, Suite 3700
Toronto, Ontario
M5H 3Y2

Attention: Scott Coates
Email: SCoates@kingsettcapital.com
Facsimile: 416-687-6701

with a copy to the Servicer at:

41 Scarsdale Road, Unit 6
Toronto, Ontario
M3B 2R2

Attention: Judy Wong
Email: JWong@DorrCapital.com

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered personally or by courier, or transmitted by electronic or digital transmission (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3rd) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

5.13 Expenses, Fees and Indemnity

Each Guarantor will pay to the Lender all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Lender in connection with the collection of any amount payable under this Guarantee by any Guarantor to the Lender. Each Guarantor shall indemnify the Lender against all claims, loss or damages arising out of or in connection with any breach or default by any Guarantor under this Guarantee.

5.14 Applicable Law

This Guarantee and the rights and obligations of the Guarantors and the Lender under it are governed by and construed according to the laws of the jurisdiction in which the Lands are situate (the "**Province**") and the laws of Canada applicable therein.

5.15 Time of the Essence

Time is of the essence of this Guarantee.

5.16 Execution by the Lender

This Guarantee need not be executed by the Lender to be binding on and to enure to the benefit of the Lender.

5.17 Counterparts

This Guarantee may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this Guarantee to produce or account for more than one such counterpart. Transmission of executed or electronically executed copies of this Guarantee whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.

5.18 Further Assurances

Each Guarantor will promptly do all further acts and execute and deliver further documents as may be required to carry out the terms or intent of this Guarantee.

5.19 Successors and Assigns

This Guarantee is binding on and enures to the benefit of the Lender and the Guarantors and their respective executors, administrators, successors and permitted assigns and to any Person to whom the Lender may grant any participation in this Guarantee, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Lender under this Guarantee or any of the Lender's interest herein or in the Loan Indebtedness and the Loan Obligations.

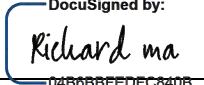
5.20 Multiple Parties

This Guarantee will be read with all necessary grammatical changes and each reference to the Guarantors includes each and every such Person. All covenants and agreements herein of the Guarantors are the joint and several covenants and agreements of each such Person. If the Lender consists of more than one party, this Guarantee will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Lender under this Guarantee.

-- signatures follow on next page --

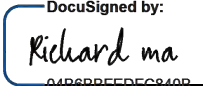
IN WITNESS WHEREOF each Guarantor has executed this Guarantee as of the date and year first written above.

VANDYK – THE RAVINE LIMITED

Per: 
Name: _____
Title:

Per: _____
Name:
Title:

2402871 ONTARIO INC.

Per: 
Name: _____
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

ACCEPTANCE OF SUBORDINATION

The undersigned, for good and valuable consideration (the receipt and sufficiency of which is acknowledged), accepts and consents to the provisions of Article 4 of the Guarantee to which this acceptance is attached and agrees to be bound by its provisions and to recognize all priorities and other rights granted to the Lender and to pay the Lender in accordance therewith.

DATED as of the date of the Guarantee.

VANDYK-UPTOWNS LIMITED

Per: DocuSigned by:
Richard ma
Name: _____
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

2366885 ONTARIO INC.

Per: DocuSigned by:
Richard ma
Name: _____
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

LIMITED RECOURSE GUARANTEE

THIS GUARANTEE made as of the ____ day of _____, 2023.

B E T W E E N:

VANDYK PROPERTIES INCORPORATED

(the "**Guarantor**")

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Lender**")

OF THE SECOND PART

WHEREAS Vandyk – Uptowns Limited and Vandyk – Heart Lake Limited (collectively, the "**Mortgagor**"), as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Lender, as mortgagee, of the lands and premises charged therein (the "**Lands**"), notice of which was registered on June 16, 2022 as Instrument No. PR4070552 in the Land Registry Office for the Land Titles Division of Peel (No. 43) to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

AND WHEREAS the Guarantor will benefit from extension of the Loan Indebtedness to the Mortgagor and the Lender has stipulated that the Guarantor enter into this Guarantee as a further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations,

NOW THEREFORE IN CONSIDERATION of the recitals, the Lender extending the Loan Indebtedness and for such other good and valuable consideration received by the Guarantor, the receipt and adequacy of which is acknowledged by the Guarantor, the Guarantor agrees with the Lender as follows:

ARTICLE 1
DEFINITIONS, INTERPRETATION

1.1 Definitions

In this Guarantee capitalized terms used but not defined herein shall have the meaning ascribed thereto in the Mortgage. Otherwise, in this Guarantee:

- (a) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees,

liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;

- (b) **"Loan Indebtedness"** means any Indebtedness from time to time of the Mortgagor and any of the other Covenantors to the Lender arising under any of the Loan Documents; and
- (c) **"Loan Obligations"** means the obligations of the Mortgagor and any of the other Covenantors arising under the Loan Documents.

1.2 Interpretation

For the purposes of this Guarantee, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

1.3 Headings

In this Guarantee, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Guarantee.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Guarantor

The Guarantor makes the following representations and warranties to the Lender which will continue to be true and correct as long as any Loan Indebtedness remains unpaid:

- (a) the Guarantor is executing and delivering this Guarantee at the sole and exclusive request of the Mortgagor;
- (b) the Guarantor has derived or expects to derive financial and other advantage from the Loan Indebtedness;
- (c) the Guarantor has not received or relied on any representation from the Lender or any agreement or undertaking with the Lender or any officer, employee or agent of the Lender, except as expressly set out in this Guarantee;
- (d) the Mortgagor has furnished the Guarantor with all financial and other information and copies of all agreements and documents the Guarantor has requested concerning the Mortgagor, any of the other Covenantors, the Lands, the Loan Documents, the Loan Indebtedness, the Loan Obligations and the nature and extent of the risk the Guarantor incurs under this Guarantee;

- (e) the Guarantor has established means satisfactory to it of obtaining from the Mortgagor, independently of the Lender, such other information and copies of all agreements and other writings the Guarantor deems desirable concerning the Mortgagor, any of the other Covenantors, the Lands, the Loan Documents, the Loan Indebtedness, the Loan Obligations, the Mortgagor's and any of the other Covenantors' relationship with the Lender and the nature and extent of the risk the Guarantor incurs under this Guarantee;
- (f) the Guarantor:
 - (i) is an entity validly formed and existing under the laws of its jurisdiction of incorporation;
 - (ii) has the legal right and all necessary corporate or other power and authority to own its assets and carry on its business in all material respects;
 - (iii) is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it conducts business, except where failure to be so qualified, licensed or registered has not and is not reasonably likely to have a Material Adverse Effect; and
 - (iv) has all requisite power and authority to enter into and perform its obligations under this Guarantee, and to do all acts and things and execute and deliver all other documents and instruments as are required hereunder to be done, observed or performed by it in accordance with the terms hereof;
- (g) the execution and delivery by the Guarantor, and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Guarantee will not conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) its articles, by-laws, shareholders' agreements or other organizational documents; as the case may be;
 - (ii) any applicable laws;
 - (iii) any material contracts, material authorizations or material contractual restriction binding on or affecting it or its assets; or
 - (iv) any material judgment, injunction, determination or award which is binding on it in each such case, except to the extent that such breach has not and is not reasonably likely to have a Material Adverse Effect;
- (h) the execution and delivery by the Guarantor of this Guarantee, and the performance by it of its obligations thereunder have been duly authorized by all necessary corporate or other action including, without limitation, the obtaining of all necessary partner, shareholder or other material and relevant consents. No authorization, consent, approval, registration, qualification, designation,

declaration or filing with any governmental entity, or other person, is or was necessary in connection with the execution, delivery and performance of the Guarantor's obligations under this Guarantee to which it is a party, except where failure to obtain same would not have or be reasonably likely to have a Material Adverse Effect;

- (i) this Guarantee has been duly executed and delivered, as the case may be, by the Guarantor, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally), is (or will be immediately upon the execution thereof by such person) in full force and effect, and the Guarantor has performed and complied in all material respects with all the terms, provisions, agreements and conditions set forth herein and therein and required to be performed or complied with by the Guarantor.

ARTICLE 3 **COVENANTS**

3.1 Covenants

The Guarantor unconditionally, absolutely and irrevocably covenants and agrees with the Lender:

- (a) in addition to and separate and distinct from its agreements in Subsections 3.1(b) and 3.1(c), to guarantee to the Lender the repayment by the Mortgagor and any of the other Covenantors of the Loan Indebtedness and to guarantee to the Lender the punctual performance of the Loan Obligations;
- (b) in addition to and separate and distinct from its agreements in Subsections 3.1(a) and 3.1(c), to indemnify and save harmless the Lender from and against all loss, damage, expenses, costs and liability whatsoever which shall arise from or be caused by the default or breach by the Mortgagor and any of the other Covenantors with respect to the repayment of the Loan Indebtedness and the performance of the Loan Obligations;
- (c) in addition to and separate and distinct from its agreements in Subsections 3.1(a) and 3.1(b), as primary obligor and not as guarantor, to repay the Loan Indebtedness and to perform the Loan Obligations; and
- (d) that it will not at any time prior to the repayment in full of all Loan Indebtedness accept from the Mortgagor; (i) the repayment of any loans (principal or interest) to, (ii) the redeeming or purchase of any shares or units or partnership interests held by or on behalf of, (iii) the payment of any compensation, fee or other amount to, or (iv) the payment of any distributions or dividends or return on partnership or shareholder investment to, in each case, the Guarantor or any shareholder, unitholder or partner of the Guarantor or any other person not at arms-length to any of the foregoing.

3.2 Nature of Obligations of the Guarantor

The Guarantor covenants and agrees with the Lender that:

- (a) except as expressly set out in this Guarantee the obligations and liabilities of the Guarantor under this Guarantee will be irrevocable and as long as any of the Loan Indebtedness remains unpaid, will continue and be of full force and effect and will not be terminated or in any manner affected, and no right of the Lender under this Guarantee will in any manner be prejudiced or impaired by:
 - (i) the dissolution, winding-up or other cessation of existence of the Mortgagor or any of the other Covenantors or the institution of any proceeding relating thereto, any continuance, reorganization or change in the business, directors, management, objects, organization or shareholders of the Mortgagor or any of the other Covenantors, the amalgamation of the Mortgagor or any of the other Covenantors with another corporation, the sale or disposal of or appointment of a liquidator, receiver, receiver-manager, receiver and manager or trustee in respect of any of the assets or undertaking of the Mortgagor or any of the other Covenantors, any distribution of the assets of the Mortgagor or any of the other Covenantors on any arrangement, bankruptcy, composition insolvency, liquidation, receivership, reorganization or other similar proceeding or occurrence, any assignment by the Mortgagor or any of the other Covenantors for the benefit of creditors, any other marshalling of any of the assets of the Mortgagor or any of the other Covenantors or any other act or event which constitutes a novation of any obligation or liability of the Mortgagor or any of the other Covenantors in respect of the Loan Indebtedness and the Loan Obligations, whether by substitution of the obligations or liabilities of any other person in place of those of the Mortgagor or any of the other Covenantors or otherwise;
 - (ii) any obligation or liability of the Mortgagor or any of the other Covenantors, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise, the Guarantor, whether under this Guarantee or otherwise or any agreement or instrument evidencing any such obligation or liability at any time being unenforceable;
 - (iii) any defect in, omission from, failure to file or register, or defective filing or registration of any document under which the Lender has taken security for payment of the Loan Indebtedness or for performance of the Loan Obligations, or any failure or loss in respect of any such security of the Lender, whether arising in connection with the fault of the Lender or otherwise;
 - (iv) any issue or levy by any administrative, government, judicial or other authority or arbitrator of any award, execution, injunction, judgment, order, attachment, writ or similar process against the Mortgagor or any of the

- Covenantors, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise;
- (v) any occurrence or non-occurrence of any other act or event which would result in termination, discharge, limitation, merger, novation, reduction or release of the Guarantor or of any of its obligations or liabilities under this Guarantee or which would otherwise prejudice or impair any right of the Lender under this Guarantee; or
 - (vi) any sale, transfer, agreement to sell or other disposition of the Lands by the Mortgagor or any of the Covenantors;
- (b) the obligations and liabilities of the Guarantor under this Guarantee are absolute and independent of and not in consideration of or conditional on any other obligation or liability of the Guarantor, the Mortgagor or any of the other Covenantors, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise, or any prior notice or protest to, demand upon or action, suit or other proceeding against the Mortgagor or any of the other Covenantors. The Lender may bring or prosecute a separate action, suit or other proceeding against the Guarantor whether it is brought or prosecuted against the Mortgagor or any of the other Covenantors or whether the Mortgagor or any of the other Covenantors is joined;
- (c) this Guarantee will be binding in respect of any modification or renewal of the Loan Indebtedness or the Loan Obligations by the Mortgagor, any of the other Covenantors or any subsequent owner of the Lands, whether or not the Guarantor has consented to same and whether or not such modification or renewal constitutes an adverse or material alteration of the Guarantor's obligations under this Guarantee; and
- (d) any part payment by the Mortgagor and/or any of the other Covenantors of any of the Loan Indebtedness or part performance of any of the Loan Obligations that operates to extend any statute of limitations or law of prescription as to the Mortgagor and/or any of the other Covenantors will operate to extend such statute of limitations or law of prescription as to each Guarantor to the extent permitted by applicable law.

3.3 Recourse

It is a condition of this Guarantee, and the Lender hereby agrees that, notwithstanding any other provision of this Guarantee, the Lender's recourse against the Guarantor and the liability of the Guarantor for any indebtedness, liability or obligation to the Lender under this Guarantee shall be limited to the Lender's rights under the specific assignment of cash distributions dated as of the date hereof granted by the Guarantor to and in favour of the Lender (the "**Specific Assignment of Cash Distributions**"), in and to the Distributions (as defined therein), and the Lender shall have no claim against the Guarantor in respect of any deficiency or be entitled to seek recourse against any other asset or property of the

Guarantor, provided however nothing herein shall limit the Lender's recourse against the interest of the Guarantor in and to the Distributions as this term is defined in the Specific Assignment of Cash Distributions.

3.4 Authorizations

The Guarantor authorizes the Lender, in the sole discretion of the Lender, without notice to or demand on the Guarantor and without in any manner affecting any obligation or liability of the Guarantor under this Guarantee or any security furnished to the Lender by the Guarantor in connection with the Loan Indebtedness and the Loan Obligations or prejudicing or impairing any right of the Lender under this Guarantee, from time to time to:

- (a) adjust, compromise, extend, modify, accelerate, renew or otherwise change the time, form or manner for payment of or any term in respect of the Loan Indebtedness or the Loan Obligations, including, without limitation, increasing or decreasing the rate of interest, changing the method of calculation of interest, extending the term, or altering the periodic payments;
- (b) take any security for payment of the Loan Indebtedness or for performance of the Loan Obligations and enforce, exchange, perfect, release, subordinate, subrogate, substitute, surrender, waive or take advantage of or defer or waive taking, perfecting, enforcing or otherwise taking advantage of any such security and apply such security and direct the manner of sale as the Lender determines in its sole discretion;
- (c) compromise, release, substitute, delay or waive the exercise of any right or remedy against the Mortgagor, the Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness and the Loan Obligations;
- (d) grant any other indulgence to the Mortgagor or any of the other Covenantors liable in respect of the Loan Indebtedness and the Loan Obligations and deal with all or any of such persons as the Lender sees fit;
- (e) accept payment of any Loan Indebtedness from the Mortgagor or any of the other Covenantors incurred by the Mortgagor or any of the other Covenantors after the execution of this Guarantee;
- (f) apply any payment by, recovery from or credit, deposit or offset due to, or any funds realized from any security furnished to the Lender by the Mortgagor, the Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness and the Loan Obligations, to any Indebtedness, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise of the Mortgagor, the Guarantor or any of the other Covenantors to the Lender, as the case may be, in such manner and at such times as the Lender in its sole discretion determines;
- (g) otherwise deal with the Mortgagor, the Guarantor or any of the other Covenantors or the Loan Indebtedness, the Loan Obligations or any security provided to the

Lender by the Mortgagor, the Guarantor or any of the other Covenantors as the Lender deems appropriate; and

- (h) impose a lien on or set off any money, security or other property of the Guarantor at any time in the possession of or on deposit with the Lender, whether held in a special account or on deposit or for safekeeping or otherwise, against any payment due from the Guarantor to the Lender under this Guarantee.

3.5 Waiver

Subject to compliance with applicable laws by the Lender, the Guarantor unconditionally waives:

- (a) any right to receive from the Lender any communication with respect to the Loan Indebtedness, the Loan Obligations or any other obligation or liability of the Guarantor under this Guarantee, or of any of the other Covenantors liable in respect of any of the Loan Indebtedness or the Loan Obligations, including, without limitation:
 - (i) any notice of the creation or existence of any Indebtedness, the intention of the Lender to act on or in reliance on any obligation or liability of the Guarantor, whether under this Guarantee or otherwise, or of any of the other Covenantors, or any default by or non-observance of any obligation of the Mortgagor, the Guarantor or any of the other Covenantors;
 - (ii) any communication of any information known by the Lender relating to the financial condition of the Mortgagor or any of the other Covenantors or to any other circumstance bearing upon the risk of non-payment of any Loan Indebtedness or non-performance of any of the Loan Obligations; or
 - (iii) any demand for performance, notice of dishonour, notice of protest, presentment or protest relating to any obligation or liability of the Mortgagor, the Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness or the Loan Obligations;
- (b) any right to require the Lender to:
 - (i) proceed against the Mortgagor, the Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness or the Loan Obligations, including, without limitation, any right or benefit of discussion or division;
 - (ii) proceed against or exhaust any security furnished to the Lender by the Mortgagor, the Guarantor or any of the other Covenantors;
 - (iii) first apply any property or assets of the Mortgagor or any of the other Covenantors to the discharge of the Loan Indebtedness and the Loan Obligations or to marshal in favour of the Guarantor; or

- (iv) pursue or exercise any other right or remedy of the Lender whatsoever;
- (c) as long as any of the Loan Indebtedness remains unpaid or any of the Loan Obligations have not been performed, any right of subrogation to or any right to enforce any right or remedy of the Lender in respect of the Mortgagor or any of the other Covenantors or any security provided to the Lender by the Mortgagor or any of the other Covenantors or any benefit of or right to participate in any such security; and
- (d) any defence arising out of or in connection with:
 - (i) any absence, impairment or loss of any right of contribution, reimbursement or subrogation or any other right or remedy of the Guarantor in respect of the Mortgagor or any of the other Covenantors;
 - (ii) any disability, incapacity or other defence available to the Mortgagor or any of the other Covenantors liable in respect of the Loan Indebtedness or the Loan Obligations, or any cessation from any cause whatsoever of any obligation or liability of the Mortgagor or any of the other Covenantors in respect of the Loan Indebtedness or the Loan Obligations; or
 - (iii) any other circumstance which might otherwise constitute a defence to any action, suit or other proceeding against the Guarantor, whether under this Guarantee or otherwise.

3.6 Bankruptcy, etc.

In the event of any distribution of any of the assets of the Mortgagor, the Guarantor or any of the other Covenantors, any arrangement, bankruptcy, composition, execution, sale, insolvency, liquidation, receivership, reorganization or other similar proceeding or occurrence, any proceeding for the dissolution, liquidation, winding-up or other cessation of existence of the Mortgagor or any of the other Covenantors, voluntary or involuntary, whether or not involving bankruptcy or insolvency proceedings, any assignment by the Mortgagor or any of the other Covenantors for the benefit of creditors or any other marshalling of any of the assets of any such person:

- (a) no obligation or liability of the Guarantor under this Guarantee will be terminated or in any manner affected and no right of the Lender under this Guarantee will in any manner be prejudiced or impaired by same or by any omission by the Lender to prove its claim or its full claim and the Lender may prove such claim as it sees fit and may refrain from proving any claim and may value or refrain from valuing any security held by the Lender; and
- (b) if any of the Loan Indebtedness is unpaid or if any of the Loan Obligations has not been performed, the Lender has the right to include in any claim made by it all sums paid by the Guarantor, whether under this Guarantee or otherwise, and to prove and rank for and receive dividends in respect of such claim, all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends

in respect thereof, which are hereby assigned and transferred by the Guarantor to the Lender.

ARTICLE 4
MISCELLANEOUS

4.1 Payments

All payments required to be made by the Guarantor to the Lender under this Guarantee will be made at the address of the Lender set out in Section 4.12 (or at any other place specified by the Lender by written notice to the Guarantor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

4.2 Guarantor to Keep Informed

As long as any of the Loan Indebtedness is unpaid or the Loan Obligations have yet to be performed in full the Guarantor assumes responsibility for keeping itself informed of the financial condition of the Mortgagor and any of the other Covenants and of all other circumstances bearing on the risk it incurs under this Guarantee.

4.3 Lender's Records

The records of the Lender as to the Loan Indebtedness, the Loan Obligations or any failure by the Mortgagor or any of the other Covenants to make full and punctual payment or performance when due are conclusive evidence of the relevant facts without further proof.

4.4 Release

Upon payment in full of the Loan Indebtedness and the satisfaction of all of the Loan Obligations, this Guarantee shall terminate and the Lender shall, upon the receipt of a request in writing from the Guarantor and at the Guarantor's expense, provide such releases and other documents as the Guarantor may reasonably request evidencing the termination of this Guarantee.

4.5 Failure of Indulgence Not Waiver

No extension of time, waiver, or other indulgence given by the Lender to the Guarantor, or anyone claiming under the Guarantor, shall in any way affect or prejudice the rights of the Lender against the Guarantor or any other Covenantor. Each power and right under this Guarantee is cumulative and is in addition to and not in substitution for any other rights and remedies at law, or in equity or otherwise.

4.6 Modification

No modification or waiver of this Guarantee is binding on the Lender unless made in writing and signed by a duly authorized officer of the Lender.

4.7 Entire Agreement

On execution and delivery by the Guarantor, this Guarantee is deemed to be finally executed and delivered by the Guarantor to the Lender and is not subject to or affected by any condition as to the receipt by the Lender of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Lender of any other Loan Documents, nor by any promise or condition affecting the liability of the Guarantor. No agreement, promise, representation or statement by the Lender or any of its officers, employees or agents unless in this Guarantee forms part of this Guarantee, has induced the making of it or affects the liability of the Guarantor and the Mortgagor under it.

4.8 Severability

If any Section or part thereof of this Guarantee is invalid or unenforceable for any reason, then such Section or part thereof will be severable from this Guarantee and will not affect the validity or enforceability of any other part of this Guarantee.

4.9 Non-Merger

The giving of this Guarantee is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this Guarantee, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Lender.

4.10 Paramountcy

The provisions of any agreement between any Guarantor and the Lender in connection with the Loan Indebtedness, including but not limited to any loan application in respect thereof, the Mortgage and all of the other Loan Documents, shall form part of this Guarantee except where inconsistent with the provisions hereof. In the case of any inconsistency between this Guarantee and the Mortgage, the provisions of the Mortgage shall prevail.

4.11 Assignability

The Guarantor hereby consents to the Lender assigning, transferring or selling all or any portion of its interest under this Guarantee in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Lender may enter into participation, contending or syndication agreements with other lenders in connection with this Guarantee, the Loan Indebtedness and the Loan Obligations. The Lender may provide information of a financial or other nature to any prospective assignee, transferee, purchaser or other lenders concerning the Guarantor, this Guarantee, the Loan Indebtedness and the Loan Obligations.

4.12 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Guarantee shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party, addressed:

(a) to the Guarantor:

1944 Fowler Drive
Mississauga, Ontario
L5K 0A1

Attention: John Vandyk
Email: jvandyk@vandyk.com
Facsimile: 905-823-4014

with a copy to the Guarantor's solicitors at

Schneider Ruggiero Spencer Milburn LLP
120 Adelaide Street West, Suite 1000
Toronto, Ontario
M5H 3V1

Attention: Bruce Milburn
Email: bmilburn@srlawpractice.com
Facsimile: 416-363-0645

(b) to the Lender:

Scotia Plaza
40 King Street West, Suite 3700
Toronto, Ontario
M5H 3Y2

Attention: Scott Coates
Email: SCoates@kingsettcapital.com
Facsimile: 416-687-6701

with a copy to the Servicer at:

41 Scarsdale Road, Unit 6
Toronto, Ontario
M3B 2R2

Attention: Judy Wong
Email: JWong@DorrCapital.com

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered personally or by courier, or transmitted by electronic or digital transmission (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3rd) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

4.13 Expenses, Fees and Indemnity

The Guarantor will pay to the Lender all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Lender in connection with the collection of any amount payable under this Guarantee by the Guarantor to the Lender. The Guarantor shall indemnify the Lender against all claims, loss or damages arising out of or in connection with any breach or default by the Guarantor under this Guarantee.

4.14 Applicable Law

This Guarantee and the rights and obligations of the Guarantor and the Lender under it are governed by and construed according to the laws of the jurisdiction in which the Lands are situate and the laws of Canada applicable therein.

4.15 Time of the Essence

Time is of the essence of this Guarantee.

4.16 Execution by the Lender

This Guarantee need not be executed by the Lender to be binding on and to enure to the benefit of the Lender.

4.17 Counterparts

This Guarantee may be executed in any number of counterparts, each of which will constitute an original, but all of which together will constitute one and the same document. A signed copy of this Guarantee or a counterpart of it delivered by email, facsimile or other means of electronic or digital transmission or signature is deemed to have the same legal effect as delivery of an original signed copy of this Guarantee.

4.18 Further Assurances

The Guarantor will promptly do all further acts and execute and deliver further documents as may be required to carry out the terms or intent of this Guarantee.

4.19 Successors and Assigns

This Guarantee is binding on and enures to the benefit of the Lender and the Guarantor and their respective executors, administrators, successors and permitted assigns and to any Person to whom the Lender may grant any participation in this Guarantee, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Lender under this Guarantee or any of the Lender's interest herein or in the Loan Indebtedness and the Loan Obligations.

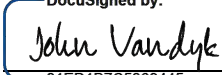
4.20 Multiple Parties

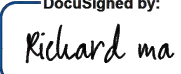
If the Guarantor consists of more than one party, this Guarantee will be read with all necessary grammatical changes and each reference to the Guarantor includes each and every such Person or corporation individually. All covenants and agreements herein of the Guarantor are the joint and several covenants and agreements of each such Person. If the Lender consists of more than one party, this Guarantee will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Lender under this Guarantee.

-- signatures follow on next page --

IN WITNESS WHEREOF the Guarantor has executed this Guarantee as of the date and year first written above.

VANDYK PROPERTIES INCORPORATED

Per: 
Name: 81ED1B7C5369445...
Title:

Per: 
Name: 04B6BBFEDFC840B...
Title:

LIMITED RECOURSE GUARANTEE

THIS GUARANTEE made as of the ____ day of _____, 2023.

B E T W E E N:

VANDYK-LAKEVIEW-DXE-WEST LIMITED

(the "**Guarantor**")

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Lender**")

OF THE SECOND PART

WHEREAS Vandyk – Uptowns Limited and Vandyk – Heart Lake Limited (collectively, the "**Mortgagor**"), as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Lender, as mortgagee, of the lands and premises charged therein (the "**Lands**"), notice of which was registered on June 16, 2022 as Instrument No. PR4070552 in the Land Registry Office for the Land Titles Division of Peel (No. 43) to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

AND WHEREAS the Guarantor will benefit from extension of the Loan Indebtedness to the Mortgagor and the Lender has stipulated that the Guarantor enter into this Guarantee as a further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations,

NOW THEREFORE IN CONSIDERATION of the recitals, the Lender extending the Loan Indebtedness and for such other good and valuable consideration received by the Guarantor, the receipt and adequacy of which is acknowledged by the Guarantor, the Guarantor agrees with the Lender as follows:

ARTICLE 1
DEFINITIONS, INTERPRETATION

1.1 Definitions

In this Guarantee capitalized terms used but not defined herein shall have the meaning ascribed thereto in the Mortgage. Otherwise, in this Guarantee:

- (a) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees,

liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;

- (b) **"Loan Indebtedness"** means any Indebtedness from time to time of the Mortgagor and any of the other Covenantors to the Lender arising under any of the Loan Documents; and
- (c) **"Loan Obligations"** means the obligations of the Mortgagor and any of the other Covenantors arising under the Loan Documents.

1.2 Interpretation

For the purposes of this Guarantee, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

1.3 Headings

In this Guarantee, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Guarantee.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Guarantor

The Guarantor makes the following representations and warranties to the Lender which will continue to be true and correct as long as any Loan Indebtedness remains unpaid:

- (a) the Guarantor is executing and delivering this Guarantee at the sole and exclusive request of the Mortgagor;
- (b) the Guarantor has derived or expects to derive financial and other advantage from the Loan Indebtedness;
- (c) the Guarantor has not received or relied on any representation from the Lender or any agreement or undertaking with the Lender or any officer, employee or agent of the Lender, except as expressly set out in this Guarantee;
- (d) the Mortgagor has furnished the Guarantor with all financial and other information and copies of all agreements and documents the Guarantor has requested concerning the Mortgagor, any of the other Covenantors, the Lands, the Loan Documents, the Loan Indebtedness, the Loan Obligations and the nature and extent of the risk the Guarantor incurs under this Guarantee;

- (e) the Guarantor has established means satisfactory to it of obtaining from the Mortgagor, independently of the Lender, such other information and copies of all agreements and other writings the Guarantor deems desirable concerning the Mortgagor, any of the other Covenantors, the Lands, the Loan Documents, the Loan Indebtedness, the Loan Obligations, the Mortgagor's and any of the other Covenantors' relationship with the Lender and the nature and extent of the risk the Guarantor incurs under this Guarantee;
- (f) the Guarantor:
 - (i) is an entity validly formed and existing under the laws of its jurisdiction of incorporation;
 - (ii) has the legal right and all necessary corporate or other power and authority to own its assets and carry on its business in all material respects;
 - (iii) is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it conducts business, except where failure to be so qualified, licensed or registered has not and is not reasonably likely to have a Material Adverse Effect; and
 - (iv) has all requisite power and authority to enter into and perform its obligations under this Guarantee, and to do all acts and things and execute and deliver all other documents and instruments as are required hereunder to be done, observed or performed by it in accordance with the terms hereof;
- (g) the execution and delivery by the Guarantor, and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Guarantee will not conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) its articles, by-laws, shareholders' agreements or other organizational documents; as the case may be;
 - (ii) any applicable laws;
 - (iii) any material contracts, material authorizations or material contractual restriction binding on or affecting it or its assets; or
 - (iv) any material judgment, injunction, determination or award which is binding on it in each such case, except to the extent that such breach has not and is not reasonably likely to have a Material Adverse Effect;
- (h) the execution and delivery by the Guarantor of this Guarantee, and the performance by it of its obligations thereunder have been duly authorized by all necessary corporate or other action including, without limitation, the obtaining of all necessary partner, shareholder or other material and relevant consents. No authorization, consent, approval, registration, qualification, designation,

declaration or filing with any governmental entity, or other person, is or was necessary in connection with the execution, delivery and performance of the Guarantor's obligations under this Guarantee to which it is a party, except where failure to obtain same would not have or be reasonably likely to have a Material Adverse Effect;

- (i) this Guarantee has been duly executed and delivered, as the case may be, by the Guarantor, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally), is (or will be immediately upon the execution thereof by such person) in full force and effect, and the Guarantor has performed and complied in all material respects with all the terms, provisions, agreements and conditions set forth herein and therein and required to be performed or complied with by the Guarantor.

ARTICLE 3 **COVENANTS**

3.1 Covenants

The Guarantor unconditionally, absolutely and irrevocably covenants and agrees with the Lender:

- (a) in addition to and separate and distinct from its agreements in Subsections 3.1(b) and 3.1(c), to guarantee to the Lender the repayment by the Mortgagor and any of the other Covenantors of the Loan Indebtedness and to guarantee to the Lender the punctual performance of the Loan Obligations;
- (b) in addition to and separate and distinct from its agreements in Subsections 3.1(a) and 3.1(c), to indemnify and save harmless the Lender from and against all loss, damage, expenses, costs and liability whatsoever which shall arise from or be caused by the default or breach by the Mortgagor and any of the other Covenantors with respect to the repayment of the Loan Indebtedness and the performance of the Loan Obligations;
- (c) in addition to and separate and distinct from its agreements in Subsections 3.1(a) and 3.1(b), as primary obligor and not as guarantor, to repay the Loan Indebtedness and to perform the Loan Obligations; and
- (d) that it will not at any time prior to the repayment in full of all Loan Indebtedness accept from the Mortgagor; (i) the repayment of any loans (principal or interest) to, (ii) the redeeming or purchase of any shares or units or partnership interests held by or on behalf of, (iii) the payment of any compensation, fee or other amount to, or (iv) the payment of any distributions or dividends or return on partnership or shareholder investment to, in each case, the Guarantor or any shareholder, unitholder or partner of the Guarantor or any other person not at arms-length to any of the foregoing.

3.2 Nature of Obligations of the Guarantor

The Guarantor covenants and agrees with the Lender that:

- (a) except as expressly set out in this Guarantee the obligations and liabilities of the Guarantor under this Guarantee will be irrevocable and as long as any of the Loan Indebtedness remains unpaid, will continue and be of full force and effect and will not be terminated or in any manner affected, and no right of the Lender under this Guarantee will in any manner be prejudiced or impaired by:
 - (i) the dissolution, winding-up or other cessation of existence of the Mortgagor or any of the other Covenantors or the institution of any proceeding relating thereto, any continuance, reorganization or change in the business, directors, management, objects, organization or shareholders of the Mortgagor or any of the other Covenantors, the amalgamation of the Mortgagor or any of the other Covenantors with another corporation, the sale or disposal of or appointment of a liquidator, receiver, receiver-manager, receiver and manager or trustee in respect of any of the assets or undertaking of the Mortgagor or any of the other Covenantors, any distribution of the assets of the Mortgagor or any of the other Covenantors on any arrangement, bankruptcy, composition insolvency, liquidation, receivership, reorganization or other similar proceeding or occurrence, any assignment by the Mortgagor or any of the other Covenantors for the benefit of creditors, any other marshalling of any of the assets of the Mortgagor or any of the other Covenantors or any other act or event which constitutes a novation of any obligation or liability of the Mortgagor or any of the other Covenantors in respect of the Loan Indebtedness and the Loan Obligations, whether by substitution of the obligations or liabilities of any other person in place of those of the Mortgagor or any of the other Covenantors or otherwise;
 - (ii) any obligation or liability of the Mortgagor or any of the other Covenantors, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise, the Guarantor, whether under this Guarantee or otherwise or any agreement or instrument evidencing any such obligation or liability at any time being unenforceable;
 - (iii) any defect in, omission from, failure to file or register, or defective filing or registration of any document under which the Lender has taken security for payment of the Loan Indebtedness or for performance of the Loan Obligations, or any failure or loss in respect of any such security of the Lender, whether arising in connection with the fault of the Lender or otherwise;
 - (iv) any issue or levy by any administrative, government, judicial or other authority or arbitrator of any award, execution, injunction, judgment, order, attachment, writ or similar process against the Mortgagor or any of the

Covenantors, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise;

- (v) any occurrence or non-occurrence of any other act or event which would result in termination, discharge, limitation, merger, novation, reduction or release of the Guarantor or of any of its obligations or liabilities under this Guarantee or which would otherwise prejudice or impair any right of the Lender under this Guarantee; or
 - (vi) any sale, transfer, agreement to sell or other disposition of the Lands by the Mortgagor or any of the Covenantors;
- (b) the obligations and liabilities of the Guarantor under this Guarantee are absolute and independent of and not in consideration of or conditional on any other obligation or liability of the Guarantor, the Mortgagor or any of the other Covenantors, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise, or any prior notice or protest to, demand upon or action, suit or other proceeding against the Mortgagor or any of the other Covenantors. The Lender may bring or prosecute a separate action, suit or other proceeding against the Guarantor whether it is brought or prosecuted against the Mortgagor or any of the other Covenantors or whether the Mortgagor or any of the other Covenantors is joined;
- (c) this Guarantee will be binding in respect of any modification or renewal of the Loan Indebtedness or the Loan Obligations by the Mortgagor, any of the other Covenantors or any subsequent owner of the Lands, whether or not the Guarantor has consented to same and whether or not such modification or renewal constitutes an adverse or material alteration of the Guarantor's obligations under this Guarantee; and
- (d) any part payment by the Mortgagor and/or any of the other Covenantors of any of the Loan Indebtedness or part performance of any of the Loan Obligations that operates to extend any statute of limitations or law of prescription as to the Mortgagor and/or any of the other Covenantors will operate to extend such statute of limitations or law of prescription as to each Guarantor to the extent permitted by applicable law.

3.3 Recourse

It is a condition of this Guarantee, and the Lender hereby agrees that, notwithstanding any other provision of this Guarantee, the Lender's recourse against the Guarantor and the liability of the Guarantor for any indebtedness, liability or obligation to the Lender under this Guarantee shall be limited to the Guarantor's interest in the Lakeview DXE Collateral (as defined in the Commitment Letter) notwithstanding that the amount of the Loan Indebtedness may exceed such amount.

3.4 Authorizations

The Guarantor authorizes the Lender, in the sole discretion of the Lender, without notice to or demand on the Guarantor and without in any manner affecting any obligation or liability of the Guarantor under this Guarantee or any security furnished to the Lender by the Guarantor in connection with the Loan Indebtedness and the Loan Obligations or prejudicing or impairing any right of the Lender under this Guarantee, from time to time to:

- (a) adjust, compromise, extend, modify, accelerate, renew or otherwise change the time, form or manner for payment of or any term in respect of the Loan Indebtedness or the Loan Obligations, including, without limitation, increasing or decreasing the rate of interest, changing the method of calculation of interest, extending the term, or altering the periodic payments;
- (b) take any security for payment of the Loan Indebtedness or for performance of the Loan Obligations and enforce, exchange, perfect, release, subordinate, subrogate, substitute, surrender, waive or take advantage of or defer or waive taking, perfecting, enforcing or otherwise taking advantage of any such security and apply such security and direct the manner of sale as the Lender determines in its sole discretion;
- (c) compromise, release, substitute, delay or waive the exercise of any right or remedy against the Mortgagor, the Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness and the Loan Obligations;
- (d) grant any other indulgence to the Mortgagor or any of the other Covenantors liable in respect of the Loan Indebtedness and the Loan Obligations and deal with all or any of such persons as the Lender sees fit;
- (e) accept payment of any Loan Indebtedness from the Mortgagor or any of the other Covenantors incurred by the Mortgagor or any of the other Covenantors after the execution of this Guarantee;
- (f) apply any payment by, recovery from or credit, deposit or offset due to, or any funds realized from any security furnished to the Lender by the Mortgagor, the Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness and the Loan Obligations, to any Indebtedness, whether in respect of the Loan Indebtedness, the Loan Obligations or otherwise of the Mortgagor, the Guarantor or any of the other Covenantors to the Lender, as the case may be, in such manner and at such times as the Lender in its sole discretion determines;
- (g) otherwise deal with the Mortgagor, the Guarantor or any of the other Covenantors or the Loan Indebtedness, the Loan Obligations or any security provided to the Lender by the Mortgagor, the Guarantor or any of the other Covenantors as the Lender deems appropriate; and

- (h) impose a lien on or set off any money, security or other property of the Guarantor at any time in the possession of or on deposit with the Lender, whether held in a special account or on deposit or for safekeeping or otherwise, against any payment due from the Guarantor to the Lender under this Guarantee.

3.5 Waiver

Subject to compliance with applicable laws by the Lender, the Guarantor unconditionally waives:

- (a) any right to receive from the Lender any communication with respect to the Loan Indebtedness, the Loan Obligations or any other obligation or liability of the Guarantor under this Guarantee, or of any of the other Covenantors liable in respect of any of the Loan Indebtedness or the Loan Obligations, including, without limitation:
 - (i) any notice of the creation or existence of any Indebtedness, the intention of the Lender to act on or in reliance on any obligation or liability of the Guarantor, whether under this Guarantee or otherwise, or of any of the other Covenantors, or any default by or non-observance of any obligation of the Mortgagor, the Guarantor or any of the other Covenantors;
 - (ii) any communication of any information known by the Lender relating to the financial condition of the Mortgagor or any of the other Covenantors or to any other circumstance bearing upon the risk of non-payment of any Loan Indebtedness or non-performance of any of the Loan Obligations; or
 - (iii) any demand for performance, notice of dishonour, notice of protest, presentment or protest relating to any obligation or liability of the Mortgagor, the Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness or the Loan Obligations;
- (b) any right to require the Lender to:
 - (i) proceed against the Mortgagor, the Guarantor or any of the other Covenantors liable in respect of the Loan Indebtedness or the Loan Obligations, including, without limitation, any right or benefit of discussion or division;
 - (ii) proceed against or exhaust any security furnished to the Lender by the Mortgagor, the Guarantor or any of the other Covenantors;
 - (iii) first apply any property or assets of the Mortgagor or any of the other Covenantors to the discharge of the Loan Indebtedness and the Loan Obligations or to marshal in favour of the Guarantor; or
 - (iv) pursue or exercise any other right or remedy of the Lender whatsoever;

- (c) as long as any of the Loan Indebtedness remains unpaid or any of the Loan Obligations have not been performed, any right of subrogation to or any right to enforce any right or remedy of the Lender in respect of the Mortgagor or any of the other Covenantors or any security provided to the Lender by the Mortgagor or any of the other Covenantors or any benefit of or right to participate in any such security; and
- (d) any defence arising out of or in connection with:
 - (i) any absence, impairment or loss of any right of contribution, reimbursement or subrogation or any other right or remedy of the Guarantor in respect of the Mortgagor or any of the other Covenantors;
 - (ii) any disability, incapacity or other defence available to the Mortgagor or any of the other Covenantors liable in respect of the Loan Indebtedness or the Loan Obligations, or any cessation from any cause whatsoever of any obligation or liability of the Mortgagor or any of the other Covenantors in respect of the Loan Indebtedness or the Loan Obligations; or
 - (iii) any other circumstance which might otherwise constitute a defence to any action, suit or other proceeding against the Guarantor, whether under this Guarantee or otherwise.

3.6 Bankruptcy, etc.

In the event of any distribution of any of the assets of the Mortgagor, the Guarantor or any of the other Covenantors, any arrangement, bankruptcy, composition, execution, sale, insolvency, liquidation, receivership, reorganization or other similar proceeding or occurrence, any proceeding for the dissolution, liquidation, winding-up or other cessation of existence of the Mortgagor or any of the other Covenantors, voluntary or involuntary, whether or not involving bankruptcy or insolvency proceedings, any assignment by the Mortgagor or any of the other Covenantors for the benefit of creditors or any other marshalling of any of the assets of any such person:

- (a) no obligation or liability of the Guarantor under this Guarantee will be terminated or in any manner affected and no right of the Lender under this Guarantee will in any manner be prejudiced or impaired by same or by any omission by the Lender to prove its claim or its full claim and the Lender may prove such claim as it sees fit and may refrain from proving any claim and may value or refrain from valuing any security held by the Lender; and
- (b) if any of the Loan Indebtedness is unpaid or if any of the Loan Obligations has not been performed, the Lender has the right to include in any claim made by it all sums paid by the Guarantor, whether under this Guarantee or otherwise, and to prove and rank for and receive dividends in respect of such claim, all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereof, which are hereby assigned and transferred by the Guarantor to the Lender.

ARTICLE 4
MISCELLANEOUS

4.1 Payments

All payments required to be made by the Guarantor to the Lender under this Guarantee will be made at the address of the Lender set out in Section 4.12 (or at any other place specified by the Lender by written notice to the Guarantor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

4.2 Guarantor to Keep Informed

As long as any of the Loan Indebtedness is unpaid or the Loan Obligations have yet to be performed in full the Guarantor assumes responsibility for keeping itself informed of the financial condition of the Mortgagor and any of the other Covenants and of all other circumstances bearing on the risk it incurs under this Guarantee.

4.3 Lender's Records

The records of the Lender as to the Loan Indebtedness, the Loan Obligations or any failure by the Mortgagor or any of the other Covenants to make full and punctual payment or performance when due are conclusive evidence of the relevant facts without further proof.

4.4 Release

Upon payment in full of the Loan Indebtedness and the satisfaction of all of the Loan Obligations, this Guarantee shall terminate and the Lender shall, upon the receipt of a request in writing from the Guarantor and at the Guarantor's expense, provide such releases and other documents as the Guarantor may reasonably request evidencing the termination of this Guarantee.

4.5 Failure of Indulgence Not Waiver

No extension of time, waiver, or other indulgence given by the Lender to the Guarantor, or anyone claiming under the Guarantor, shall in any way affect or prejudice the rights of the Lender against the Guarantor or any other Covenantor. Each power and right under this Guarantee is cumulative and is in addition to and not in substitution for any other rights and remedies at law, or in equity or otherwise.

4.6 Modification

No modification or waiver of this Guarantee is binding on the Lender unless made in writing and signed by a duly authorized officer of the Lender.

4.7 Entire Agreement

On execution and delivery by the Guarantor, this Guarantee is deemed to be finally executed and delivered by the Guarantor to the Lender and is not subject to or affected by

any condition as to the receipt by the Lender of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Lender of any other Loan Documents, nor by any promise or condition affecting the liability of the Guarantor. No agreement, promise, representation or statement by the Lender or any of its officers, employees or agents unless in this Guarantee forms part of this Guarantee, has induced the making of it or affects the liability of the Guarantor and the Mortgagor under it.

4.8 Severability

If any Section or part thereof of this Guarantee is invalid or unenforceable for any reason, then such Section or part thereof will be severable from this Guarantee and will not affect the validity or enforceability of any other part of this Guarantee.

4.9 Non-Merger

The giving of this Guarantee is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this Guarantee, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Lender.

4.10 Paramountcy

The provisions of any agreement between any Guarantor and the Lender in connection with the Loan Indebtedness, including but not limited to any loan application in respect thereof, the Mortgage and all of the other Loan Documents, shall form part of this Guarantee except where inconsistent with the provisions hereof. In the case of any inconsistency between this Guarantee and the Mortgage, the provisions of the Mortgage shall prevail.

4.11 Assignability

The Guarantor hereby consents to the Lender assigning, transferring or selling all or any portion of its interest under this Guarantee in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Lender may enter into participation, contending or syndication agreements with other lenders in connection with this Guarantee, the Loan Indebtedness and the Loan Obligations. The Lender may provide information of a financial or other nature to any prospective assignee, transferee, purchaser or other lenders concerning the Guarantor, this Guarantee, the Loan Indebtedness and the Loan Obligations.

4.12 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Guarantee shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party, addressed:

- 12 -

(a) to the Guarantor:

1944 Fowler Drive
Mississauga, Ontario
L5K 0A1

Attention: John Vandyk
Email: jvandyk@vandyk.com
Facsimile: 905-823-4014

with a copy to the Guarantor's solicitors at

Schneider Ruggiero Spencer Milburn LLP
120 Adelaide Street West, Suite 1000
Toronto, Ontario
M5H 3V1

Attention: Bruce Milburn
Email: bmilburn@srlawpractice.com
Facsimile: 416-363-0645

(b) to the Lender:

Scotia Plaza
40 King Street West, Suite 3700
Toronto, Ontario
M5H 3Y2

Attention: Scott Coates
Email: SCoates@kingsettcapital.com
Facsimile: 416-687-6701

with a copy to the Servicer at:

41 Scarsdale Road, Unit 6
Toronto, Ontario
M3B 2R2

Attention: Judy Wong
Email: JWong@DorrCapital.com

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered personally or by courier, or transmitted by electronic or digital transmission (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3rd) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to

disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

4.13 Expenses, Fees and Indemnity

The Guarantor will pay to the Lender all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Lender in connection with the collection of any amount payable under this Guarantee by the Guarantor to the Lender. The Guarantor shall indemnify the Lender against all claims, loss or damages arising out of or in connection with any breach or default by the Guarantor under this Guarantee.

4.14 Applicable Law

This Guarantee and the rights and obligations of the Guarantor and the Lender under it are governed by and construed according to the laws of the jurisdiction in which the Lands are situate and the laws of Canada applicable therein.

4.15 Time of the Essence

Time is of the essence of this Guarantee.

4.16 Execution by the Lender

This Guarantee need not be executed by the Lender to be binding on and to enure to the benefit of the Lender.

4.17 Counterparts

This Guarantee may be executed in any number of counterparts, each of which will constitute an original, but all of which together will constitute one and the same document. A signed copy of this Guarantee or a counterpart of it delivered by email, facsimile or other means of electronic or digital transmission or signature is deemed to have the same legal effect as delivery of an original signed copy of this Guarantee.

4.18 Further Assurances

The Guarantor will promptly do all further acts and execute and deliver further documents as may be required to carry out the terms or intent of this Guarantee.

4.19 Successors and Assigns

This Guarantee is binding on and enures to the benefit of the Lender and the Guarantor and their respective executors, administrators, successors and permitted assigns and to any Person to whom the Lender may grant any participation in this Guarantee, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Lender

under this Guarantee or any of the Lender's interest herein or in the Loan Indebtedness and the Loan Obligations.

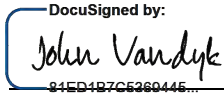
4.20 Multiple Parties


If the Guarantor consists of more than one party, this Guarantee will be read with all necessary grammatical changes and each reference to the Guarantor includes each and every such Person or corporation individually. All covenants and agreements herein of the Guarantor are the joint and several covenants and agreements of each such Person. If the Lender consists of more than one party, this Guarantee will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Lender under this Guarantee.

-- signatures follow on next page --

IN WITNESS WHEREOF the Guarantor has executed this Guarantee as of the date and year first written above.

**VANDYK-LAKEVIEW-DXE-WEST
LIMITED**

Per: 
Name: _____
Title: _____

Per: 
Name: _____
Title: _____

TAB D

THIS IS **EXHIBIT "D"** REFERRED TO IN THE AFFIDAVIT
OF DANIEL POLLACK, SWORN BEFORE ME THIS
7TH DAY OF NOVEMBER, 2023.

Joshua Foster

Joshua Foster

A Commissioner for taking Affidavits
(or as may be)

Properties

<i>PIN</i>	14227 - 1291 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LOT 12, CONCESSION 2, EHS DES PT 1, PL 43R33117; SUBJECT TO AN EASEMENT IN GROSS OVER PT 1, 43R35581 AS IN PR2508870; SUBJECT TO AN EASEMENT IN GROSS AS IN PR3253482; SUBJECT TO AN EASEMENT IN GROSS AS IN PR3770466; SUBJECT TO AN EASEMENT AS IN PR3853334; CITY OF BRAMPTON		
<i>Address</i>	BRAMPTON		
<i>PIN</i>	14227 - 1266 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 11 CON 2 EHS CHING DES PT 1 PL 43R-19750, SAVE AND EXCEPT PT 7 PL 43R-31217; BRAMPTON.		
<i>Address</i>	BRAMPTON		
<i>PIN</i>	14227 - 1264 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 11 CON 2 EHS CHING AS IN CH21799, SAVE AND EXCEPT BL 696, PTS 1,2, 3, 4, 5 PL 43R-31098, LYING NORTH EAST OF PT 1 PL 43R-31217 AND PTS1, 2 PL 43R-31192; BRAMPTON; T/W ROW OVER PT LT 11 CON 2 EHS CHING DESPTS 1, 2, 3, 4, 5 PL 43R-31098, AS IN PR1167589.		
<i>Address</i>	BRAMPTON		
<i>PIN</i>	14227 - 1262 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 11 CON 2 EHS CHING DES PTS 1, 2 PL 43R-31192; BRAMPTON; T/W ROW OVER PT LT 11 CON 2 EHS CHING DES PTS 1, 2, 3, 4, 5 PL 43R-31098, AS IN PR1167589.		
<i>Address</i>	BRAMPTON		

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 VANDYK-UPTOWNS LIMITED
Address for Service 1944 Fowler Drive
 Mississauga, Ontario L5K 0A1

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 2366885 ONTARIO INC.
Address for Service 1944 Fowler Drive
 Mississauga, Ontario L5K 0A1

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

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

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$68,750,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	See Schedule		
<i>Balance Due Date</i>	See Schedule		
<i>Interest Rate</i>	See Schedule		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	See Schedule		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>			

Signed By

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2022 06 15
Toronto
M5X 1A4 Chargor(s)

Tel 416-863-1200

Fax 416-863-1716

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

Submitted By

BENNETT JONES LLP 3400-1 First Canadian Place 2022 06 16
Toronto
M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

Fees/Taxes/Payment

Statutory Registration Fee \$66.30

Total Paid \$66.30

File Number

Chargee Client File Number : 59445.93 (JVG/MOG/MW/NA)

MORTGAGE

VANDYK-UPTOWNS LIMITED and **2366885 ONTARIO INC.** having an office at 1944 Fowler Drive, Mississauga, Ontario L5K 0A1 (hereinafter, collectively, referred to as the "**Mortgagor**") each being registered as owner of an estate in fee simple in possession of the Property;

IN CONSIDERATION of the sum of \$68,750,000.00 of lawful money of Canada, (the "**Principal Amount**"), or any portion thereof, lent to the Mortgagor by **KINGSETT MORTGAGE CORPORATION**, having an office at Scotia Plaza, 40 King Street West, Suite 3700, Toronto, Ontario M5H 3Y2 (hereinafter referred to as the "**Mortgagee**"), the Mortgagor **HEREBY COVENANTS WITH** the Mortgagee as follows:

DEFINITIONS

1. The terms defined below shall have the indicated meanings unless the context expressly or by necessary implication requires otherwise:
 - (a) "**Assessments**" has the meaning ascribed thereto in Section 13(b);
 - (b) "**Budgeted Project Costs**" means the Project Costs as set out in the Project Budget;
 - (c) "**Commitment Letter**" means the commitment letter dated as of May 6, 2022 between, *inter alios*, the Mortgagor and the Servicer, as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time;
 - (d) "**Construction Completion**" means total completion of the construction of the Project in accordance with the Plans and Specifications and applicable laws, including payment in full of all Project Costs, and expiry of all applicable construction lien periods arising without there being any outstanding construction liens claimed against the Project or the interest of the Mortgagor, the Guarantors or any of the other Covenantors therein (including the requirement that the general contract or construction management contract, as the case may be, is deemed to be substantially performed or completed pursuant to the relevant respective provisions of the *Construction Act* (Ontario));
 - (e) "**Contingency Amount**" means, without duplication, with respect to any line item of Project Costs in the Project Budget the amount, if any, of any contingency provided in the Project Budget relating thereto;
 - (f) "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise;
 - (g) "**Cost Overruns**" means all Project Costs in excess of Budgeted Project Costs (which, for greater certainty, includes any Contingency Amount);
 - (h) "**Covenantors**" means, collectively, the Mortgagor or any joint debtor or any obligor to the Mortgagee in connection with repayment of the Loan Indebtedness or the performance of the Loan Obligations;
 - (i) "**Derry Lands**" means the property municipally known as 320 Derry Road, Mississauga, Ontario;
 - (j) "**Derry Project**" means development of an infill serviced lot development site approved for 39 detached units and 6 semi-detached units located at the Derry Lands;
 - (k) "**Event of Default**" has the meaning ascribed thereto in Section 30;
 - (l) "**Extension Fee**" means a fee of 0.30% of the then outstanding Loan Indebtedness;
 - (m) "**Final Discharge Fee**" has the meaning ascribed thereto in Section 23;
 - (n) "**Governmental Authority**" means the government of Canada or any other nation, or of any political subdivision thereof, whether state/provincial or local, and any

agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency;

- (o) "**Hard Costs**" means amounts expended or to be expended for work, services or materials done, performed, placed or furnished in the construction of the Project which would be subject to a Holdback Amount (excluding any Soft Costs which would be the subject of a Holdback Amount);
- (p) "**Hazardous Substance**" means any radioactive materials, asbestos materials, urea formaldehyde, underground or aboveground tanks, pollutants, contaminants, liquid waste, industrial waste, hauled liquid waste, deleterious substances, corrosive or toxic substances, hazardous wastes, hazardous materials, hazardous substances, special waste or waste of any kind or any other substance, the storage, manufacture, disposal, treatment, generation, use, transport, remediation or release into the environment of which is now or hereafter prohibited, controlled or regulated under any applicable environmental law;
- (q) "**Holdback Amount**" means an amount equal to the amount of the holdback or holdbacks required by the Construction Act (Ontario) which the Mortgagor or any of the other Covenantors, at the time of determination:
 - (i) has retained or ought to have retained from previous payments made pursuant to any provisions of an existing contract pursuant to which an encumbrance under such statute could arise against the Project; and
 - (i) will be required to retain from any payment currently due or about to become due pursuant to such a contract,

whether or not any such payment is made from credit extended by the Mortgagee to the Mortgagor, any of the other Covenantors or the Guarantors or such other amount as may be agreed upon between the Mortgagor or any of the other Covenantors and the Mortgagee. Notwithstanding the foregoing, in determining the amount of the Holdback Amount at any time, there shall not be included therein any amount which as of a previous time was included in the holdback which the Mortgagor or any of the other Covenantors retained pursuant to such statute, but which has subsequently been paid out by the Mortgagor in accordance with such statute;

- (r) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (s) "**Interest Adjustment Date**" means the first day of the calendar month following the calendar month in which the initial advance of all or any portion of the Loan Indebtedness is made, unless such initial advance takes place on the first day of a calendar month, in which case the interest adjustment date shall be the date of such initial advance;
- (t) "**Interest Rate**" means the greater of: (i) the RBC Prime Rate plus 7.95% per annum; and (ii) 11.15% per annum, calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement with respect to the Loan Indebtedness;
- (u) "**Lands**" means those lands and premises more particularly described in Schedule "A" attached hereto;

- (v) **"Lease Benefits"** means, collectively, the benefit of all covenants and obligations of lessees, tenants, licensees, or occupants as well as all other rights, privileges, advantages and benefits contained in any of the Leases, including without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the Mortgagor's rights under any Lease, and generally any collateral advantage or benefit to be derived from the Leases or any of them;
- (w) **"Leases"** means, collectively, all present and future leases, subleases, licenses, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Mortgagor or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Property, and including all agreements collateral thereto;
- (x) **"Lien"** means, collectively, any: (i) lien, charge, mortgage, pledge, security interest or conditional sale agreement; (ii) assignment, lease, consignment, trust or deemed trust that secures payment or performance of an obligation; (iii) garnishment; (iv) other encumbrance of any kind; and (v) any commitment or agreement to enter into or grant any of the foregoing;
- (y) **"Loan Documents"** means, collectively, the Commitment Letter, this Mortgage, the Security Documents and all certificates, instruments, agreements and other documents delivered, or to be delivered, to the Mortgagee under, pursuant to or in connection with this Mortgage or any of the other Loan Documents, each as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time and, when used in relation to any Person, the term **"Loan Documents"** means the Loan Documents executed and delivered by such Person;
- (z) **"Loan Indebtedness"** means any Indebtedness from time to time of the Mortgagor or any of the other Covenantors to the Mortgagee arising under any of the Loan Documents;
- (aa) **"Loan Obligations"** means the obligations from time to time of the Mortgagor or any of the other Covenantors arising under the Loan Documents;
- (bb) **"Material Adverse Effect"** means a material adverse effect on:
 - (i) the Property or the economic viability thereof;
 - (ii) the business, operations, property or financial condition of any of the Covenantors which would materially impact the ability of the Covenantors, taken as a whole, to repay the Loan Indebtedness and to perform and discharge the Loan Obligations;
 - (iii) the validity or enforceability of this Mortgage or any of the other Loan Documents; or
 - (iv) the Mortgagee's ability to enforce its rights or remedies under this Mortgage or any of the other Loan Documents, including with respect to the Mortgagee's security position;
- (cc) **"Maturity Date"** means twenty-four (24) months after the Interest Adjustment Date as may be extended in accordance with the Commitment Letter;
- (dd) **"Maximum Loan Amount"** means, notwithstanding the Principal Amount, the amount of \$55,000,000.00;
- (ee) **"Mortgaged Premises"** means every building, structure, improvement and fixture (including those more fully set out in Section 19 hereof), including replacements therefor, on or which may hereafter be erected or placed on the Lands, including all plate glass, plant, equipment, apparatus and machinery of every kind now or hereafter located therein, thereon or used in connection therewith, and all personal property including, contents thereof to the extent that they are the property of the Mortgagor;

- (ff) **"Mortgagee"** means KingSett Mortgage Corporation;
- (gg) **"Mortgagor"** means, collectively, Vandyk-Uptowns Limited and 2366885 Ontario Inc.;
- (hh) **"Other Obligations"** has the meaning ascribed thereto in Section 39;
- (ii) **"Partial Discharge Fee"** has the meaning ascribed thereto in Section 23;
- (jj) **"Permitted Encumbrances"** mean, collectively:
 - (i) any Lien in respect of any property or assets of the Mortgagor created by or arising pursuant to any applicable legislation in favour of any Person (such as but not limited to a Governmental Authority), including a Lien for the purpose of securing the Mortgagor's obligation to deduct and remit employee source deductions and goods and services tax pursuant to the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan* (Canada), the *Employment Insurance Act* (Canada) and any legislation in any jurisdiction similar to or enacted in replacement of the foregoing from time to time (each individually a **"Statutory Lien"**) in respect of any amount which is not at the time due;
 - (ii) any Statutory Lien in respect of any amount which may be due but the validity of which is being contested in good faith and in respect of which reserves have been established as reasonably required by the Mortgagee;
 - (iii) in respect of the Property: (A) any registered agreement (or unregistered agreement that is required in connection with the further development of the Property) with any Governmental Authority and any public utilities or private suppliers of services, including site plan agreements, subdivision agreements, development agreements, engineering, grading or landscaping agreements and similar agreements, which has not and is not reasonably likely to have a Material Adverse Effect, provided the same is complied with in all material respects; (B) any registered easement for the supply of utilities or telephone services to the Property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services and all licences, easements, rights-of-way, rights in the nature of easements and agreements with respect thereto not registered on title to the Property, including agreements, easements, licences, rights-of-way and interests in the nature of easements for sidewalks, public ways, sewers, drains, utilities, gas, steam and water mains or electric light and power, or telephone telegraphic conduits, poles, wires and cables, which has not and is not reasonably likely to have a Material Adverse Effect; (C) any registered easement or right-of-way for the passage, ingress and egress of Persons and vehicles over parts of the Lands, which has not and is not reasonably likely to have a Material Adverse Effect; (D) any registered or unregistered easement, rights-of-way, agreement or other unregistered interest or claims not disclosed by registered title which has not and is not reasonably likely to have a Material Adverse Effect; (E) any zoning, land use and building restriction, bylaw, regulation and ordinance of any Governmental Authority, including municipal by-laws and regulations and airport zoning regulations, which has not any is not reasonably likely to have a Material Adverse Effect; (F) any obligation with respect to any permit required in connection with the construction and use of the Property provided such permit is in good standing and has not and is not reasonably likely to have a Material Adverse Effect; and (G) any minor defect in title which has not and is not reasonably likely to have a Material Adverse Effect;
 - (iv) any reservation, limitation, proviso, condition, restriction and exception (including royalties, reservation of mines, mineral rights, access to navigable waters and similar rights) expressed in the letters patent or grant from the Crown, as varied by statute, of the lands of which the Lands form a part and any statutory limitation, exception, reservation and qualification, provided same has been complied with in all material respects;

- (v) any Lien incurred or deposit made or pledged to secure any obligation under workers' compensation legislation or similar legislation, or in connection with contracts, bids, tenders or expropriation proceedings, or surety, performance or appeal bonds in connection with construction of the further development of the Property;
 - (vi) security given to a public utility or any Governmental Authority to secure obligations incurred to such utility, Governmental Authority or other authority in the ordinary course of business and not at the time overdue;
 - (vii) any inchoate Lien (statutory or otherwise) arising in connection with the construction or improvement of the Property or arising out of the furnishing of materials or supplies therefor, provided that such Lien secures moneys not at the time overdue (or if overdue, the validity of which is being contested in good faith and in respect of which and reserves have been established as reasonably required by the Mortgagee), notice of such Lien has not been given to the Mortgagee and such Lien has not been registered against title to the Property;
 - (viii) purchase-money security interests incurred or assumed in connection with the purchase, leasing or acquisition of capital equipment in the ordinary course of business, provided that the aggregate amount of the Mortgagor's liability thereunder is not at any time greater than one million (\$1,000,000.00) dollars;
 - (ix) any present and future lease, offer to lease, sublease, concession, licence or other contract or agreement by which the use, enjoyment or occupancy of the Property or any portion thereof is granted which has not and is not reasonably likely to have a Material Adverse Effect;
 - (x) this Mortgage and the other Security Documents;
 - (xi) the Prior Permitted Encumbrances; and
 - (xii) any Subsequent Encumbrances with the express prior written consent of the Mortgagee in its sole, absolute and unfettered discretion;
- (kk) **"Person"** means, and includes, natural persons, corporations, limited liability companies, limited partnerships, limited liability partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and governments and agencies and political subdivisions thereof and their respective permitted successors and assigns (or in the case of a governmental person, the successor functional equivalent of such Person);
- (ll) **"Plans and Specifications"** means the plans and specifications pertaining to the construction of the Project, as reviewed for reasonableness by the Project Monitor and as initially approved by the Mortgagee, as amended from time to time with the approval of the Mortgagee;
- (mm) **"Principal Amount"** has the meaning ascribed thereto in the preamble to this Mortgage;
- (nn) **"Prior Permitted Encumbrances"** means those encumbrances registered against title to the Property in priority to this Mortgage on the date of the registration of this Mortgage against title to the Lands and which the Mortgagee has agreed to accept in its sole, absolute and unfettered discretion, including for greater certainty, the following encumbrances registered on title to Uptowns: (i) a first mortgage, in an amount not to exceed \$121,100,000.00, provided by MCAP Financial Corporation on terms and conditions acceptable to the Mortgagee; and (ii) a second mortgage, in an amount not to exceed \$20,204,750.00, provided by Trisura Guarantee Insurance Company on terms and conditions acceptable to the Mortgagee;
- (oo) **"Project"** means:

- (i) the development of 342 stacked townhouses with a total 379,842 square feet of gross floor area located at 10302 Heart Lake Road, Brampton, Ontario, and all landscaping, all plants, machinery, improvements and equipment and all other property whether free-standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto ("**Uptowns**"); and
- (ii) a development site approved for 200 townhouses located at 10194 Heart Lake Road, Brampton, Ontario, and all landscaping, all plants, machinery, improvements and equipment and all other property whether free-standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto ("**Jordan**");
- (pp) "**Project Budget**" means the project budget for the Project approved by the Mortgagee, which may be amended or modified from time to time subject to the prior written consent of the Mortgagee. For greater certainty, consent to increase the Project Budget may be unreasonably withheld, delayed or conditioned by the Mortgagee unless 100% of the Project Budget increase is funded by additional cash equity injected into the Project by the Mortgagor;
- (qq) "**Project Costs**" means the aggregate of all Hard Costs and all Soft Costs expended or to be expended in connection with the Project reaching Construction Completion;
- (rr) "**Project Monitor**" means the project monitor appointed for the Project;
- (ss) "**Property**" means, collectively, the Lands and the Mortgaged Premises;
- (tt) "**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;
- (uu) "**Rents**" means, collectively, all rents, issues and profits now due or to become due under or derived from the Leases and/or the Property;
- (vv) "**Royal York Lands**" means the property municipally known as 327 Royal York, Etobicoke, Ontario;
- (ww) "**Royal York Project**" means the mixed-use land site to be developed with a two-tower project comprised of 692 residential condominium units, approximately 5,726 square feet of ground floor retail, approximately 75,000 square feet of office space, and approximately 16,416 square feet of Metrolinx station spaced located at the Royal York Lands;
- (xx) "**Security Documents**" means, collectively, the Loan Documents creating Liens on the undertaking, property and assets of the Covenantors in favour of the Mortgagee, and all other instruments, agreements and documents which have been or may hereafter from time to time be executed in connection therewith, in each case as the same may be hereafter amended, modified, supplemented or restated in accordance with the terms thereof;
- (yy) "**Servicer**" means Dorr Capital Corporation;
- (zz) "**Soft Costs**" means all amounts expended or to be expended in respect of the Project for consultants, architects, taxes, surveys, construction insurance, bonding costs, legal fees, promotion of the Project, financing, leasing, pre-operating costs and all other costs related to the Project (except Hard Costs);
- (aaa) "**Statutory Lien**" has the meaning ascribed thereto in Section 1(jj)(i);
- (bbb) "**Subsequent Encumbrances**" means, collectively, encumbrances registered against title to the Lands subsequent in priority to this Mortgage with the prior consent of the Mortgagee, which consent shall be granted in the Mortgagee's sole, absolute and unfettered discretion;

(ccc) "**Taxes**" means all present or future taxes, rates, liens, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto; and

(ddd) "**Title Agreements**" has the meaning ascribed thereto in Section 50;

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise: (i) any definition of or reference to any agreement, instrument or other document herein (including this Mortgage) shall be construed as referring to such agreement, instrument or other document amended, varied, supplemented, restated, renewed or replaced at any time and from time to time (subject to any restrictions on such amendments, variations, supplements, restatements, renewals or replacements set forth herein); (ii) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns; (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Mortgage in its entirety and not to any particular provision hereof; (iv) unless otherwise expressly stated, all references in this Mortgage to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Mortgage, and references to a Section, means such Section or an enumerated sub-Section thereof, as applicable; (v) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time; and (vii) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

PROMISE TO PAY AND FULFIL OBLIGATIONS

2. The Mortgagor will pay or cause to be paid to the Mortgagee, on demand, in lawful money of Canada the full amount of the Loan Indebtedness in the manner of payment provided by this Mortgage before as well as after maturity, both before and after default, and both before and after judgment on this Mortgage, without any deduction or abatement, and shall do, observe, perform, fulfil and keep all of the Loan Obligations.

PAYMENTS

3. The Loan Indebtedness shall be repaid as follows:

- (a) interest on the Loan Indebtedness advanced and remaining unpaid from time to time at the fixed rate per annum equal at all times to the Interest Rate, calculated daily not in advance, before as well as after maturity, default and judgment, on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and compounded monthly not in advance and computed from and including the respective dates of such advances;
- (b) subject to Section 3(d)(iii), interest, at the Interest Rate, shall become due and be paid on the Interest Adjustment Date and thereafter in monthly instalments on the first business day of the month which is one month after the Interest Adjustment Date and continuing on the first business day of each and every month which is one month after the date of each such payment, and in addition, at the option of the Mortgagee, may be deducted from advances of moneys under this Mortgage, and the balance, if any, of the aforesaid interest on advances shall become due and be paid at the same time as is hereinafter provided for payment in full of the Loan Indebtedness;
- (c) the Loan Indebtedness shall become due and be paid in full on the earlier of:
 - (i) the Mortgagee demanding repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time; and

- (ii) the Maturity Date;
- (d) it is acknowledged and agreed that:
 - (i) notwithstanding the Principal Amount, the maximum amount to be advanced by the Mortgagee from time to time in respect of the Loan Indebtedness shall not exceed the Maximum Loan Amount;
 - (ii) an initial and subsequent advances of Loan Indebtedness representing advances from time to time of the Loan may be made by the Mortgagee, subject to and in accordance with the Commitment Letter and the conditions precedent and other provisions set out therein;
 - (iii) beginning on the Interest Adjustment Date, the amount of monthly interest, up to a maximum of \$230,000.00 per month, at the Interest Rate, shall, provided no Event of Default has occurred hereunder which is continuing, be capitalized monthly to the Loan Indebtedness advanced hereunder until the earlier of:
 - A. such capitalized interest, at the Interest Rate, reaching in the aggregate the amount of \$5,500,000.00;
 - B. the sum of such capitalized interest and all other amounts advanced hereunder reaching, in the aggregate, the Maximum Loan Amount;
 - C. repayment of all amounts outstanding hereunder;
 - D. any Event of Default or a default by any of the Covenantors under any of the Loan Documents; and
- (e) in the event that amounts are no longer available in accordance with the provisions of Section 3(d)(iii), any additional interest payments shall not be capitalized and shall be required to be paid by the Mortgagor from sources other than subsequent advances of moneys under this Mortgage.

CHARGE

4. **THE MORTGAGOR HEREBY** grants, mortgages and charges to and in favour of the Mortgagee all right, title and interest of the Mortgagor in and to the Property as security for the payment of the Loan Indebtedness and performance of the Loan Obligations by the Mortgagee.

COMPOUND INTEREST

5. It is hereby agreed that in case default shall be made in payment of any sum to become due for interest, at the Interest Rate, at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, before as well as after maturity, shall bear interest, at the Interest Rate, and in case the interest and compound interest are not paid within the next thirty (30) days, compound interest, at the Interest Rate, shall be payable on the aggregate amount then due of outstanding interest and compound interest, before as well as after maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Property.

INTEREST RATE

6. Notwithstanding the provisions hereof in no event shall the aggregate "**interest**" (as that term is defined in Section 347 of the *Criminal Code* (Canada)) exceed the effective annual rate of interest on the "**credit advanced**" (as defined therein) lawfully permitted under that section. The effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles from the date of the initial advance of the Loan Indebtedness until the Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Mortgagee will be conclusive for the purposes of such determination. If any provision of the Mortgage would obligate the Mortgagor to make any payment of interest or other amount payable to the Mortgagee in an amount or calculated at a rate which would be prohibited by law or would

result in a receipt by the Mortgagee of interest at a criminal rate, then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the Mortgagee of interest at a criminal rate, the adjustment to be effected, to the extent necessary, as follows:

- (a) first, by reducing the amount or rate of interest required to be paid to the Mortgagee under this Mortgage; and
- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Mortgagee which would constitute "**interest**" (as that term is defined in Section 347 of the *Criminal Code* (Canada)).

RENEWALS AND NON-REVOLVING NATURE OF LOAN

7. That:

- (a) in the event that this Mortgage shall be renewed or extended pursuant to Section 7(b) or by written agreement executed by the Mortgagor and the Mortgagee, such renewal or extension (and the rate of interest, term, instalment and other stipulations of such renewal or extension) shall be binding upon Subsequent Encumbrances, the Mortgagor and the Mortgagee, its successors in title and assigns, and all Subsequent Encumbrances, and shall take full priority over all Subsequent Encumbrances, whether or not the said renewal, extension or notice thereof is registered, filed or recorded by caveat at the applicable Land Titles Office and whether or not the rate of interest payable or payment amortization period applicable during the renewal or extension term is greater than or less than the rate or amortization stipulated in this Mortgage. The Mortgagor shall, forthwith on request therefor by the Mortgagee, provide to the Mortgagee, at the Mortgagor's expense, all such postponements and other assurances as the Mortgagee may require to ensure the foregoing binding effect and priority. All renewals (if any) shall be done at the Mortgagor's expense (including without limitation payment of the Mortgagee's reasonable legal expenses on a solicitor and his own client basis). In the event the within Mortgagor is a corporation, no such renewal or extension, even if made by a successor in title to the Mortgagor named herein and whether or not the Mortgagor shall consent thereto, shall in any way release or abrogate or render unenforceable the covenants or obligations of the Mortgagor named herein, which shall continue notwithstanding such renewal or extension and shall apply to this Mortgage as renewed or extended;
- (b) the Mortgagor has the option, subject to the prior consent of the Mortgagee, in its sole, absolute and unfettered discretion, to extend the Maturity Date by up to two (2) extensions with each extension being for a period of three (3) months on the terms and conditions set out in the Commitment Letter, and provided that in connection with each extension option:
 - (i) the Mortgagor pays to the Mortgagee an Extension Fee, which shall be deemed earned by the Mortgagee upon receipt of notice requesting an extension of the Maturity Date, and payable on or before the date which is ten (10) days prior to the Maturity Date, provided that if such extension is not granted by the Mortgagee, the Mortgagee will return such amount to the Mortgagor;
 - (ii) the Mortgagor or any other Covenantor delivering at least sixty (60) days' (but not more than ninety (90) days) written notice prior to the Maturity Date to the Mortgagee requesting each extension; and
 - (iii) no Event of Default has occurred which is continuing;
- (c) other than the extension right set forth in Section 7(b), there are no further rights to renew or extend this Mortgage; and
- (d) no amount that is borrowed or advanced hereunder may, if repaid or prepaid, be reborrowed at any time, it being acknowledged and agreed that this Mortgage creates a non-revolving loan.

PREPAYMENT

8. This Mortgage is closed and may not be prepaid in whole or in part, save and except for each prepayment of net sales proceeds for either the Uptowns portion of the Project or the Derry Project on the terms and conditions set out in the Commitment Letter.

TAXES

9. Subject as hereinafter in this Section 9 provided, the Mortgagor will pay when and as the same fall due all Taxes; provided that in respect of municipal taxes, school taxes, local improvements charges and all taxes and levies made or assessed in lieu of real property taxes, the Mortgagor shall provide the Mortgagee with a paid receipted tax bill within fifteen (15) days after the payment deadline of each such tax bill, and in the event the Mortgagor should default in payment of same and such default continues for more than three (3) business days following written notice to the Mortgagor, the Mortgagee shall have the right to implement any of the following:
- (a) the Mortgagee may deduct from time to time, from advances of moneys under this Mortgage, amounts sufficient to pay the Taxes which have become due and payable or will have become due and payable and are unpaid from time to time as advances are made;
 - (b) the Mortgagor shall in each year during the currency hereof at the request of the Mortgagee pay to the Mortgagee in equal monthly instalments, such amounts as the Mortgagee may estimate as being the annual Taxes next becoming due and payable, the said monthly instalments to be paid in addition to the payments required under Section 2, and the Mortgagor shall also pay to the Mortgagee before the due date of the current annual Taxes such additional sums as may be requisite to enable the Mortgagee to pay out of such monthly instalments and additional payments, the whole amount of the annual Taxes on or before the due date thereof, provided, however, that the exercise of the foregoing right shall be subject to the rights and obligations of the Mortgagor and the Mortgagee under all Permitted Encumbrances;
 - (c) so long as there is not an Event of Default that has occurred and is continuing, the Mortgagee shall apply such deduction and payments on the Taxes as they become due, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of Taxes more often than yearly, nor to pay the same in advance of the due date for payment of the same. Provided however, that if (before any sum or sums so paid to the Mortgagee shall have been so applied) an Event of Default shall have occurred which is continuing, the Mortgagee may, at its option, apply such sum or sums in or towards payment of the Loan Indebtedness;
 - (d) in the event that there is default in the payment by the Mortgagor of moneys for Taxes as aforesaid, then the Mortgagee may pay such Taxes and, in addition, upon providing the Mortgagor with ten (10) days' prior written notice, the Mortgagee may pay any and all liens, charges and encumbrances which may be charged against the Property which are not otherwise first paid by the Mortgagor. All moneys expended by the Mortgagee for any of such purposes together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
 - (e) if the Property or any part thereof becomes subject to sale or forfeiture for non-payment of Taxes while any Loan Indebtedness remains outstanding, then, subject to all applicable laws, the Mortgagee may acquire title and rights of the purchaser at any sale, or the rights of any other Person or corporation becoming entitled on or under any such forfeiture, or the Mortgagee may pay, either in its own name or in the Mortgagor's name or on the Mortgagor's behalf, any and all sums necessary to be paid to redeem the Property so sold or forfeited, and to re-vest the Property in the Mortgagor, and the Mortgagor hereby nominates and appoints the Mortgagee agent of the Mortgagor to pay such moneys on the Mortgagor's behalf and in the Mortgagor's name, and any moneys so expended by the Mortgagee together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby

secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default, or, in the alternative, the Mortgagee shall have the right to bid on and purchase the Property at any tax sale of the same and shall thereupon become the absolute owner thereof; and

- (f) the Mortgagor shall transmit to the Mortgagee evidence, satisfactory to the Mortgagee acting reasonably, of the payment of all Taxes affecting the Property to the Mortgagee at least quarterly or as otherwise reasonably requested by the Mortgagee from time to time, and the Mortgagor authorizes the Mortgagee to obtain any tax or assessment information concerning the Property directly from the municipal taxing authority having jurisdiction over the Property.

INSURANCE

10. That:

- (a) the Mortgagor will, at the Mortgagor's expense, forthwith insure or cause to be insured, and during the continuance of this security keep insured in favour of the Mortgagee, the Property on an all risks basis, or as otherwise allowed by the Mortgagee, including coverage for course of construction, earthquake, flood and such other risks or perils as the Mortgagee may require or consider expedient and satisfactory to the Mortgagee, acting reasonably, including and pursuant to the following coverages, provisions and conditions:
- (i) the Mortgagee must be shown as a named insured, or an additional named insured, and mortgagee and loss payee as the Mortgagee's interest may appear;
 - (ii) the limit of insurance shall not be less than one hundred (100%) percent of new replacement cost including recurring soft costs and costs of foundations and all parts below ground level including confirmation that the "same or adjacent site" clause has been deleted from the replacement cost wording;
 - (iii) any co-insurance clause contained in the policy shall be a stated amount co-insurance clause;
 - (iv) the policy shall include an Insurance Bureau of Canada standard mortgage clause or its equivalent;
 - (v) losses shall be made payable to the Mortgagee according to its interest;
 - (vi) rental income coverage on an "all risks" basis sufficient to cover one hundred (100%) percent of the gross annual revenues, including Rents and if leases are on a net-net basis, the equivalent gross revenues, including rentals for a period of not less than twelve (12) months; or if the property is owner-occupied, business interruption coverage;
- (b) the Mortgagor will maintain liability insurance coverage, including without limitation earthquake, flood and sewer back-up insurance at least equivalent in scope to a Commercial General Liability form, such insurance to be in the minimum amount of five million (\$5,000,000.00) dollars per occurrence, to include all required extensions of liability and naming the Mortgagee as co-insured;
- (c) the Mortgagor will cause its contractors to maintain contractors liability insurance coverage, and wrap-up liability insurance coverage, in each instance to be in the minimum amount of five million (\$5,000,000.00) dollars per occurrence, to include all required extensions of liability and naming the Mortgagor as an additional named insured, but only with respect to claims arising out of the operations of the named insured;
- (d) as applicable, the Mortgagor will maintain builders "all risks" or "broad form" insurance, subject to the latest CCDC policy wording and will include:

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- (i) coverage sufficient to cover one hundred (100%) percent of the projected hard costs and not less than twenty-five (25%) percent of the projected recurring soft costs;
 - (ii) a "permission to occupy" clause, "delayed rental income / soft costs" insurance to cover the anticipated loss of revenue for one (1) year, which may be incurred in the event of an insured loss, during construction;
 - (iii) coverage for the installation, testing and commissioning, of machinery and equipment; and
 - (iv) the Mortgagee as loss payee and as mortgagee as its interest appears, pursuant to a standard mortgage clause satisfactory to the Mortgagee;
- (e) the Mortgagor will maintain boiler and machinery insurance covering all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical and mechanical breakdown;
- (f) promptly upon written request, the Mortgagor will deliver to the Mortgagee and directly to its insurance consultants all policy binders of insurance together with all applicable certificates of insurance or such other evidence of insurance as the Mortgagee may reasonably require, and, prior to their due date, proof of payment of the premiums and renewal premiums therefor;
- (g) all policies shall be with insurers and subject to terms and conditions reasonably satisfactory to the Mortgagee. Any deviation from these requirements shall be approved in writing by the Mortgagee acting reasonably. The policies must provide for thirty (30) days' written notice to the Mortgagee of material alteration, if available, and cancellation and must be signed by the insurer(s) or their authorized representative(s);
- (h) if the Mortgagor shall neglect to keep the Property insured as aforesaid, or to deliver all policy binders of insurance together with all applicable certificates of insurance or such other evidence of insurance as the Mortgagee may reasonably require and evidence proving payment of premiums or renewal premiums when reasonably requested by the Mortgagee, or to produce to the Mortgagee at least forty-five (45) days' before the termination of such insurance evidence of the renewal thereof, the Mortgagee shall, without reference to the Mortgagor, be entitled (but shall not be obliged) to insure the Property, or any part thereof, as set forth above, and the amount of any premiums paid by the Mortgagee together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
- (i) promptly upon the occurrence of any loss or damage, the Mortgagor at its own expense will furnish all necessary proof and do all necessary acts to enable the Mortgagee to obtain payment of the insurance moneys, subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances;
- (j) subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, if any cheque issued by an insurer in complete or partial settlement of an insurance claim pursuant to the coverages above, other than the coverage for general public liability insurance, is given, sent or delivered to the Mortgagor or the solicitor or agent of the Mortgagor, then the Mortgagor shall cause such cheque to be delivered to the Mortgagee forthwith and if any such cheque is made payable to the Mortgagor alone or jointly to the Mortgagor and another or others, then the Mortgagor shall forthwith endorse and deliver such cheque over to the Mortgagee, and the Mortgagor does hereby constitute the Mortgagee as the Mortgagor's true and lawful attorney to receive and endorse any such cheque for an on behalf of the Mortgagor; and
- (k) subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, all monies received by virtue of such policy or policies

of insurance may at the option of the Mortgagee either be applied in or towards substantially rebuilding, reinstating or repairing the Property or towards the payment of the Loan Indebtedness, interest and other amounts secured hereby, whether or not the same are then due, in such manner as the Mortgagee shall from time to time determine, or may be paid in full or in part to the Mortgagor or its assigns, or may be applied or paid partly in one way and partly in another, as the Mortgagee may determine.

PAYMENT METHOD

11. The Mortgagor shall from time to time as required by the Servicer, provide a signed pre-authorized withdrawal form/or forms directed to the bank or financial institution at which the Mortgagor regularly keeps a chequing account, in such form and manner so as to enable the Servicer to receive payments from time to time of the monthly instalments payable hereunder and/or the Servicer's estimate of the monthly instalment for property Taxes, if applicable, from the Mortgagor's account with such bank or financial institution. Any payments received by the Servicer which are payable on a non-business day in the Province of Ontario or are received after 1 p.m. (Toronto time) on any business day in the Province of Ontario on or after receipt thereof, shall be credited to the mortgage account on the next business day thereafter.

CONSTRUCTION

12. The Mortgagor agrees with the Mortgagee that:
 - (a) the building or buildings being erected or to be erected on the Lands form part of the security for the full amount of the moneys secured by this Mortgage;
 - (b) the Mortgagor will construct the Project in accordance, in all material respects, with plans and specifications which have been or which may hereafter be approved by the Mortgagee (such approval not to be unreasonably withheld or delayed), provided the Mortgagor may make alterations to such plans and specifications from time to time to accommodate construction requirements, and purchaser or tenant requests so long as such alterations do not, in the aggregate, negatively affect the Project or the economic viability thereof in any material respect, in accordance with applicable building codes and will carry on diligently to complete the construction of the Project, and other improvements, and will complete such construction in compliance with the requirements of all Governmental Authorities, laws, by-laws or regulations and will, when so required by the Mortgagee, supply the Mortgagee with evidence or confirmation from any such Governmental Authority of such compliance;
 - (c) the Mortgagor shall fund from their own resources any Cost Overruns. Until such time as a Cost Overrun has been advanced by the Covenantors, the Mortgagee shall have no obligation to make any further advances under the Commitment Letter. Failure to advance such Cost Overrun as required herein shall constitute an Event of Default hereunder. Upon and during the continuance of such Event of Default, in addition to the Mortgagee's other remedies (whether at law or as may be set out in any Loan Documents), the Mortgagee may, in its sole and unfettered discretion, advance the amount of such Cost Overrun to the trades or suppliers with respect to which the Cost Overrun relates. An advance of the Cost Overrun by the Mortgagee shall not operate to cure such Event of Default which shall remain outstanding, shall bear interest in an amount 4% above the Interest Rate, and until the amount of the Cost Overrun has been repaid by the Covenantors, shall be added to the Loan Indebtedness and shall be secured by this Mortgage;
 - (d) the Mortgagor will obtain the Mortgagee's approval before giving effect to any engineering and architectural change orders, in respect of work valued at \$250,000.00 or greater and, notwithstanding the foregoing, the Mortgagor may make alterations from time to time to accommodate construction requirements, and purchaser or tenant requests so long as such alterations do not in the aggregate negatively affect the Project or the economic viability thereof in any material respect and so long as aggregate Project costs do not exceed the amount set out in the Project Budget which has been or which may hereafter be approved by the

Mortgagee (such approval not to be unreasonably withheld or delayed), excluding costs related to purchaser or tenant requests that a purchaser or tenant is paying for;

- (e) in the event that any such building and other improvements comprising all or any portion of the Project now or hereafter in the course of construction remain unfinished and without any work being done for a period of 30 consecutive days, other than as a result of force majeure, the Mortgagee may directly or through a receiver (which term when used herein includes a receiver and manager) enter onto the Property and do all work necessary to protect the same from deterioration and to complete the construction in such manner as the Mortgagee may deem expedient and through such contractors, sub-contractors, or agents as the Mortgagee in its sole discretion may choose, and any moneys expended by the Mortgagee or any receiver pursuant to this Section 12(e) together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default. No such entry or occupation by the Mortgagee or any receiver shall constitute or be deemed to make the Mortgagee a mortgagee in possession;
- (f) the Mortgagee shall be entitled, at the expense of the Mortgagor, upon reasonable prior written notice and with the opportunity to have a representative of the Mortgagor present, to inspect all aspects of the construction and make tests of materials, and the Mortgagor, if so requested by the Mortgagee, will not cover any portion of the construction work requiring inspection by the Mortgagee that has not already been completed and covered as of the date hereof until the Mortgagee has inspected the same, and the Mortgagee shall carry out any such inspections in a prompt and efficient manner, and the Mortgagor shall forthwith remedy and carry out again any work which does not conform to the standards in this Section 12, if required by the Mortgagee, acting reasonably;
- (g) the Mortgagee shall not be obliged to hold back loan proceeds to provide the lien fund or other protection to the Mortgagor under the *Construction Act* (Ontario); provided that if the Mortgagee holds back loan proceeds in a manner similar to the way the said Act provides for an owner to make holdbacks then, notwithstanding such holdbacks by the Mortgagee, such holdbacks shall not constitute the lien fund under the said Act and the Mortgagee shall not be a mortgagee authorized by the owner to disburse money secured by a mortgage as referred to in the said Act.

CONDOMINIUM

13. That in the event the Property is or becomes a Condominium within the *Condominium Act* (Ontario), the Mortgagor further covenants with the Mortgagee that:
- (a) the Mortgagor will comply with, observe and perform all provisions of the *Condominium Act* (Ontario), its regulations and the bylaws, rules and regulations of the condominium corporation from time to time in force;
 - (b) the Mortgagor shall pay on or before the due dates thereof, each and every assessment, contribution, charge, fine or levy made by or on behalf of the condominium corporation in respect of the unit charged hereunder (hereinafter collectively called "**Assessments**"). If the Mortgagor fails to pay the Assessments, on or before their due date, such failure shall constitute default hereunder and shall entitle the Mortgagee to exercise any and all remedies available to the Mortgagee upon the occurrence of an Event of Default. Upon default under this Section 13 and notwithstanding any other right or action of the condominium corporation or the Mortgagee, the Mortgagee may pay the Assessments, and any Assessments so paid and all costs, charges, expenses and outlays of the Mortgagee thereby incurred together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;

- (c) the Mortgagor hereby irrevocably authorizes the Mortgagee to apply at any time and from time to time to the condominium corporation for certification of the amount and manner in which any Assessment is payable and the extent to which such Assessment has been paid;
- (d) subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, the Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the Mortgagor's rights which now exist or may hereafter come into existence to vote at meetings of the condominium corporation:
 - (i) in all cases in which a unanimous resolution is required by the *Condominium Act* (Ontario), as amended, the bylaws of the condominium corporation or any agreement with the condominium corporation; and
 - (ii) in all other cases other than as referred to in (i) of this Section 13(d), provided that, if the Mortgagee is not present in Person or by proxy, or if present does not wish to vote, then the Mortgagor may exercise his voting right without further authority;
- (e) if for any reason whatsoever the Mortgagor has the right to vote at any meeting of the condominium corporation it shall, if directed by the Mortgagee, vote in such manner as the Mortgagee directs with respect to each and every matter to be voted on and the Mortgagor covenants to execute any documents requested by the Mortgagee, including, proxies if required, in order to give effect to the foregoing assignment of voting rights;
- (f) if requested by the Mortgagee, at least five (5) days prior to each and every general meeting of the condominium corporation, the Mortgagor shall deliver to the Mortgagee written notice of each such meeting specifying the place, date, hour and purpose of the meeting and in addition, immediately upon receipt of the same shall deliver to the Mortgagee true copies of the bylaws, rules and regulations of the condominium corporation from time to time in force, all notices, minutes, resolutions, accounts, financial statements and other documents relating to the financial statements and to the affairs of the condominium corporation as the Mortgagor may from time to time receive;
- (g) if requested by the Mortgagee (which the Mortgagee shall only make if it, acting reasonably, believes that the occurrence of an Event of Default or Material Adverse Effect is imminent or an event having a Material Adverse Effect is reasonably likely to occur), the Mortgagor shall deliver to the Mortgagee a further charge of the Property (in substantially the same form as this Mortgage) with respect to all units and the pro-rata share of common elements, which replacement charge shall be registered after the date of registration the declaration pursuant to and in accordance with the *Condominium Act* (Ontario) creating the Condominium;
- (h) upon the occurrence of an Event of Default which is continuing and notwithstanding any other right or action of the condominium corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessment, contribution, charge, fine or levy in respect of a unit and paid by it and such distraint shall not result in the Mortgagee being a Mortgagee in possession; and
- (i) as individual units are sold, the net sales proceeds for the Uptowns portion of the Project shall be applied pursuant to the terms and conditions set out in the Commitment Letter.

INSPECTION

14. The Mortgagee, at such time or times as it may deem necessary, acting reasonably, and without the concurrence of any other Person but upon reasonable prior notice except, upon and during the continuance of an Event of Default when no notice shall be required, and in all cases subject to the rights of tenants at the Property, may send its inspector or agent to report upon the value, state and condition of the Property and, upon the occurrence of an Event of Default which is continuing, make arrangements for the improving, repairing, finishing and putting in order of the Property which may be reasonably required, and for leasing, collecting the Rents of and managing generally the Property, and may expend

money, for any and all the purposes aforesaid, as it may deem expedient, and all moneys reasonably expended, costs, charges and out-of-pocket expenses together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

RESTRICTION ON TRANSFER, ENCUMBRANCES ETC.

15. The Mortgagor shall not convey, transfer, mortgage, alienate, or otherwise encumber all or any part of the Property or any direct or indirect interest therein (including as a result of a direct or indirect change in Control of the Mortgagor) nor allow all or any part of the Property or any direct or indirect interest therein to be encumbered without the prior written consent of the Mortgagee, in its absolute discretion, provided that, notwithstanding the forgoing, the Permitted Encumbrances shall be permitted to encumber the Property and that the Mortgagee shall act reasonably in providing its consent to any non-arm's length transfer. In the event that the Mortgagor breaches this Section 15 and has not first or contemporaneously prepaid the loan secured hereby in full in compliance with Section 8 hereof, then the entire Loan Indebtedness (but with interest at the Interest Rate calculated and compounded to the Maturity Date), shall immediately be due and payable.

ADVANCES

16. Neither the execution nor the registration nor the acceptance of this Mortgage, nor the advance of part of the Loan Indebtedness, shall bind the Mortgagee to make an advance of moneys under this Mortgage or any unadvanced portion thereof notwithstanding the provisions of the Commitment Letter, this Mortgage or any of the other Loan Documents, but nevertheless this Mortgage shall take effect forthwith on the execution of these presents, and if any Loan Indebtedness shall not be advanced at the date hereof, the Mortgagee may advance the same in one or more sums to or on behalf of the Mortgagor at any future date or dates, and the amount of such advances then so made together with interest at the Interest Rate shall be secured hereby.

SUBROGATION

17. In the event that the moneys advanced hereunder or any part thereof are applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights and stand in the position of and be entitled to all the equities of the party so paid off whether such charge or encumbrance has or has not been discharged; and the decision of the Mortgagee as to the validity or amount of any advance or disbursement made under this Mortgage or of any claim so paid off, shall be final and binding on the Mortgagor.

WASTE

18. Subject to the provisions of Section 20, the Mortgagor will not commit any act of waste on the Property or do any other thing by which the value of the Property shall, in the opinion of the Mortgagee, be diminished and will at all times remain in actual possession of the said Property. The Mortgagor will take good and reasonable care of the Property and without cost and expense to the Mortgagee manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures, machinery, facilities and equipment that belong to or are used in connection with the Property, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements beyond the extent to which they would ordinarily be repaired by a prudent owner. If, in the opinion of the Mortgagee, acting reasonably, the Property is not at any time in a proper state of repair, the Mortgagee may serve notice upon the Mortgagor to make such repairs or replacements as the Mortgagee, acting reasonably, deems proper within a period of thirty (30) days and in the event of the Mortgagor not having complied or not being in the process of diligently complying with such requisition, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors and they may enter upon the Property for the

purpose of doing such work with or without the Mortgagor's concurrence, but in all cases subject to the rights of tenants at the Property, and the cost thereof, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid, shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

FIXTURES

19. All erections, buildings, fences, improvements, machinery, plant, furnaces, boilers, electric light fixtures, plumbing and heating equipment, aerials, incinerators, radiators and covers, fixed mirrors, fitted blinds and drapes, window screens, doors, storm windows and storm doors, shutters and awnings, floor coverings, air conditioning, ventilating, water heating equipment, partitions, elevators, and all component parts of any of the foregoing, fixed or otherwise now on or in or hereafter put on or in the Property (and also in all cases where the Mortgaged Premises are units rented in whole or in part, all refrigeration equipment, gas and electric stoves, ovens, washers, dryers, garburators, garbage compactors, microwave ovens and dishwashers whether affixed or not, and provided that same are owned by the Mortgagor) are and shall in addition to other fixtures thereon be and become fixtures and form part of the realty and of the security and are included in the expression the "Mortgaged Premises", and that the Mortgagor will not commit any act of waste thereon, and that the Mortgagor will at all times during the continuance of the security granted by this Mortgage, repair, maintain, restore, amend, keep, make good, finish, add to and put in order, the Property and in the event of any loss or damage thereto or destruction thereof which has had or is reasonably likely to have a Material Adverse Effect, the Mortgagee may give notice to the Mortgagor to repair, rebuild, or reinstate the same, and upon the Mortgagor failing so to repair, rebuild, or reinstate within such time such failure shall constitute a breach of covenant hereunder and thereupon the Loan Indebtedness shall, at the sole option of the Mortgagee, become immediately due and payable and without any demand by the Mortgagee upon the Mortgagor, provided that the Mortgagee may (but shall not be obligated to) repair, rebuild or reinstate the Property and the cost thereof, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid, shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing. This provision shall be in addition to any statutory covenants implied in this Mortgage.

ALTERATIONS

20. The Mortgagor shall not make or permit to be made, any additions or alterations to the Property without the prior written consent of the Mortgagee acting reasonably and except as may be permitted or required under the Permitted Encumbrances (including any leases which are Permitted Encumbrances), and the Mortgagor shall not use the Property nor permit the Property to be used, without the written consent of the Mortgagee, for a purpose not approved by the Mortgagee acting reasonably. Notwithstanding the foregoing:
- (a) the Mortgagor, its agents, employees and parties authorized by it may conduct building operations, construction and development on the Property including, without limitation, grading and excavation operations, installation of services and all other acts incidental to the development of the Property without the same being deemed acts of waste or requiring the prior written consent of the Mortgagee in accordance with this Section 20; and
 - (b) the Mortgagee shall, upon reasonable notice, promptly execute:
 - (i) such plans, agreements, documents, easements, rights-of-way and consents as may be required to facilitate the development of the Property;
 - (ii) such partial discharges as may be required to convey to any Governmental Authority such portion of interest in the Property as may be required for municipal or governmental purposes and for which the Mortgagor receives no financial compensation, provided that in each case the Mortgagee's

security is not adversely affected thereby (as determined by the Mortgagee, acting reasonably); and

- (iii) applications, documents and plans for rezoning, development review, site plan approval, land titles registration, subdivision plan registration, severance consents and other related development matters required by the Mortgagor,

provided that the Mortgagee's reasonable legal fees and disbursements and out-of-pocket expenses in connection with the review and execution of the forgoing together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing. In addition to the forgoing, the Mortgagor hereby indemnifies and agrees to hold the Mortgagee harmless with respect to the payment of any such reasonable legal fees and disbursements and out-of-pocket expenses in connection with the review and execution of the forgoing.

PLACE OF PAYMENT

- 21. All moneys reflecting Loan Indebtedness shall be payable, in lawful money of Canada, to the Servicer at 41 Scarsdale Road, Unit 6, Toronto, Ontario M3B 2R2, or such other place as may be designated by the Servicer from time to time.

CROSS-DEFAULT

- 22. The occurrence of an Event of Default hereunder shall constitute default under the other Security Documents and the Commitment Letter and default, beyond any applicable cure or notice periods, under any of the other Security Documents or the Commitment Letter shall constitute an Event of Default hereunder. The Mortgagee may, upon and during the continuance of an Event of Default or a default under the other Security Documents, pursue its remedies separately under any of the Security Documents, including without limitation, this Mortgage, or jointly all together, or jointly one with any one or more of the Security Documents, without any of the rights and remedies of the Mortgagee not so pursued merging therewith or with any action or judgment with respect thereto.

RELEASE OF SECURITY

- 23. Subject to the provisions in Section 42, the Mortgagee may (but shall have no obligation to) at any time release any part or parts of the Property or any of the Covenants from any of the Security Documents, or may release the Mortgagor or any other Covenantor from any covenant or other liability to pay any of the Loan Indebtedness or perform any of the Loan Obligations, either with or without any consideration therefor, without being accountable for the value of any such consideration or for any moneys except those actually received by the Mortgagee, and without thereby releasing any other part of the Property or any of the other Covenants from any of the Security Documents, it being specifically agreed that notwithstanding any such release, the Property, securities and covenants remaining unreleased shall stand charged with the whole of the Loan Indebtedness, and no Person shall have the right to require that any of the Loan Indebtedness be apportioned. Notwithstanding the foregoing, upon the closing of the sale of each unit in Uptowns portion of the Project as contemplated in the Commitment Letter, and provided that (i) no Event of Default has occurred that is continuing, (ii) the Mortgagor has performed and observed the terms and conditions contained in the partial discharge provisions of the Commitment Letter (which terms and conditions are subject to change in the Mortgagee's sole and unfettered discretion), and (iii) the Mortgagor pays a fee (the "**Partial Discharge Fee**") equal to \$500.00 to the Mortgagee, the Mortgagee shall provide a partial discharge of this Mortgage from title to such unit to be sold upon closing. The Partial Discharge Fee is applicable to each and every partial discharge of a unit. The Mortgagor's solicitor shall prepare the mortgage discharge document for review by the Mortgagee and the Mortgagee's solicitor. All legal fees, disbursements and HST related to the discharge of this Mortgage and any other Security from title to a unit in the Project to be sold at the closing shall be paid by the Mortgagor. For greater certainty, the Mortgagor acknowledges and agrees that a final discharge fee equal to \$150,000.00, as may be reduced pursuant to

the terms and conditions of the Commitment Letter (the "**Final Discharge Fee**"), shall be paid to the Mortgagee prior to the final discharge of this Mortgage and any other Security from title to the Project.

WAIVER

24. No extension of time, waiver, or other indulgence given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor, any guarantor, or any other Person liable for payment of the moneys hereby secured.

USE OF MONEY

25. The Mortgagee shall not be charged with any moneys receivable or collectible out of the Property or otherwise, except those actually received; and all revenue of the Property received or collected by the Mortgagee from any source other than payment by the Mortgagor may, provided an Event of Default has occurred which is continuing, at the option of the Mortgagee, be used in maintaining or insuring or improving the Property, or in payment of Taxes or other charges against the Property, or applied on the mortgage account, and the Mortgagee may (at its option) retain such moneys received or collected, in suspense account; and the Mortgagee shall not, by reason of the collection of any moneys receivable or collectible out of the Property, be deemed to be a mortgagee in possession.

LIABILITY OF MORTGAGOR

26. No sale or other dealings by the Mortgagee or any receiver with the Property or any part thereof, shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the moneys hereby secured.

ATTORNMENT

27. For better securing the punctual payment of the said mortgage moneys, the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the Property at a monthly rental equivalent to the monthly instalments secured hereby, the same to be paid on such day appointed for the payment of instalments; and if any judgment, execution or attachment shall be issued against any of the goods or lands of the Mortgagor or if the Mortgagor shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act of Canada* as amended, or shall take the benefit of any statute relating to bankruptcy or insolvent debtors, then such rental shall, if not already payable, be payable immediately thereafter. The legal relation of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor, but neither this Section 27 nor anything done by virtue hereof, shall render the Mortgagee a mortgagee in possession or accountable for any moneys except those actually received. The Mortgagee may at any time after default hereunder enter upon the Property, or any part thereof, and determine the tenancy hereby created without giving the Mortgagor any notice to quit.

RECORDS

28. The Mortgagor will maintain full and correct books and records showing in detail the earnings and expenses of the Property, and will permit the Mortgagee and its representatives to examine the said books and records and all supporting vouchers and data at any time and from time to time upon reasonable prior request by the Mortgagee, and at any time and from time to time will furnish the Mortgagee at its request within thirty (30) days of such request, a statement showing in detail reasonably satisfactory to the Mortgagee all such earnings and expenses since the last such statement, certified by an officer of the Mortgagor.

ASSIGNMENT OF LEASE RIGHTS AND BENEFITS

29. The Mortgagor:
- (a) hereby assigns, transfers and sets over unto the Mortgagee, all of the Mortgagor's right, title and interest, both at law and in equity, in and to the Leases, the Rents and the Lease Benefits, to hold and receive the same unto the Mortgagee with full

power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and to enforce payment of the same and enforce performance of obligations under the Leases, including without limitation, the Lease Benefits, assigned in accordance with and subject to the terms of this Mortgage, to have and to hold unto the Mortgagee until payment in full of the Loan Indebtedness and performance of all of the Loan Obligations, provided that the Mortgagor may, subject to any other terms contained in any of the other Security Documents which restrict the Mortgagor's ability to deal with the Leases, collect the Rents and deal with the Leases from time to time as would a prudent landlord so long as an Event of Default does not exist, and upon the occurrence of an Event of Default which is continuing, the Mortgagee shall be entitled to:

- (i) demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Mortgagor, any proceeding which may be, in the opinion of the Mortgagee or its counsel, expedient for the purpose of collecting Rents or for securing the payment thereof or for enforcing any of the Mortgagor's rights under the Leases, and the Mortgagor hereby grants to the Mortgagee irrevocable authority to join the Mortgagor in any such proceedings or actions, whether judicial or extra-judicial;
 - (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent, and any settlement arrived at shall be binding upon the Mortgagor;
 - (iii) to enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and to manage, operate and maintain its interest in the Property including without limitation, the making of repairs or replacements to maintain the Mortgaged Premises;
 - (iv) to receive, enjoy or otherwise avail itself of the Lease Benefits;
 - (v) to appoint and dismiss such agents or employees as may be necessary or desirable for exercise of the Mortgagee's rights hereunder;
 - (vi) to alter, modify, amend or change the terms of Leases; to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
 - (vii) to send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and to employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
 - (viii) to appoint a receiver or a receiver and manager in accordance with the provisions of the Mortgage which are hereby incorporated by reference into this Agreement; and
 - (ix) to generally perform all such acts as may in the reasonable opinion of the Mortgagee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Mortgagor, or in the name of the Mortgagee;
- (b) whenever any and all Events of Default have been cured after the exercise by the Mortgagee of its rights under this Section 29, may resume collection of the rentals until a further Event of Default has occurred, whereupon the Mortgagee may re-exercise its rights hereunder, and thereafter at any time any Event of Default occurs;
- (c) shall not at any time during the existence of this Mortgage assign, pledge or hypothecate any of the Leases or the Rents or revenues due or to become due thereunder, or any part thereof, other than to the Mortgagee or pursuant to a Permitted Encumbrance nor shall the Mortgagor grant any general assignment of

book debts which would cover such rentals, except pursuant to a Permitted Encumbrance;

- (d) shall not collect more than two (2) month's rental in advance;
- (e) acknowledges and agrees that neither the taking of this assignment nor anything done in pursuance hereof shall make the Mortgagee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations and liabilities under the Leases or any of them; and
- (f) acknowledges and agrees that the exercise of this Section 29 or of any collateral security with respect to Rents shall not entitle the Mortgagor to redeem this mortgage.

EVENT OF DEFAULT

30. Notwithstanding the Mortgagee's rights to demand repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time in the Mortgagee's sole, absolute and unfettered discretion, any one or more of the following events shall constitute an event of default under the provisions of this Mortgage (an "**Event of Default**"), whether such Event of Default shall be voluntary or involuntary or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or other rule or regulation of any Governmental Authority:
- (a) any of the Covenantors fail to pay on the date upon which the same is due and payable any monies payable hereunder or under any of the other Loan Documents with respect to principal secured hereunder;
 - (b) any of the Covenantors fail to pay on the date upon which the same is due and payable any monies payable hereunder or under any of the other Loan Documents (other than on account of principal), and such failure is not remedied within three (3) business days written notice to the Mortgagor;
 - (c) any of the Covenantors fail to perform or observe any of the terms and conditions contained in this Mortgage or any of the other Loan Documents, and such failure is not remedied within thirty (30) days of written notice to the Mortgagor (but for greater certainty, there shall be no grace or cure period in respect of any Event of Default expressly enumerated hereunder, except as otherwise provided in respect of such Event of Default);
 - (d) any funds secured under this Mortgage are used for any purpose other than as set forth in the Commitment Letter;
 - (e) the breach or failure to perform or observe the terms and conditions contained in the Commitment Letter with respect to the Mortgagee's right of first refusal to finance or arrange financing for any subsequent phases of the Project, and such failure is not remedied within five (5) days of written notice to the Mortgagor (but for greater certainty, there shall be no grace or cure period in respect of any Event of Default expressly enumerated hereunder, except as otherwise provided in respect of such Event of Default);
 - (f) any representation or warranty by any of the Covenantors that is contained in this Mortgage or any of the other Loan Documents furnished to the Mortgagee in connection herewith or therewith shall prove at any time to be untrue or incorrect as of the date made in any material respect;
 - (g) a resolution is passed or an order is made for the dissolution, liquidation or winding-up of any of the Covenantors or other cancellation or suspension of its incorporation or termination of its existence or if a petition is filed for the winding-up of the any of the Covenantors;
 - (h) any of the Covenantors is found to be insolvent or bankrupt by a court of competent jurisdiction or makes an authorized assignment or bulk sale of its assets or a compromise or arrangement for the benefit of its creditors, makes a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada), seeks relief under the

Companies Creditors Arrangement Act (Canada), or any other bankruptcy, insolvency or analogous law, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian or other Person with similar powers over all or any substantial portion of its assets, files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditor's rights or consents to, or acquiesces in, the filing of such a petition; or if a petition in bankruptcy is filed or presented against any of the Covenantors;

- (i) an encumbrancer takes possession of the property of any of the Covenantors which has had or is reasonably likely to have a Material Adverse Effect, or any distress or analogous process is levied upon any of the Covenantors provided that this Section 30(i) shall not apply to any judgment, court order for the payment of money, execution, sequestration, extant or other process that is being contested in good faith if reserves deemed by the Mortgagee to be adequate therefor have been set aside with the Mortgagee or insurance coverage acceptable to the Mortgagee is held, as the case may be, and if there is no Material Adverse Effect regarding the Mortgagee's security position;
- (j) any of the Covenantors permit any sum which has been admitted as due or which is not disputed to be due and which forms or is capable of forming a charge, Lien the Property in priority to or *pari passu* with the charge or security interest created by this Mortgage and any of the other Security Documents, to remain unpaid after proceedings have been taken to enforce the same as a Lien upon the Property has been vacated or discharged within ten (10) business days of such proceedings having been taken;
- (k) the occurrence of a default under: (i) any other security or agreement (including any Permitted Encumbrance) made or assumed by any of the Covenantors (or by which it is bound) in favour of any Person in connection with the Property, to the extent such default has had or is reasonably likely to have a Material Adverse Effect; and (ii) any other security or agreement made or assumed by any of the Covenantors (or by which it is bound) in favour of the Mortgagee or the Servicer whether or not such security or agreement is in connection with the Property; and in each case if not remedied within the applicable cure or notice period provided for in such security or agreement;
- (l) the Mortgagor does not comply within a reasonable period with any work order issued by a municipal or provincial authority;
- (m) a receiver, receiver-manager or receiver and manager of the any of the Covenantors of any material part of its properties, assets or undertakings is appointed, or if a monitor is appointed in respect of any of the Covenantors;
- (n) any writ of execution, distress, attachment or other similar process is issued or levied against any of the Covenantors or all or any part of its assets, or attachment or other similar process is issued or levied against any of the Covenantors by a court of competent jurisdiction and, in the opinion of the Mortgagee, such judgement or order would materially and adversely affect the ability of any of the Covenantors to fulfil its obligations to the Mortgagee hereunder or under any of the other Loan Documents;
- (o) any part of the Property is condemned or expropriated and, in the opinion of the Mortgagee in respect of any expropriation, such expropriation materially impairs the value of the Property, the validity, enforceability or priority of the security of this Mortgage, or the ability of the Mortgagor to pay the Loan Indebtedness or to perform any of the Loan Obligations;
- (p) any direct or indirect change (i) in the ownership of (A) the Property; or (B) any Covenantor; or (ii) any change of Control of any of the Covenantors, in each case without the consent of the Mortgagee in its sole, absolute and unfettered discretion;
- (q) if a Material Adverse Effect occurs; or

- (r) the occurrence of a cross-default pursuant to Section 22.

RECEIVER

31. Upon the occurrence of an Event of Default which is continuing, the Mortgagee may at such time and from time to time and with or without entry into possession of the Property or any part thereof, appoint a receiver (which term includes a receiver or a manager or a receiver and manager) of the Property or any part thereof and of the Rents and profits thereof and with or without security, and may from time to time remove any receiver and appoint another in his stead and that, in making any such appointment or removal, the Mortgagee shall be deemed to be acting as the agent or attorney for the Mortgagor and not of the Mortgagee. Such appointment may be made at any time either before or after the Mortgagee shall have entered into or taken possession of the Property or any part thereof. Upon the appointment of any such receiver or receivers from time to time, the following provisions shall apply, subject to compliance with applicable laws:
- (a) the statutory declaration of an officer of the Mortgagee as to the Event of Default under the provisions of this Mortgage, shall be conclusive evidence thereof;
 - (b) every such receiver shall be the irrevocable agent or attorney of the Mortgagor for the collection of all Rents falling due in respect of the Property or any part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;
 - (c) every such receiver may, in the discretion of the Mortgagee and by writing under its corporate seal, be vested with all or any of the powers and discretions of the Mortgagee;
 - (d) the Mortgagee may from time to time, by such writing fix the remuneration of every such receiver who shall be entitled to deduct the same out of the Rents from the Property or from the proceeds of the judicial sale of the Property;
 - (e) every such receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee, and the Mortgagee shall not in any way be responsible for any acts or omissions (including negligence, misconduct or misfeasance) on the part of any such receiver;
 - (f) the appointment of every such receiver by the Mortgagee shall not create any liability on the part of the Mortgagee 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 Mortgagee a mortgagee in possession in respect of the Property or any part thereof;
 - (g) every such receiver shall from time to time have the power to rent any portion of the Property which may become vacant, for such term and subject to such provisions as he may deem advisable or expedient, and in so doing every such receiver shall act as the attorney or agent of the Mortgagor and he shall have authority to execute under seal any lease of such portion of the Property in the name of and on behalf of the Mortgagor, and the Mortgagor undertakes to ratify and confirm whatever any such receiver may do in respect of the Property;
 - (h) every such receiver shall have full power to complete any unfinished construction upon the Property with the intent that the Mortgaged Premises when so completed shall be a complete structure;
 - (i) every such receiver shall have full power to manage, operate, amend, repair, alter or extend the Property or any part thereof in the name of the Mortgagor for the purpose of securing the payment of rental from the Property or any part thereof;
 - (j) no such receiver shall be liable to the Mortgagor to account for moneys or damages other than cash received by him in respect of the Property or any part thereof, and out of such cash so received every such receiver shall, subject to the approval of the Mortgagee, in the following order, pay:

- (i) his remuneration aforesaid;
 - (ii) all payments including, without limitation, costs as between solicitor and his own client made or incurred by him in connection with the management, operation, amendment, repair, alteration or extension of the Property or any part thereof;
 - (iii) interest, principal and other moneys which may from time to time, be or become charged upon the Property in priority to these presents, and all Taxes, insurance premiums and every other proper expenditure made or incurred by him in respect to the Property or any part thereof;
 - (iv) to the Mortgagee, all interest due or falling due under these presents and the balance to be applied upon principal due and payable and secured by these presents;
 - (v) into a reserve account in the name of the receiver, an appropriate sum of money as a reserve fund for unusual, emergency or lump sum payments or expenses with respect to the Property; and
 - (vi) any surplus thereafter remaining in the hands of every such receiver after payments made as aforesaid, to the Mortgagor;
- (k) save as to claims for an accounting under Section 31(j) above, the Mortgagor hereby releases and discharges every such receiver from every claim of every nature which may arise or accrue to the Mortgagor or any Person claiming through or under the Mortgagor by reason or as a result of anything done by any such receiver under the provisions of this Section 31, unless such claim by the direct and proximate result of gross negligence or wilful misconduct;
- (l) the power of sale, foreclosure and any other remedies of the Mortgagee may be exercised either before, concurrent with, during, or after the appointment of any receiver hereunder.

RIGHTS OF MORTGAGEE

32. The Mortgagor further covenants and agrees with the Mortgagee upon the occurrence of an Event of Default which is continuing:
- (a) the Mortgagee may and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenants, agreements, provisos or stipulations and the costs incurred by the Mortgagee in connection therewith, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing;
 - (b) the Mortgagee may at such time or times as the Mortgagee may deem necessary and without the concurrency of any Person, enter upon the Property and may make such arrangements for completing the construction, repairing or putting in order of the Mortgaged Premises, or for inspecting, taking care of, leasing, collecting the Rents of and managing generally the Property as the Mortgagee may deem expedient; all reasonable costs, charges and expenses, including allowances for the time and services of any employee of the Mortgagee or other Person appointed for the above purposes, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing;

- (c) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Property, and a solicitor to examine and report upon the title to the same;
- (d) the Mortgagee or agent of the Mortgagee may enter into possession of the Property and whether in or out of possession collect the Rents and profits thereof, and make any demise or lease of the Property, or any part thereof, for such terms and periods and at such Rents as the Mortgagee shall think proper; and the power of sale hereunder may be exercised either before or after and subject to any such demise or lease;
- (e) it shall and may be lawful for and the Mortgagor does hereby grant full power, right and license to the Mortgagee to enter, seize and distrain upon the Property, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the Property or any part thereof, as much of the mortgage moneys as shall from time to time be or remain in arrears and unpaid, together with costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
- (f) the Mortgagee shall be entitled forthwith to take such proceedings to obtain repayment of the moneys and interest payable to the Mortgagee hereunder and to realize on its security under this Mortgage by foreclosing the same or by whatever other action it may by law be entitled to do, it being acknowledged that nothing herein shall limit such recourse to the Property only;
- (g) subject to applicable law, the Mortgagee shall be entitled to sell and dispose of the Property with or without entering into possession of the same and with or without notice to the Mortgagor or any party interested in the Property; and all remedies competent may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by this Mortgage may be exercised; and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made of the Property hereunder, and the Mortgagee may sell, transfer and convey any part of the Property on such terms of credit, or part cash and part credit, secured by contract or agreement for sale or mortgage, or otherwise, as shall in the opinion of the Mortgagee be most advantageous, and for such price as can reasonably be obtained therefor; and in the event of a sale on credit, or part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable for or charged with any moneys until the same shall be actually received in cash; and the sales may be made from time to time of any portion or portions of the Property to satisfy interest or parts of the principal overdue, leaving the principal or parts thereof to run with interest payable as aforesaid; and the Mortgagee may make stipulations as to the title or evidences or commencement of title or otherwise as the Mortgagee shall deem proper; and the Mortgagee may buy in or rescind or vary any contract for sale of the Property and any resale thereof; and on any sale or release, the Mortgagee shall not be answerable for loss occasioned thereby; and for any of such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary; and in case any sale held by the Mortgagee under and by virtue of the laws of the Province of Ontario under the power of sale herein contained should prove abortive the Mortgagee may take foreclosure proceedings in respect of the Property in accordance with the provisions of the laws of the Province of Ontario; and in the event of any deficiency on account of the moneys secured by this Mortgage remaining due to the Mortgagee after realizing all the Property, then Mortgagor will pay to the Mortgagee on demand the amount of such deficiency with interest at the Interest Rate both before and after judgment; and in the exercise of any of the foregoing powers, the Mortgagor hereby appoints the Mortgagee the attorney of the Mortgagor for the purpose of making any agreements and assurances on behalf of the Mortgagor as the Mortgagee may deem necessary which power of attorney is coupled with an interest; and the proceeds of any sale hereunder shall be applied as above provided for or in payment of moneys payable under this Mortgage and costs on a solicitor and his own client basis, the balance, if any, to be paid to the Mortgagor;

- (h) the whole of the mortgage moneys shall, at the option of the Mortgagee, become due and payable;
- (i) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor.

COVENANTOR MISREPRESENTATION

33. Notwithstanding any other provision in this Mortgage, the Mortgagee may demand repayment of all Loan Indebtedness and exercise all of its rights hereunder, including without limitation pursuant to Sections titled "**Receiver**" and "**Rights of Mortgagee**" if any of the Covenantors, any agent of any of the Covenantors or any officers or director of any of the Covenantors shall have made any material misrepresentation in any of the Loan Documents.

ATTORNEY

34. As further assurance to the rights and remedies granted by the Mortgagor to the Mortgagee herein, the Mortgagor, as the owner of the Property hereby irrevocably appoints the Mortgagee on its own behalf or any receiver or manager or receiver and manager appointed by the Mortgagee attorney on behalf of the Mortgagor to sell, lease, mortgage, transfer or convey the Property in accordance with the provisions of this Mortgage and to execute all instruments, and do all acts, matters and things that may be necessary for carrying out the powers hereby given and for the recovery of all Rents and Lease Benefits and sums of money that may become or are now due or owing to the Mortgagor in respect of the Property, and for the enforcement of all contracts, covenants or conditions binding on any lessee or occupier of the Property or on any other Person in respect of it, and for the taking and maintaining possession of the Property, and for protecting it from waste, damage, or trespass, in all cases only following an Event of Default which is continuing. Such power of attorney is coupled with an interest.

JUDGMENT

35. The taking of a judgment on any of the covenants or agreements herein contained shall not operate as a merger thereof or affect the Mortgagee's rights to interest to the Maturity Date at the Interest Rate and at the times herein provided. Further, any and all such judgments shall provide for interest thereon to be computed at the Interest Rate and in the same manner as herein provided to the Maturity Date shall have been fully paid and satisfied and, without limiting the generality of the foregoing, the Mortgagee shall be entitled to receive interest at the Interest Rate to the Maturity Date on all moneys payable to the Mortgagee under this Mortgage, after any judgment has been rendered with respect to this Mortgage.

EXPENSES

36. All expenses, fees, charges or payments incurred, expended or paid by the Mortgagee, acting reasonably and without duplication, (whether with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise) with respect to the following matters:
- (a) all reasonable solicitors', inspectors', valuers' and surveyors' fees and expenses for drawing and registering this Mortgage and for examining the Property and the title thereto, and for making or maintaining this Mortgage a good and valid charge and mortgage (subject only to the Prior Permitted Encumbrances);
 - (b) all sums which the Mortgagee may advance for insurance premiums, Taxes, or rates;
 - (c) any unpaid amount due to the Mortgagee for the Lender's Fee, and, if applicable, the Extension Fee, the Regulatory Fees, and the Administration Fee;
 - (d) all sums which the Mortgagee may expend in payment of prior liens, charges, encumbrances or claims charged or to be charged against the Property or on this Mortgage or against the Mortgagee in respect of this Mortgage;

- (e) all sums which the Mortgagee may expend in maintaining, repairing, restoring or completing the construction on the Property pursuant to the terms of this Mortgage;
- (f) the cost of inspecting, leasing, managing or improving the Property, including the price or value of any goods of any sort or description supplied for use on the Property pursuant to the terms of this Mortgage;
- (g) all sums paid to a receiver of the Property;
- (h) the cost of exercising or enforcing or attempting to exercise or enforce any right, power, remedy or purpose hereunder provided or implied, and including an allowance for the time, work and expenses of the Mortgagee or any agent or employee of the Mortgagee, for any purpose provided for herein; and
- (i) the Mortgagee's reasonable solicitors' costs as between solicitor and his own client incurred or paid by the Mortgagee as a result of any Event of Default, or of endeavouring to collect (with or without suit) any money payable hereunder, or of taking, recovering or keeping possession of the Property, and generally in any other proceedings, matter or thing taken or done to protect or realize this security or any other security for payment of the Loan Indebtedness and performance of the Loan Obligations;

together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

COVENANTS AND REPRESENTATIONS

37. The Mortgagor:

- (a) further represents and warrants to the Mortgagee that:
 - (i) the Mortgagor:
 - (A) is a corporation incorporated formed and existing under the laws of its jurisdiction of incorporation;
 - (B) has the legal right and all necessary corporate or other power and authority to own its assets, possess a freehold interest in the Property, and carry on its business in all material respects; and
 - (C) is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it conducts business, except where failure to be so qualified, licensed or registered has not and is not reasonably likely to have a Material Adverse Effect;
 - (ii) the Mortgagor has all requisite corporate power and authority to enter into and perform its obligations under this Mortgage and the other Loan Documents, and to do all acts and things and execute and deliver all other documents and instruments as are required hereunder and thereunder to be done, observed or performed by it in accordance with the terms hereof and thereof;
 - (iii) the execution and delivery by the Mortgagor, and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Mortgage and the other Loan Documents will not conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (A) its articles, by-laws, shareholders' agreements or other organizational documents; as the case may be;
 - (B) any applicable laws;

- (C) any material contracts, material authorizations or material contractual restriction binding on or affecting it or its assets, including without limitation, the Property; or
 - (D) any material judgment, injunction, determination or award which is binding on it in each such case, except to the extent that such breach has not and is not reasonably likely to have a Material Adverse Effect;
- (iv) the execution and delivery by the Mortgagor of this Mortgage and the other Loan Documents, and the performance by it of its Loan Obligations have been duly authorized by all necessary corporate or other action including, without limitation, the obtaining of all necessary partner, shareholder or other material and relevant consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Authority, or other Person, is or was necessary in connection with the execution, delivery and performance of the Mortgagor's obligations under this Mortgage the other Loan Documents, except where failure to obtain same would not have or be reasonably likely to have a Material Adverse Effect;
 - (v) this Mortgage and the other Loan Documents have been duly executed and delivered, as the case may be, by the Mortgagor, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of credit's rights generally), is (or will be immediately upon the execution thereof by such Person) in full force and effect, and the Mortgagor has performed and complied in all material respects with all the terms, provisions, agreements and conditions set forth herein and therein and required to be performed or complied with by the Mortgagor;
 - (vi) the Mortgagor is not a non-resident within the meaning of the *Income Tax Act* (Canada);
 - (vii) there is not now pending or, to the knowledge of the Mortgagor, threatened in writing, against the Mortgagor, any litigation, action, suit, investigation (to the knowledge of the Mortgagor) or other proceeding by or before any Governmental Authority or before any arbitrator which has had or is reasonably likely to have a Material Adverse Effect;
 - (viii) as of the date hereof, the written information heretofore supplied by any of the Covenantors (other than information or reports prepared by third parties) to the Mortgagee is true and accurate in all material respects as at the date thereof;
 - (ix) all financial statements delivered to the Mortgagee as of the date hereof pursuant to Section 49 present fairly and in all material respects the financial position of any of the Covenantors as of the date thereof and for the fiscal years or financial quarters, as the case may be, then ended;
 - (x) since the later of the date hereof and the date of the most recent financial statements delivered to the Mortgagee, there has been no change regarding the financial condition or operations, of any of the Covenantors as reflected in such financial statements or Personal net worth statements, as applicable which has had or is reasonably likely to have a Material Adverse Effect;
 - (xi) there is no Event of Default under this Mortgage, nor has the Mortgagor done or omitted to do anything which constitutes an Event of Default which has not been waived or cured. None of the Covenantors is in default under any agreement, guarantee, indenture or instrument to which it is a party or by which it is bound, the breach of which has had or is reasonably likely to have a Material Adverse Effect;

- (xii) as of the date hereof, there are no outstanding judgments, orders, writs, injunctions or decrees that have not been stayed or of which enforcement has not been suspended, against the Mortgagor or any of its assets, including without limitation the Property, which would reasonably be expected to result in a Material Adverse Effect regarding the financial condition or operations of the Mortgagor;
 - (xiii) the Mortgagor is the legal owner of a freehold interest in the Property with good and marketable title thereto, and any other real and personal property of the Mortgagor of any nature which is part of the Property, in each case free and clear of all encumbrances, except Permitted Encumbrances, and no Person has any agreement or right to acquire an interest in the Property except as previously disclosed to the Mortgagee in writing by the Mortgagor or permitted in connection with the Permitted Encumbrances;
 - (xiv) the Mortgagor has not received notice of any proposed rezoning of all or any part of the Property which has had or is reasonably likely to have a Material Adverse Effect;
 - (xv) the Mortgagor has not received notice of any expropriation of all or any part of the Property;
 - (xvi) the Mortgagor has the right to mortgage the Property;
 - (xvii) upon the enforcement of its remedies under this Mortgage the Mortgagee shall have quiet possession of the Property, free from all encumbrances, other than Permitted Encumbrances;
 - (xviii) the Mortgagor, and the operation of its business and assets, including without limitation, the Property, are in compliance in all material respects with all applicable laws (including any environmental laws), except where any non-compliance is not reasonably likely to have a Material Adverse Effect; and
 - (xix) the Mortgagor has filed all tax returns which are required to be filed, other than such tax returns the failure of which to file has had or is reasonably likely to have a Material Adverse Effect, and has paid all Taxes, interest and penalties, if any, which have become due pursuant to such returns or pursuant to any assessment received by it and adequate provision for payment has been made for Taxes not yet due except any such payment of which the concerned party is contesting in good faith by appropriate proceedings and for which appropriate reserves have been provided on its books and as to which no foreclosure, distraint, seizure, attachment, sale or other similar proceedings have been commenced or the non-payment of which would not reasonable be excepted to result in a Material Adverse Effect regarding the financial condition or operations of the Mortgagor;
- (b) to the extent within the control of the Mortgagor, covenants to cause the forgoing representations and warranties to be true and correct in all material respects until the Loan Indebtedness is repaid in full and the Loan Obligations are fully performed;
 - (c) acknowledges and agrees that all representations and warranties of the Mortgagor made in this Mortgage or in any of the other Loan Documents are material, shall survive and shall not merge upon the execution and delivery of this Mortgage and shall continue in full force and effect. The Mortgagee shall be deemed to have relied upon such representations and warranties notwithstanding any investigation made by or on behalf of the Mortgagee at any time;
 - (d) shall not, at any time prior to the repayment in full of the Loan Indebtedness and the performance of all of the Loan Obligations:
 - (i) repay any loans (principal or interest) to;

- (ii) redeem or purchase any shares or units or partnership interests held by or on behalf of;
- (iii) pay any compensation, fee or other amount to; or
- (iv) pay any distributions or dividends or return on partnership or shareholder investment to,

in each case, any of the Covenantors or any other shareholder, unitholder or partner of any Covenantor, or any other Person not at arms-length to any of the foregoing, save and except for those development, marketing and/or construction fees specifically approved in writing by the Mortgagee;

- (e) acknowledges and agrees that any third party property manager of the Property and each property management agreement will be subject to the prior written approval of the Mortgagee, acting reasonably; and
- (f) acknowledges and agrees that each new Lease of the Property, including each renewal or extension of an existing Lease (other than any extension or renewal of an existing Lease which is exercised pursuant to, and the terms of which are governed by, such existing Lease), must:
 - (i) be a commercially reasonable arm's length transaction made in the ordinary course of business and in accordance with prudent property management and leasing standards and practices; and
 - (ii) provide for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions.

EXPROPRIATION

38. Subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, the Mortgagor hereby assigns to the Mortgagee, that portion of any proceeds which may become due and payable to the Mortgagor by an expropriating authority upon an expropriation of the Property or the proceeds of any condemnation, eminent domain or like proceeding or the sale in lieu of or in reasonable anticipation thereof of the whole or any part of the Property or any portion thereof, not to exceed the balance outstanding under the Mortgage, provided that the Mortgagee shall permit the Mortgagor to use such portion of any proceeds as reasonably necessary to pay the cost to repair any damage resulting from such expropriation. The Mortgagor shall forward to the Mortgagee, copies of any documentation relating to an expropriation or a proposed expropriation of the Property or any portion thereof, forthwith upon receipt of the said documentation by it and shall execute and deliver any further or additional documentation which the Mortgagee in its sole discretion deems necessary to effect the above assignment or which is requested by the expropriating authority. Notwithstanding anything to the contrary contained herein, if the Mortgagor or the Mortgagee receives a notice of intention to expropriate in relation to the Property, or any portion thereof, that has had or is reasonably likely to have a Material Adverse Effect, at the option of the Mortgagee, the whole of the outstanding balance secured under this Mortgage at the date of the expropriation, shall immediately become due and payable in like manner and to all intents and purposes as if the time for payment of the said balance had fully come and expired. If any or all of the Property is expropriated, it is agreed that the proceeds from any such expropriation up to the amount outstanding under this Mortgage shall be paid directly to the Mortgagee in priority to the claims of any other party, except such creditors of the Mortgagor and other parties with priority to collect such proceeds pursuant to any Prior Permitted Encumbrances. Service of a copy of this Mortgage on the expropriating authority shall be sufficient authority for the expropriating authority to deliver proceeds to the Mortgagee, in accordance with the terms of the assignment contained herein.

PERMITTED ENCUMBRANCES AND OTHER OBLIGATIONS

39. The Mortgagor hereby covenants to perform and observe and satisfy all the terms, covenants and conditions to be performed and observed by the Mortgagor under the terms of any Prior Permitted Encumbrances and the Leases (hereinafter called the "**Other Obligations**"). It is expressly agreed and understood by the Mortgagor that in the event of

default by the Mortgagor under any of the terms of any Other Obligations, beyond any applicable notice or cure periods, then at the option of the Mortgagee an Event of Default shall have occurred hereunder. The Mortgagee may at its option make any payment or cure any default under the any Prior Permitted Encumbrance and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

SEVERABILITY

40. In the event any Section or part thereof or any Section or part thereof is invalid and not enforceable for any reason, then such Section or part thereof or such Section or part thereof shall be severable from this Mortgage and not affect the validity or enforceability of any other part of this Mortgage.

SUCCESSORS AND ASSIGNS

41. When the context makes it possible, the word "**Mortgagee**" wherever it occurs in this Mortgage, shall include the successors and assigns of the Mortgagee, and the word "**Mortgagor**" shall include heirs, executors, administrators, successors and permitted assigns of the Mortgagor; and that words in the singular include the plural, and that words in plural include the singular, and words importing the masculine gender include the feminine; and that if there is more than one entity comprising the Mortgagor all covenants herein contained and implied are to be construed as joint and several; and that heirs, executors, administrators, successors and assigns of any party executing this Mortgage are jointly and severally bound by the covenants, provisos and agreements herein contained or implied. The Documents, including without limitation this Mortgage, together with the Loan Indebtedness and the Loan Obligations may be assigned or participated by the Mortgagee (and its successors and assigns), in whole or in part, without the consent of the Mortgagor.

DISCHARGE

42. The Mortgagee shall upon payment and performance of all indebtedness and obligations secured hereby in full deliver an executed discharge of this Mortgage; it being agreed that the Mortgagor's solicitor shall be responsible for preparing the mortgage discharge document for review by the Mortgagee and its counsel at least seven (7) days prior to payment, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all reasonable legal and other expenses and Taxes thereon, if any, for the preparation and execution of such discharge shall be borne by the Mortgagor.

LAW

43. This Mortgage is made pursuant to the *Land Titles Act* (Ontario) and any amendments thereto.

COMMITMENT LETTER

44. The parties agree that the accepted terms and conditions of the Commitment Letter, shall survive the initial advance of monies by the Mortgagee to the Mortgagor as contemplated hereunder and continue to be in full force and effect after said initial advance. In the event there is a direct conflict between the terms and conditions of this Mortgage and the Commitment Letter, then the Commitment Letter shall prevail to the extent necessary to resolve the conflict. In the event there is a direct conflict between the terms and conditions of this Mortgage and any other Loan Document (other than the Commitment Letter), the terms and conditions of this Mortgage shall prevail to the extent necessary to resolve the conflict.

HAZARDOUS MATERIALS

45. The Mortgagor,

- (a) has not nor, to the best knowledge of the Mortgagor, has any other Person ever caused or permitted any hazardous materials to be placed, held, located or disposed of on, under or at the Property and that its business and assets are operated in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and that no enforcement actions in respect thereof are threatened or pending.
- (b) covenants and agrees that it will at all times during the continuance of this Mortgage, operate the Property in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and shall, subject to the rights of tenants under the Leases, permit the Mortgagee to conduct inspections and appraisals of all or any of its records, business and assets at any time or from time to time upon reasonable prior notice to ensure such compliance.
- (c) in addition to the representations and warranties contained in Section 37, hereby represents, warrants and agrees that,
 - (i) to the best of the knowledge of the Mortgagor, the condition and use of the Property is, and will continue to be in compliance with all applicable environmental laws and standards; all necessary licenses and permits relating to the release of contaminants, production of dangerous materials and carrying on of hazardous activities have been obtained and are being complied with; there are no outstanding orders against the Mortgagor from any Governmental Authority responsible for protecting the environment;
 - (ii) to the best of the knowledge of the Mortgagor, the Property is not being subjected to environmental damage or contamination and to the best of the Mortgagor's knowledge, the Property incurred no such damage or contamination prior to the Mortgagor's control;
 - (iii) the Mortgagor will use commercially reasonable efforts to use the Property and conduct its business thereon so as not to cause environmental damage and that the use of the Property will not change without the Mortgagee's approval, acting reasonably;
 - (iv) to the best of the knowledge of the Mortgagor, the terms of any past credit arrangement have not been altered, cancelled or not renewed due to environmental risk considerations;
 - (v) all legally required remedial action will be taken with respect to violations of environmental laws, and spills or other contaminations;
 - (vi) the Mortgagor will give notice to the Mortgagee of any contamination of which the Mortgagor has or acquires knowledge of, or any pending or threatened government enforcement action or civil suit arising out of alleged environmental damage of which the Mortgagor has or acquires knowledge of;
 - (vii) in accordance with Section 14 above, the Mortgagor will permit the Mortgagee and its agents to enter onto the Property at any time to conduct an environmental inspection and to permit the Mortgagee to take such action as it deems reasonably necessary to remedy any environmental damage or breach of law which the Mortgagor fails to take, subject to the rights of tenants under the Leases;
 - (viii) the Mortgagor will provide copies of its own internal/external environmental audits to the Mortgagee upon request;
 - (ix) subject to the terms of the existing Leases, the Mortgagor will use commercially reasonable efforts to cause any other occupants or Persons in control of the Property to comply with the foregoing covenants;
 - (x) the Mortgagor will defend and indemnify the Mortgagee, its directors, officers, employees and agents against all costs, etc., arising out of any

environmental damage caused by the Mortgagor's activities or by contamination of or from the Property (unless caused by the Mortgagee or those for whom in law it is responsible); and

- (xi) if the Mortgagor fails to perform any of the foregoing covenants beyond any applicable notice or cure periods, the Mortgagee may do so and any money expended by the Mortgagee shall be paid by the Mortgagor out of any funds coming into the Mortgagee's possession in priority to the Loan.

DUE ON SALE

- 46. The Loan Indebtedness shall, at the election of the Mortgagee, immediately become due and payable in full without notice by nor demand from the Mortgagee if the Property or any part thereof or interest therein is, without the prior consent in writing of the Mortgagee sold, transferred, conveyed, foreclosed, exchanged, assigned, mortgaged, or otherwise disposed of, or if the Mortgagor enters into an agreement to effect any of the foregoing whether by registered or unregistered instrument and whether for valuable or nominal consideration (and if the Mortgagor is a corporation, any change in Control of the Mortgagor or any other Covenantor shall constitute a default under this Section 46), in all cases except as specifically permitted in this Mortgage or in the Commitment Letter; provided however that nothing herein shall be construed as permitting the Mortgagor to prepay this Mortgage in whole or in part except in accordance with Section 8 hereof; and provided further that the acceptance by the Mortgagee of any instalment payment or other payment under this Mortgage from any entity other than the Mortgagor shall not constitute a waiver by the Mortgagee of its rights under this Section 46, nor a consent by the Mortgagee of any such sale or disposal of the Property as above described.

SUBSEQUENT FINANCING

- 47. The Loan Indebtedness shall, at the election of the Mortgagee, become due and payable in full if the Property or any part thereof or interest therein is, without the prior consent in writing of the Mortgagee acting reasonably, mortgaged or similarly charged, except as may be specifically permitted in this Mortgage, the Commitment Letter or under a Permitted Encumbrance; provided however that nothing herein shall be construed as permitting the Mortgagor to repay this Mortgage in whole or in part except in accordance with Section 8 hereof.

PROHIBITED BUSINESSES

- 48. The Mortgagor agrees not to operate, nor allow any tenant to operate a business on the Property that:
 - (a) is sexually exploitive or that is inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services; or
 - (b) are engaged in or associated with illegal activities.

FINANCIAL STATEMENTS AND REPORTS

- 49. The Mortgagor shall deliver or cause to be delivered the following documentation to the Mortgagee:
 - (a) any and all insurance certificate renewals and/or amendments within ten (10) business days of the issuance thereof. In the event of any change to the insurance held by the Mortgagor, the Mortgagee may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Mortgagor's expense;
 - (b) property tax statements supported by proof of payment on an annual basis or as otherwise requested by the Mortgagee from time to time;
 - (c) each year, or more often if requested by the Mortgagee, within one hundred twenty (120) days of the Mortgagor's fiscal year end, accountant prepared financial statements of the Mortgagor and of any corporate Covenantor, 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, in the case of any personal Covenantor, certified and current-dated net worth statements in lieu of financial statements with supporting documentation of asset values;

- (d) on a quarterly basis with respect to the Project, updates on ongoing Project information including, but not limited to, strata plan documentation, working and final architects'/engineers' drawings, construction budgets, artist's renderings and floor plans for the proposed units, sales list updates and all newly executed firm and binding purchase and sale agreements with respect to the sale of units;
- (e) on a regular basis the Project Budgets prepared and updated by the Project Monitor;
- (f) a copy of each and every Project Monitor report prepared for the Mortgagor or the Mortgagee forthwith upon receipt thereof; and
- (g) at the request of the Mortgagee from time to time any other relevant updates regarding the Property.

BENEFIT OF EASEMENTS

50. As additional security for the indebtedness and other obligations secured hereunder and interest thereon and the due performance of the Mortgagor's obligations hereunder and under any collateral security the Mortgagor hereby assigns, transfers, mortgages, charges and sets over to and in favour of the Mortgagee as and by way of a specific assignment, mortgage and charge all of the right, title and interest of the Mortgagor in and with respect to any and all easements, restrictive covenants, rights of way, party wall agreements and encroachment agreements benefiting the Property (the "**Title Agreements**") and all of the benefit, power and advantage of the Mortgagor to be derived therefrom (including without limitation the benefit of any positive covenants) and otherwise to enforce the rights of the Mortgagor under the Title Agreements in the name of the Mortgagor. Nothing herein contained shall render the Mortgagee liable to any Person for the fulfilment or non-fulfilment of the obligations covered in any of the Title Agreements, including, but not limited to, the payment of any moneys thereunder or in respect thereto and the Mortgagor hereby indemnifies and agrees to save and hold harmless the Mortgagee from and against any and all claims, demands, actions, causes of action, losses, suits, damages and costs whatsoever arising directly or indirectly from or out of any of the Title Agreements. The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor shall not surrender, alter, amend or modify any of the Title Agreements or any of the terms or conditions thereof except with the prior written consent of the Mortgagee or as required to complete the project, if applicable, as determined by the Mortgagor, acting as a prudent owner.

INDEMNITY

51. The Mortgagor shall indemnify and save harmless the Mortgagee 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 in connection with any breach or default by the Mortgagor under this Mortgage and any of the other Loan Documents.

GENERAL

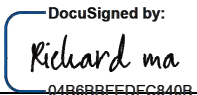
52. This Mortgage shall be construed in accordance with and governed under the laws of the Province of Ontario and the federal laws of Canada applicable therein.
53. The Mortgagor agrees with the Mortgagee as follows:
- (a) to comply with the terms and conditions of this Mortgage and the other Loan Documents at all times;
 - (b) to maintain the Property in a sound state of repair at all times as would other prudent owners of similar property;

- (c) to allow the Mortgagee and its appointees to have access to the property at all reasonable times upon reasonable prior notice, subject to the rights of tenants at the Property; and
 - (d) at the Mortgagee's request, acting reasonably, to promptly deliver or cause to be delivered to the Mortgagee promptly such information about the financial condition and operation with respect to the Property as the Mortgagee may request from time to time.
54. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Commitment Letter.
55. This Mortgage may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this Mortgage to produce or account for more than one such counterpart. Transmission of executed or electronically executed copies of this Mortgage whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.
56. Notwithstanding anything in this Mortgage, in dealing with enforcing and realizing on this Mortgage, the Mortgagee shall not claim hereunder any greater amount in the aggregate than the amounts advanced by the Mortgagee that remain unpaid, together with all accrued and unpaid interest, and any other amounts unpaid hereunder.

-- signatures follow on next page --

IN WITNESS WHEREOF the Mortgagor has duly executed this Mortgage this 15th day of June, 2022.

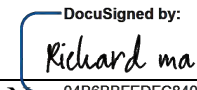
VANDYK-UPTOWNS LIMITED

Per: 
Name: _____
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

2366885 ONTARIO INC.

Per: 
Name: _____
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

SCHEDULE "A"
DESCRIPTION OF THE LANDS

PIN 14227-1291 (LT):

PT LOT 12, CONCESSION 2, EHS DES PT 1, PL 43R33117; SUBJECT TO AN EASEMENT IN GROSS OVER PT 1, 43R35581 AS IN PR2508870; SUBJECT TO AN EASEMENT IN GROSS AS IN PR3253482; SUBJECT TO AN EASEMENT IN GROSS AS IN PR3770466; SUBJECT TO AN EASEMENT AS IN PR3853334; CITY OF BRAMPTON

PIN 14227-1266 (LT):

PT LT 11 CON 2 EHS CHING DES PT 1 PL 43R-19750, SAVE AND EXCEPT PT 7 PL 43R-31217; BRAMPTON.

PIN 14227-1264 (LT):

PT LT 11 CON 2 EHS CHING AS IN CH21799, SAVE AND EXCEPT BL 696, PTS 1,2, 3, 4, 5 PL 43R-31098, LYING NORTH EAST OF PT 1 PL 43R-31217 AND PTS1, 2 PL43R-31192; BRAMPTON; T/W ROW OVER PT LT 11 CON 2 EHS CHING DESPTS 1, 2, 3, 4, 5 PL 43R-31098, AS IN PR1167589.

PIN 14227-1262 (LT):

PT LT 11 CON 2 EHS CHING DES PTS 1, 2 PL 43R-31192; BRAMPTON; T/W ROW OVER PT LT 11 CON 2 EHS CHING DES PTS 1, 2, 3, 4, 5 PL 43R-31098, AS IN PR1167589.

T A B L E

THIS IS **EXHIBIT "E"** REFERRED TO IN THE AFFIDAVIT
OF DANIEL POLLACK, SWORN BEFORE ME THIS
7TH DAY OF NOVEMBER, 2023.

Joshua Foster

Joshua Foster

A Commissioner for taking Affidavits
(or as may be)

Properties

PIN 14227 - 1291 LT
Description PT LOT 12, CONCESSION 2, EHS DES PT 1, PL 43R33117; SUBJECT TO AN EASEMENT IN GROSS OVER PT 1, 43R35581 AS IN PR2508870; SUBJECT TO AN EASEMENT IN GROSS AS IN PR3253482; SUBJECT TO AN EASEMENT IN GROSS AS IN PR3770466; SUBJECT TO AN EASEMENT AS IN PR3853334; CITY OF BRAMPTON
Address BRAMPTON

PIN 14227 - 1266 LT
Description PT LT 11 CON 2 EHS CHING DES PT 1 PL 43R-19750, SAVE AND EXCEPT PT 7 PL 43R-31217; BRAMPTON.
Address BRAMPTON

PIN 14227 - 1264 LT
Description PT LT 11 CON 2 EHS CHING AS IN CH21799, SAVE AND EXCEPT BL 696, PTS 1,2, 3, 4, 5 PL 43R-31098, LYING NORTH EAST OF PT 1 PL 43R-31217 AND PTS1, 2 PL 43R-31192; BRAMPTON; T/W ROW OVER PT LT 11 CON 2 EHS CHING DESPTS 1, 2, 3, 4, 5 PL 43R-31098, AS IN PR1167589.
Address BRAMPTON

PIN 14227 - 1262 LT
Description PT LT 11 CON 2 EHS CHING DES PTS 1, 2 PL 43R-31192; BRAMPTON; T/W ROW OVER PT LT 11 CON 2 EHS CHING DES PTS 1, 2, 3, 4, 5 PL 43R-31098, AS IN PR1167589.
Address BRAMPTON

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name VANDYK-UPTOWNS LIMITED
Address for Service 1944 Fowler Drive
 Mississauga, Ontario L5K 0A1

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 2366885 ONTARIO INC.
Address for Service 1944 Fowler Drive
 Mississauga, Ontario L5K 0A1

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 Scotia Plaza, 40 King Street West, Suite 3700
 Toronto, Ontario M5H 3Y2

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, PR4070552 registered on 2022/06/16 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2022 06 15
 Toronto Applicant(s)
 M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

I have the authority to sign and register the document on behalf of all parties to the document.

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2022 06 15
 Toronto Party To(s)
 M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

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

Signed By

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

BENNETT JONES LLP	3400-1 First Canadian Place	2022 06 16
	Toronto	
	M5X 1A4	
Tel 416-863-1200		
Fax 416-863-1716		

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Party To Client File Number : 59445.93 (JVG/MOG/MW/NA)

GENERAL ASSIGNMENT OF LEASES AND RENTS

THIS AGREEMENT made as of the 15th day of June, 2022.

B E T W E E N:

VANDYK-UPTOWNS LIMITED and **2366885 ONTARIO INC.**

(collectively, the "**Assignor**")

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Assignee**")

OF THE SECOND PART

WHEREAS the Assignor, as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Assignee, as mortgagee, of the lands and premises charged therein (the "**Property**"), notice of which was registered on the date hereof in the Land Registry Office for the Land Titles Division of Peel (No. 43) to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

AND WHEREAS as a condition for receiving the Loan Indebtedness, the Assignor agreed to assign to the Assignee, its successors and assigns, as a further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations, in all of the Assignor's right, title and interest in and to:

- (a) all present and future leases, subleases, licenses, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Assignor or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Property, and including all agreements collateral thereto (collectively, the "**Leases**");
- (b) all rents, issues, profits and other monies now due or accruing due or to become due and payable under or derived from the Leases or receivable by the Assignor pursuant to the Leases or the Property (collectively, the "**Rents**"); and
- (c) the benefit of all covenants and obligations of lessees, tenants, licensees, or occupants as well as all other rights, privileges, advantages and benefits contained in any of the Leases, including without limitation, all rights and benefits of any present and future guarantees or indemnities thereof, with full power and authority to demand, sue for, collect, recover and receive all Rents, to enforce the Assignor's rights under any Lease, and generally any collateral advantage or benefit to be

derived from the Leases or any of them together with the full benefit of all security in support of any guarantees or indemnities (collectively, the "**Lease Benefits**" and together with the Leases and the Rents, collectively, the "**Assigned Rights and Benefits**").

NOW THEREFORE IN CONSIDERATION of the recitals, the Assignee extending the Loan Indebtedness and for such other good and valuable consideration received by the Assignor, the receipt and adequacy of which is acknowledged by the Assignor, the Assignor agrees with the Assignee as follows:

ARTICLE 1 **DEFINITIONS, INTERPRETATION**

1.1 Definitions

Capitalized terms that are not defined herein have the meanings set out in the Mortgage. Otherwise, in this Agreement:

- (a) "**Excluded Lease**" has the meaning ascribed to it in Section 2.3;
- (b) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (c) "**Loan Indebtedness**" means any Indebtedness from time to time of the Assignor or any of the other Covenantors to the Assignee arising under any of the Loan Documents;
- (d) "**Loan Obligations**" means the obligations of the Assignor or any of the other Covenantors arising under the Loan Documents;
- (e) "**Other Parties**" has the meaning ascribed to it in Section 2.13(a); and
- (f) "**Receiver**" has the meaning ascribed to it in Section 2.12(a).

1.2 Interpretation

For the purposes of this Agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

1.3 Headings

In this Agreement, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Agreement.

ARTICLE 2 **AGREEMENT**

2.1 Assignment

As continuing collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations, the Assignor hereby assigns, transfers and sets over unto the Assignee and grants to the Assignee a security interest in all of the Assignor's right, title, estate, interest and benefit, both at law and in equity, in and to the Assigned Rights and Benefits, to hold and receive the same unto the Assignee with full power and authority to demand, sue for, collect, recover and receive and give receipts for the Rents and to enforce the payment of the Rents and the payment and performance of all Assigned Rights and Benefits, assigned in accordance with and subject to the terms of this Agreement.

2.2 Last Day of Term

This Agreement shall not extend or apply to the last day of the term, or the last day of any extended or renewed term, of any of the Leases provided that if this Agreement is enforced by the Assignee, the Assignor shall stand possessed of each such last day and shall hold same in trust and if this Agreement is enforced by the Assignee, to assign at the direction of the Assignee or any Person who may acquire any such term or renewal term or who in the course of enforcement hereof may be entitled to so direct.

2.3 Excluded Leases

Nothing in this Agreement shall constitute an assignment or attempted assignment of any of the right, title, estate, interest and benefit of the Assignor in any Assigned Rights and Benefits which require the consent of a third party to assignment unless such consent has been obtained (an "**Excluded Lease**"). The Assignor shall, upon request, obtain the required consent of any third party to the assignment of any Excluded Lease under this Agreement and to its further assignment by the Assignee to any third party as a result of the exercise by the Assignee of its remedies hereunder after an Event of Default. Upon consent being obtained, this Agreement shall apply to the applicable Excluded Lease without regard to this Section and without the necessity of any further assurance to effect assignment under this Agreement. Until consent to assignment is obtained, the Assignor shall, to the extent it may do so at law or pursuant to the provisions of the Excluded Lease and without giving rise to any default or penalty under the Excluded Lease, hold all right, title, estate, interest and benefit to be derived from the Excluded Lease in trust for the Assignee as additional security for the payment of the Loan Indebtedness and performance of the Loan Obligations as if this Agreement applied.

2.4 Representations and Warranties

The Assignor represents and warrants to and in favour of the Assignee that:

- (a) each of the Leases is in existence, and is in full force and effect, and there is currently no default by any party to any Lease under any term, condition or covenant required to be performed by it under the Assigned Rights and Benefits and there exists no event or circumstance, which would with the passage of time or the giving of notice or both constitute a default or an event of default under any of the Assigned Rights and Benefits;
- (b) there is no outstanding dispute under any Lease by any of the parties to it and no lessee under any Lease is entitled to any set off or defense against the payment of Rent under the Lease; and
- (c) the Assignor has good right, full power and absolute authority to assign the Assigned Rights and Benefits in the manner aforesaid, and has not performed any act or executed any other instrument which might prevent the Assignee from operating under the terms and conditions of this Agreement or which would limit the Assignee in such operation.

2.5 Covenants

The Assignor hereby covenants with the Assignee:

- (a) that it will at all times perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases as would a prudent landlord (except to the extent that the same have been expressly waived by the Other Parties to the Leases);
- (b) to maintain or cause to be maintained the Leases in good standing and not to do, permit to be done or omit to do, anything which may impair the enforceability of the Leases;
- (c) that in respect of all of the Leases, save for the deposits for the first and last month rentals, not to accept Rents more than one month in advance of the dates when Rents fall due;
- (d) except as provided for in Section 2.7 below, all offers to lease and all tenancy agreements, leases or subleases entered into with lessees of the Property shall be on the standard forms previously approved by the Assignee to be used in connection with the Property, amended as deemed appropriate in the circumstances by the Assignor, acting reasonably, to give effect to the arrangements made with each lessee or, if not on a pre-approved standard form, then in all cases in form and substance acceptable to the Assignee acting reasonably;

- (e) upon and during the continuance of an Event of Default, to facilitate in all ways the Assignee's exercise of its rights hereunder, including without limitation, upon request of the Assignee:
 - (i) to deliver to the Assignee up-to-date rent rolls and true copies of all then outstanding Leases and any other document giving rise to any of the Lease Benefits;
 - (ii) to permit access by the Assignee or its agent during regular business hours, upon reasonable notice to the Assignor, to all records pertaining to the Property, wherever held; and
 - (iii) to provide written notices to the lessees or any Other Parties, directing them to make payment of Rents to the Assignee or as it may direct; and
- (f) to obtain estoppel certificates from the lessees under the Leases (provided that the lessees are obliged to do so pursuant to their Lease) when and as reasonably required by the Assignee, or if any of such estoppel certificate is not forthcoming, to furnish a certificate of a senior officer of the Assignor in lieu thereof attesting (to the extent within the Assignor's knowledge and without Personal liability) to the information which would have been provided in such estoppel certificate.

2.6 Right to Deal

Until the occurrence of an Event of Default which is continuing, and subject to Section 2.5, the Assignor is permitted to enjoy the benefits of and deal with the Assigned Rights and Benefits, and may demand, receive, collect and enjoy the Rents, but only as the same fall due and payable according to the terms of each of the Leases and any of the documents giving rise to any of the Lease Benefits, and not more than one month in advance (except for prepayment of the last month of the term if so provided in the Lease) as would a prudent landlord. Upon the occurrence of an Event of Default which is continuing, the Assignee may, in addition to any other rights and remedies it may have, deliver a written notice to any lessee or any Other Party directing it to deal with the Assignee and to pay the Rents payable under its Lease to the Assignee, and such notice shall be good and sufficient authority for so doing.

2.7 No Dealings with Leases

The Assignor shall not, without the prior written consent of the Assignee:

- (a) do any act or thing or omit to do any act or thing that would materially adversely change the obligations of the Assignor under that Lease, other than as permitted by the Mortgage (except where the provisions of the Lease require the landlord to do so); or
- (b) enter into any Lease, including each renewal or extension of an existing Lease (other than any extension or renewal of an existing Lease which is exercised pursuant to, and the terms of which are governed by, such existing Lease), unless:

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- (i) it is a commercially reasonable arm's length transaction made in the ordinary course of business and in accordance with prudent property management and leasing standards and practices;
 - (ii) it provides for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions;
 - (iii) the Assignor has notified the Assignee of the proposed Lease and provided a copy of it to the Assignee; and
- (c) upon the Assignee delivering a written notice to the Assignor notifying the Assignor that the Assignee has elected to exercise its rights under this Agreement, enter into any Lease unless the Assignee has approved, acting reasonably, the form and content thereof.

Whenever the Assignee's consent is required hereunder, the Assignee shall act in a commercially reasonable manner as would a prudent owner of similar real estate and the Assignee shall communicate its consent or non-consent within ten (10) Business Days of any written request (unless otherwise indicated herein), failing which the Assignee shall be deemed to have given its consent.

The Assignor covenants to specifically assign any future Lease to the Assignee upon the Assignee's request in a form satisfactory to the Assignee. In such event, the Assignor further covenants that it will use its commercially reasonable efforts to have the lessee of all such future Leases, covenant to attorn to the Assignee on request.

2.8 Assigned Rights and Benefits Not Impaired

The within assignment to the Assignee of the Assigned Rights and Benefits shall remain in full force and effect without regard to, and the obligations of the lessees under the Leases shall not be affected or impaired by:

- (a) any amendment, modification, renewal or replacement of or addition or supplement to any of the other Loan Documents or the loan secured by the Security Documents; or
- (b) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement or any of the other Security Documents; or
- (c) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement or any of the other Security Documents; or
- (d) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor or any of the lessees under any of the Leases.

2.9 Power of Attorney

So long as the Loan Indebtedness and the Loan Obligations, or any portion thereof, remains outstanding:

- (a) the Assignor hereby irrevocably appoints the Assignee, or any Receiver appointed by the Assignee as provided for in this Agreement, to be the attorney of the Assignor with full power of substitution, and with full authority in the place of the Assignor and in the name of the Assignor or otherwise, from time to time in the Assignee's discretion, to do all acts, matters and things that may be necessary for, incidental to, or advisable for, carrying out the powers given to the Assignee under this Agreement and the Mortgage upon the occurrence of any Event of Default which is continuing (but the Assignee is not obligated to take such action and will have no liability to the Assignor or any third party for failure to take any action). This power of attorney is given for valuable consideration, is coupled with an interest, and is irrevocable until registration of a complete discharge of the Mortgage; and
- (b) in the event any action is brought by the Assignee to enforce any rights under the Assigned Rights and Benefits, the Assignor agrees to cooperate fully with and assist the Assignee in the prosecution thereof.

2.10 Acceleration

Upon the occurrence of an Event of Default which is continuing all of the Loan Indebtedness shall, at the Assignee's option and without notice to the Assignor, become immediately due and payable and the Assignee may, in its sole, absolute and unfettered discretion, exercise its rights in respect of the Assigned Rights and Benefits in addition to all other rights and remedies afforded by applicable law, in equity or otherwise. The Assignee shall have the right to enforce one or more remedies successively or concurrently in accordance with applicable law and the Assignee expressly retains all rights and remedies not inconsistent with the provisions in this Agreement including any rights it may have under the PPSA. The provisions of this clause do not and are not intended to affect in any way any rights of the Assignee with respect to any Loan Obligations or any Loan Indebtedness which may now or hereafter be payable on demand.

2.11 Enforcement

Upon the occurrence of and during the continuance of an Event of Default, the security hereby constituted will, at the option of the Assignee, immediately become enforceable.

2.12 Assignee's Rights and Remedies

In addition to the Assignee's rights under the Mortgage, the Assignee may, at its option and without any obligation or liability therefor and in addition to any other remedy in respect of the Assigned Rights and Benefits to which it is entitled under any of the Loan Documents, upon the occurrence of any Event of Default which is continuing and to the extent permitted by applicable law, enforce and realize on the security constituted by this

Agreement and take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Assignee may do the following:

- (a) appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Assignee or not, to be a receiver or receivers, or may institute proceedings in any court of competent jurisdiction for the appointment of a receiver (the "**Receiver**", which term includes a receiver or a manager or a receiver and manager) of the Assigned Rights and Benefits and may remove any appointed Receiver and appoint a replacement. Any Receiver shall, so far as concerns responsibility for its acts, be deemed the agent of the Assignor and not of the Assignee, and the Assignee shall not in any way be responsible for any misconduct, negligence, or nonfeasance on the part of any Receiver, the Receiver's servants, agents or employees. Subject to the provisions of the instrument appointing it, any Receiver shall be vested with all or any of the rights, powers and discretions of the Assignee. Except as may be otherwise directed by the Assignee all monies received from time to time by the Receiver in carrying out its appointment shall be received in trust for and paid over to the Assignee for the benefit of the Assignee;
- (b) compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rents or any other matter relating to the Assigned Rights and Benefits, and any settlement arrived at shall be binding upon the Assignor and any Other Parties;
- (c) at its option and without notice to the Assignor, take possession of or enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and any and all amounts which may be or become due or payable or remain unpaid at any time to the Assignor pursuant to the Assigned Rights and Benefits and give acquittances for them and to manage, operate and maintain its interest in the Property including without limitation, the making of repairs or replacements to maintain the Property;
- (d) receive, enjoy or otherwise avail itself of the Lease Benefits;
- (e) appoint and dismiss such agents or employees as may be necessary or desirable to exercise the Assignee's rights hereunder;
- (f) alter, modify, amend or change the terms of Leases; enter into new Leases; give consents, concessions or waivers of any rights or provisions of Leases; accept surrenders of Leases; give consents to assignment of or subletting under Leases;
- (g) send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
- (h) in the Assignor's name, perform, at the Assignor's expense, any and all of the Assignor's obligations or covenants relating to the Assigned Rights and Benefits

and enforce performance by any Other Parties of their obligations in relation to the Assigned Rights and Benefits and settle any disputes with Other Parties upon terms that the Assignee deems appropriate, in its discretion;

- (i) make payment of or cure any default under any Permitted Encumbrance or any Liens or other claims that may exist or be threatened against the Assigned Rights and Benefits, and any amount so paid together with costs, charges and expenses incurred together with interest at the Interest Rate shall be added to the Loan Indebtedness;
- (j) if the proceeds of realization are insufficient to pay all of the Loan Indebtedness, the Assignor shall forthwith pay or cause to be paid to the Assignee any deficiency and the Assignee may sue the Assignor to collect the amount of such deficiency;
- (k) subject to applicable law, seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Assigned Rights and Benefits in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Assignee advisable and without notice to the Assignor. The Assignee may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Assigned Rights and Benefits and may add all such sums to the Loan Indebtedness;
- (l) perform all such acts as may in the reasonable opinion of the Assignee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Assignor or in the name of the Assignee and the Assignor hereby grants to the Assignee irrevocable authority to join the Assignor in any proceedings or actions relating to the Assigned Rights and Benefits whether judicial or extra-judicial; and
- (m) waive any Event of Default, and any waiver of an Event of Default shall not extend to any subsequent Event of Default, nor shall the Assignee be bound to serve any notice on any lessees or any Other Parties on the happening of any Event of Default.

2.13 Assignee's Dealings with Other Parties

The Assignor and the Assignee hereby covenant and agree that:

- (a) the Assignee may at any time upon the occurrence of an Event of Default which is continuing, with respect to any and all Assigned Rights and Benefits, give to any lessee or other Person from whom the Assignor would have been entitled to receive or claim any benefit under the Assigned Rights and Benefits in question (the "**Other Parties**" or "**Other Party**") upon written notice to it by the Assignee to pay the Rents directly to the Assignee and such notice shall be good and sufficient notice for doing so. Without limiting the foregoing the Assignee may, after giving

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such notice, deal with the Other Party or Other Parties in respect of the Assigned Rights and Benefits without reference to or consent of the Assignor while the Event of Default is continuing;

- (b) this Agreement constitutes an irrevocable direction and authorization of the Assignor to any Other Party to pay Rents to the Assignee and otherwise honour the rights of the Assignee under this Agreement;
- (c) any Other Party may rely upon any notice given by the Assignee or on its behalf and the Assignor hereby waives as against any Other Party any claims they might otherwise have by reason of the Other Party acting on such notice;
- (d) in the event all Events of Defaults are subsequently cured, the Assignee shall upon request of the Assignor, and at the Assignor's expense, execute and deliver to the Assignor directions and authorizations to any Other Party who received notice of this Agreement in connection with the Events of Default so cured as aforesaid, authorizing and directing such Other Party to resume payment of Rents to the Assignor until such time as a further written notice is delivered by the Assignee pursuant to the terms of this Agreement;
- (e) all receipts given by the Assignee to any lessee under the Leases after delivery of a written notice pursuant to Section 2.13(a) and prior to the delivery of a notice pursuant to Section 2.13(d) on account of any Rents paid to the Assignee in accordance with the terms of this Agreement shall constitute a good and valid discharge therefor to each such lessee; and
- (f) the Assignee shall not be required or obligated in any manner to make any demand or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or take any other action to collect or enforce the payment of any amounts which may have been assigned to the Assignee or to which the Assignee may be entitled hereunder at any time or times.

2.14 Assignee's Obligations and Limitation on Liabilities

It is expressly acknowledged and agreed by the Assignor and the Assignee that:

- (a) nothing herein contained shall oblige the Assignee to assume or perform any obligation of the Assignor to any Other Party in respect of or arising out of the Assigned Rights and Benefits or any of them. The Assignee may, however, after the occurrence of an Event of Default which is continuing, at its option assume or perform any such obligations as the Assignee considers necessary or desirable to obtain the benefit of the Assigned Rights and Benefits free of any set-off, deduction or abatement, and any money expended by the Assignee in this regard shall form part of and be deemed to form part of the Loan Indebtedness and bear interest at the maximum rate stipulated in the Mortgage;
- (b) the Assignee shall only be liable to account for such moneys as shall actually be received by the Assignee by virtue of this Agreement at the address provided

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herein, less reasonable collection charges and costs (including, without limitation, legal costs on a solicitor and client basis) and other reasonable expenses to which the Assignee may be put, and the Assignee shall not be responsible for any act or default of any agent employed by the Assignee for the collection of any such amounts. Such moneys when so received by the Assignee shall be applied in accordance with the provisions of the Mortgage and the Assignee shall not be responsible for diligence in the collection of any monies as contemplated herein. No credit shall be given for any Rent received by the Assignee after it obtains ownership of the Property under court order or by operation of law;

- (c) exercise by the Assignee of its rights under this Agreement or the assumption of certain obligations of the Assignor upon the occurrence of an Event Default as referred to in Section 2.14(a) shall not constitute or have the effect of making the Assignee a mortgagee in possession nor shall the entering into of this Agreement or anything done in pursuance of it make the Assignee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations and liabilities under any of the Leases;
- (d) care, control and management of the Property shall remain and be deemed to be with the Assignor, in the absence of clear and unequivocal action by the Assignee depriving the Assignor of such care, control and management and the assumption thereof by the Assignee;
- (e) the Assignee's obligations as to any Rents or other amounts actually collected (including, without limitation, those arising from the Lease Benefits) shall be discharged by application of such Rents or other amounts (including, without limitation, those arising from the Lease Benefits) against the Loan Indebtedness or for any of the other purposes described in this Agreement; and
- (f) the Assignee shall not be:
 - (i) liable for and no credit shall be given in respect of any uncollected Rents or other uncollected amounts;
 - (ii) liable to any lessee for the return of any security deposit made under any Lease unless the Assignee shall have actually received such security deposit; and
 - (iii) by reason of this Agreement or the exercise of any right granted herein, responsible for any act committed by the Assignor or any breach or failure to perform by the Assignor with respect to any of the Assigned Rights and Benefits.

2.15 Continuing Security

Notwithstanding any variation of the terms of the Mortgage or any of the other Security Documents, or any extension of time for payment or any release of any security, this Agreement shall continue as general and collateral security for the Loan Indebtedness and

observance and performance of all of the Loan Obligations. This Agreement and the assignments granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Assignee and this Agreement will remain in full force and effect until registration of a complete discharge of the Mortgage by the Assignee, which discharge shall be deemed to be a reassignment of this Agreement and the Assigned Rights and Benefits in favour of the Assignor. On the complete discharge of the Mortgage, the Assignee will, at the request and at the sole cost and expense of the Assignor, execute and deliver to the Assignor such instruments in registrable form as may be necessary to evidence the termination of this Agreement and the reassignment to the Assignor of the Assigned Rights and Benefits.

2.16 Reassignment/Discharge

The Assignee may, at any time and whether or not an Event of Default has occurred, without further request or agreement by the Assignor, reassign to the Assignor, its successors and assigns, the Assigned Rights and Benefits or any part or parts thereof, by an instrument of reassignment in writing executed by the Assignee delivered to the Assignor, its successors and assigns, at the address for notice herein provided. Such instrument upon delivery shall constitute a good and sufficient reassignment of all of the Assignee's right, title and interest in and benefit of the Assigned Rights and Benefits to which it pertains and a good and valid release and termination of obligations (if any) of the Assignee with respect thereto. Such reassignment shall not expressly or impliedly constitute any representation or warranty by the Assignee to the Assignor as to the Assigned Rights and Benefits or anything related thereto.

ARTICLE 3 MISCELLANEOUS

3.1 Payments

All payments required to be made by the Assignor to the Assignee under this Agreement will be made at the address of the Assignee set out in Section 3.9 (or at any other place specified by the Assignee by written notice to the Assignor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

3.2 Failure of Indulgence Not Waiver

No extension of time, waiver, or other indulgence given by the Assignee to the Assignor, or anyone claiming under the Assignor, shall in any way affect or prejudice the rights of the Assignee against the Assignor or any Covenantor unless explicitly set forth in writing and signed by the waiving party. No failure to exercise or delay in exercising any right, remedy, power or privilege arising from this Agreement will operate or be construed as a waiver thereof, nor will any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Each power and right under this Agreement is cumulative and is in addition to and not in substitution for any other rights and remedies at law, or in equity or otherwise.

3.3 Modification

No modification or waiver of this Agreement is binding on the Assignee unless made in writing and signed by a duly authorized officer of the Assignee.

3.4 Entire Agreement

On execution and delivery by the Assignor, this Agreement is deemed to be finally executed and delivered by the Assignor to the Assignee and is not subject to or affected by any condition as to the receipt by the Assignee of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Assignee of any other Loan Documents, nor by any promise or condition affecting the liability of the Assignor. No agreement, promise, representation or statement by the Assignee or any of its officers, employees or agents unless in this Agreement forms part of this Agreement, has induced the making of it or affects the liability of the Assignor or any Covenantor under it.

3.5 Severability

If any Section or part thereof of this Agreement is invalid or unenforceable for any reason, then such Section or part thereof will be severable from this Agreement and will not affect the validity or enforceability of any other part of this Agreement.

3.6 Non-Merger

The giving of this Agreement is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this Agreement, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Assignee.

3.7 Paramountcy

The provisions of any agreement between the Assignor and the Assignee in connection with the Loan Indebtedness, including but not limited to any loan application in respect thereof, the Mortgage and all of the other Loan Documents, shall form part of this Agreement except where inconsistent with the provisions hereof. In the case of any inconsistency between this Agreement and the Mortgage, the provisions of the Mortgage, as the case may be, shall prevail.

3.8 Assignability

The Assignor hereby consents to the Assignee assigning, transferring or selling all or any portion of its interest under this Agreement in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Assignee may enter into participation, contending or syndication agreements with other lenders in connection with this

Agreement, the Loan Indebtedness and the Loan Obligations. The Assignee may provide information of a financial or other nature to any prospective assignee or transferee or other lenders concerning the Assignor, this Agreement, the Loan Indebtedness and the Loan Obligations.

3.9 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Agreement shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party, addressed:

(a) to the Assignor:

1944 Fowler Drive
Mississauga, Ontario
L5K 0A1

Attention: John Vandyk
Email: jvandyk@vandyk.com
Facsimile: 905-823-4014

with a copy to the Assignor's solicitors at

Schneider Ruggiero Spencer Milburn LLP
120 Adelaide Street West, Suite 1000
Toronto, Ontario
M5H 3V1

Attention: Bruce Milburn
Email: bmilburn@srlawpractice.com
Facsimile: 416-363-0645

(b) to the Assignee:

Scotia Plaza
40 King Street West, Suite 3700
Toronto, Ontario
M5H 3Y2

Attention: Scott Coates
Email: SCoates@kingsettcapital.com
Facsimile: 416-687-6701

with a copy to the Servicer at:

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41 Scarsdale Road, Unit 6
Toronto, Ontario
M3B 2R2

Attention: Judy Wong
Email: JWong@DorrCapital.com

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3rd) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

3.10 Expenses, Fees and Indemnity

The Assignor will pay to the Assignee all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Assignee in connection with the collection of any amount payable under this Agreement by the Assignor to the Assignee. The Assignor shall indemnify the Assignee against all claims, loss or damages arising out of or in connection with any breach or default by the Assignor under this Agreement.

3.11 Applicable Law

This Agreement and the rights and obligations of the Assignor and the Assignee under it are governed by and construed according to the laws of the jurisdiction in which the Property is situate and the laws of Canada applicable therein.

3.12 Time of the Essence

Time is of the essence of this Agreement.

3.13 Execution by the Assignee

This Agreement need not be executed by the Assignee to be binding on and to enure to the benefit of the Assignee.

3.14 Counterparts

This Agreement may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or

account for more than one such counterpart. Transmission of executed or electronically executed copies of this Agreement whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.

3.15 Further Assurances

The Assignor will promptly do all further acts and execute and deliver such further documents as the Assignee considers necessary or advisable to carry out the terms or intent of this Agreement.

3.16 Successors and Assigns

This Agreement is binding on and enures to the benefit of the Assignee and the Assignor, and their respective executors, administrators, successors and assigns and to any Person to whom the Assignee may grant any participation in this Agreement, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Assignee under this Agreement or any of the Assignee's interest herein or in the Loan Indebtedness and the Loan Obligations.

3.17 Multiple Parties

If the Assignor consists of more than one party, this Agreement will be read with all necessary grammatical changes and each reference to the Assignor includes each and every such Person individually. All covenants and agreements herein of the Assignor are the joint and several covenants and agreements of each such Person or corporation. If the Assignee consists of more than one party, this Agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Assignee under this Agreement.

-- signatures follow on next page --

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

VANDYK-UPTOWNS LIMITED

Per: ^{DocuSigned by:}
Richard ma

Name: 04B6BBFEDFC840B...
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

2366885 ONTARIO INC.

Per: ^{DocuSigned by:}
Richard ma

Name: 04B6BBFEDFC840B...
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

TAB F

THIS IS **EXHIBIT "F"** REFERRED TO IN THE AFFIDAVIT
OF DANIEL POLLACK, SWORN BEFORE ME THIS
7TH DAY OF NOVEMBER, 2023.

Joshua Foster

Joshua Foster

A Commissioner for taking Affidavits
(or as may be)

Properties

PIN 07617 - 0889 LT *Interest/Estate* Fee Simple
Description LOTS 159, 160 & 161 PLAN 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2
 66R28185; ETOBICOKE; TOGETHER WITH AN EASEMENT OVER PART LOTS 160 &
 160 PLAN 164, PART 2 66R28185 AS IN AT4215394; SUBJECT TO AN EASEMENT IN
 GROSS AS IN AT4264438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323;
 SUBJECT TO AN EASEMENT AS IN AT3989173; CITY OF TORONTO
Address TORONTO

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 2402871 ONTARIO INC.
Address for Service 1944 Fowler Drive
 Mississauga, Ontario L5K 0A1

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

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

Chargee(s)*Capacity**Share*

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

Statements

Schedule: See Schedules

Provisions

Principal \$68,750,000.00 *Currency* CDN
Calculation Period See Schedule
Balance Due Date See Schedule
Interest Rate See Schedule
Payments
Interest Adjustment Date
Payment Date See Schedule
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full insurable value
Guarantor

Signed By

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2022 06 15
 Toronto Chargor(s)
 M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

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

Submitted By

BENNETT JONES LLP 3400-1 First Canadian Place 2022 06 16
 Toronto
 M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Chargee Client File Number : 59445.93 (JVG/MOG/MW/NA)

MORTGAGE

2402871 ONTARIO INC. having an office at 1944 Fowler Drive, Mississauga, Ontario L5K 0A1 (hereinafter referred to as the "**Mortgagor**") being registered as owner of an estate in fee simple in possession of the Property;

IN CONSIDERATION of the sum of \$68,750,000.00 of lawful money of Canada, (the "**Principal Amount**"), or any portion thereof, lent to the Mortgagor by **KINGSETT MORTGAGE CORPORATION**, having an office at Scotia Plaza, 40 King Street West, Suite 3700, Toronto, Ontario M5H 3Y2 (hereinafter referred to as the "**Mortgagee**"), the Mortgagor **HEREBY COVENANTS WITH** the Mortgagee as follows:

DEFINITIONS

1. The terms defined below shall have the indicated meanings unless the context expressly or by necessary implication requires otherwise:
 - (a) "**Borrower**" means, collectively, Vandyk-Uptowns Limited and 2366885 Ontario Inc.;
 - (b) "**Commitment Letter**" means the commitment letter dated as of May 6, 2022 between, *inter alios*, the Borrower and the Servicer, as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time;
 - (c) "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise;
 - (d) "**Covenantors**" means, collectively, the Mortgagor or any joint debtor or any obligor to the Mortgagee in connection with repayment of the Loan Indebtedness or the performance of the Loan Obligations;
 - (e) "**Derry Lands**" means the property municipally known as 320 Derry Road, Mississauga, Ontario;
 - (f) "**Derry Project**" means development of an infill serviced lot development site approved for 39 detached units and 6 semi-detached units located at the Derry Lands;
 - (g) "**Event of Default**" has the meaning ascribed thereto in Section 28;
 - (h) "**Extension Fee**" means a fee of 0.30% of the then outstanding Loan Indebtedness;
 - (i) "**Governmental Authority**" means the government of Canada or any other nation, or of any political subdivision thereof, whether state/provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency;
 - (j) "**Hazardous Substance**" means any radioactive materials, asbestos materials, urea formaldehyde, underground or aboveground tanks, pollutants, contaminants, liquid waste, industrial waste, hauled liquid waste, deleterious substances, corrosive or toxic substances, hazardous wastes, hazardous materials, hazardous substances, special waste or waste of any kind or any other substance, the storage, manufacture, disposal, treatment, generation, use, transport, remediation or release into the environment of which is now or hereafter prohibited, controlled or regulated under any applicable environmental law;
 - (k) "**Heart Lake Lands**" means the properties municipally known as 10302 and 10194 Heart Lake Road, Brampton, Ontario;
 - (l) "**Heart Lake Project**" means:

- (i) the development of 342 stacked townhouses with a total 379,842 square feet of gross floor area located at 10302 Heart Lake Road, Brampton, Ontario, and all landscaping, all plants, machinery, improvements and equipment and all other property whether free-standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto ("**Uptowns**"); and
- (ii) a development site approved for 200 townhouses located at 10194 Heart Lake Road, Brampton, Ontario, and all landscaping, all plants, machinery, improvements and equipment and all other property whether free-standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto ("**Jordan**");
- (m) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (n) "**Interest Adjustment Date**" means the first day of the calendar month following the calendar month in which the initial advance of all or any portion of the Loan Indebtedness is made, unless such initial advance takes place on the first day of a calendar month, in which case the interest adjustment date shall be the date of such initial advance;
- (o) "**Interest Rate**" means the greater of: (i) the RBC Prime Rate plus 7.95% per annum; and (ii) 11.15% per annum, calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement with respect to the Loan Indebtedness;
- (p) "**Lands**" means those lands and premises more particularly described in Schedule "A" attached hereto;
- (q) "**Lease Benefits**" means, collectively, the benefit of all covenants and obligations of lessees, tenants, licensees, or occupants as well as all other rights, privileges, advantages and benefits contained in any of the Leases, including without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the Mortgagor's rights under any Lease, and generally any collateral advantage or benefit to be derived from the Leases or any of them;
- (r) "**Leases**" means, collectively, all present and future leases, subleases, licenses, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Mortgagor or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Property, and including all agreements collateral thereto;
- (s) "**Lien**" means, collectively, any: (i) lien, charge, mortgage, pledge, security interest or conditional sale agreement; (ii) assignment, lease, consignment, trust or deemed trust that secures payment or performance of an obligation; (iii) garnishment; (iv) other encumbrance of any kind; and (v) any commitment or agreement to enter into or grant any of the foregoing;
- (t) "**Loan Documents**" means, collectively, the Commitment Letter, this Mortgage, the Security Documents and all certificates, instruments, agreements and other documents delivered, or to be delivered, to the Mortgagee under, pursuant to or in connection with this Mortgage or any of the other Loan Documents, each as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time and, when used in relation to any Person, the term "**Loan Documents**" means the Loan Documents executed and delivered by such Person;
- (u) "**Loan Indebtedness**" means any Indebtedness from time to time of the Mortgagor or any of the other Covenantors to the Mortgagee arising under any of the Loan Documents;

- (v) **"Loan Obligations"** means the obligations from time to time of the Mortgagor or any of the other Covenantors arising under the Loan Documents;
- (w) **"Material Adverse Effect"** means a material adverse effect on:
 - (i) the Property or the economic viability thereof;
 - (ii) the business, operations, property or financial condition of any of the Covenantors which would materially impact the ability of the Covenantors, taken as a whole, to repay the Loan Indebtedness and to perform and discharge the Loan Obligations;
 - (iii) the validity or enforceability of this Mortgage or any of the other Loan Documents; or
 - (iv) the Mortgagee's ability to enforce its rights or remedies under this Mortgage or any of the other Loan Documents, including with respect to the Mortgagee's security position;
- (x) **"Maturity Date"** means twenty-four (24) months after the Interest Adjustment Date as may be extended in accordance with the Commitment Letter;
- (y) **"Maximum Loan Amount"** means, notwithstanding the Principal Amount, the amount of \$55,000,000.00;
- (z) **"Mortgaged Premises"** means every building, structure, improvement and fixture (including those more fully set out in Section 17 hereof), including replacements therefor, on or which may hereafter be erected or placed on the Lands, including all plate glass, plant, equipment, apparatus and machinery of every kind now or hereafter located therein, thereon or used in connection therewith, and all personal property including, contents thereof to the extent that they are the property of the Mortgagor;
- (aa) **"Mortgagee"** means KingSett Mortgage Corporation;
- (bb) **"Mortgagor"** means 2402871 Ontario Inc.;
- (cc) **"Other Obligations"** has the meaning ascribed thereto in Section 37;
- (dd) **"Permitted Encumbrances"** mean, collectively:
 - (i) any Lien in respect of any property or assets of the Mortgagor created by or arising pursuant to any applicable legislation in favour of any Person (such as but not limited to a Governmental Authority), including a Lien for the purpose of securing the Mortgagor's obligation to deduct and remit employee source deductions and goods and services tax pursuant to the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan* (Canada), the *Employment Insurance Act* (Canada) and any legislation in any jurisdiction similar to or enacted in replacement of the foregoing from time to time (each individually a **"Statutory Lien"**) in respect of any amount which is not at the time due;
 - (ii) any Statutory Lien in respect of any amount which may be due but the validity of which is being contested in good faith and in respect of which reserves have been established as reasonably required by the Mortgagee;
 - (iii) in respect of the Property: (A) any registered agreement (or unregistered agreement that is required in connection with the further development of the Property) with any Governmental Authority and any public utilities or private suppliers of services, including site plan agreements, subdivision agreements, development agreements, engineering, grading or landscaping agreements and similar agreements, which has not and is not reasonably likely to have a Material Adverse Effect, provided the same is complied with in all material respects; (B) any registered easement for the supply of utilities or telephone services to the Property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines

or other services and all licences, easements, rights-of-way, rights in the nature of easements and agreements with respect thereto not registered on title to the Property, including agreements, easements, licences, rights-of-way and interests in the nature of easements for sidewalks, public ways, sewers, drains, utilities, gas, steam and water mains or electric light and power, or telephone telegraphic conduits, poles, wires and cables, which has not and is not reasonably likely to have a Material Adverse Effect; (C) any registered easement or right-of-way for the passage, ingress and egress of Persons and vehicles over parts of the Lands, which has not and is not reasonably likely to have a Material Adverse Effect; (D) any registered or unregistered easement, rights-of-way, agreement or other unregistered interest or claims not disclosed by registered title which has not and is not reasonably likely to have a Material Adverse Effect; (E) any zoning, land use and building restriction, bylaw, regulation and ordinance of any Governmental Authority, including municipal by-laws and regulations and airport zoning regulations, which has not any is not reasonably likely to have a Material Adverse Effect; (F) any obligation with respect to any permit required in connection with the construction and use of the Property provided such permit is in good standing and has not and is not reasonably likely to have a Material Adverse Effect; and (G) any minor defect in title which has not and is not reasonably likely to have a Material Adverse Effect;

- (iv) any reservation, limitation, proviso, condition, restriction and exception (including royalties, reservation of mines, mineral rights, access to navigable waters and similar rights) expressed in the letters patent or grant from the Crown, as varied by statute, of the lands of which the Lands form a part and any statutory limitation, exception, reservation and qualification, provided same has been complied with in all material respects;
- (v) any Lien incurred or deposit made or pledged to secure any obligation under workers' compensation legislation or similar legislation, or in connection with contracts, bids, tenders or expropriation proceedings, or surety, performance or appeal bonds in connection with construction of the further development of the Property;
- (vi) security given to a public utility or any Governmental Authority to secure obligations incurred to such utility, Governmental Authority or other authority in the ordinary course of business and not at the time overdue;
- (vii) any inchoate Lien (statutory or otherwise) arising in connection with the construction or improvement of the Property or arising out of the furnishing of materials or supplies therefor, provided that such Lien secures moneys not at the time overdue (or if overdue, the validity of which is being contested in good faith and in respect of which and reserves have been established as reasonably required by the Mortgagee), notice of such Lien has not been given to the Mortgagee and such Lien has not been registered against title to the Property;
- (viii) purchase-money security interests incurred or assumed in connection with the purchase, leasing or acquisition of capital equipment in the ordinary course of business, provided that the aggregate amount of the Mortgagor's liability thereunder is not at any time greater than one million (\$1,000,000.00) dollars;
- (ix) any present and future lease, offer to lease, sublease, concession, licence or other contract or agreement by which the use, enjoyment or occupancy of the Property or any portion thereof is granted which has not and is not reasonably likely to have a Material Adverse Effect;
- (x) this Mortgage and the other Security Documents;
- (xi) the Prior Permitted Encumbrances; and

- (xii) any Subsequent Encumbrances with the express prior written consent of the Mortgagee in its sole, absolute and unfettered discretion;
- (ee) "**Person**" means, and includes, natural persons, corporations, limited liability companies, limited partnerships, limited liability partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and governments and agencies and political subdivisions thereof and their respective permitted successors and assigns (or in the case of a governmental person, the successor functional equivalent of such Person);
- (ff) "**Principal Amount**" has the meaning ascribed thereto in the preamble to this Mortgage;
- (gg) "**Prior Permitted Encumbrances**" means those encumbrances registered against title to the Property in priority to this Mortgage on the date of the registration of this Mortgage against title to the Lands and which the Mortgagee has agreed to accept in its sole, absolute and unfettered discretion, including for greater certainty, a first mortgage, in an amount not to exceed \$56,250,000.00 provided by the Mortgagee on terms and conditions acceptable to the Mortgagee (the "**First Mortgage**") and a second mortgage, in an amount not to exceed \$7,500,000.00 provided by a private lender on terms and conditions acceptable to the Mortgagee;
- (hh) "**Project**" means the mixed-use land site to be developed with a two-tower project comprised of 692 residential condominium units, approximately 5.726 square feet of ground floor retail, approximately 75,000 square feet of office space, and approximately 16,416 square feet of Metrolinx station spaced located at the Lands;
- (ii) "**Property**" means, collectively, the Lands and the Mortgaged Premises;
- (jj) "**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;
- (kk) "**Rents**" means, collectively, all rents, issues and profits now due or to become due under or derived from the Leases and/or the Property;
- (ll) "**Security Documents**" means, collectively, the Loan Documents creating Liens on the undertaking, property and assets of the Covenantors in favour of the Mortgagee, and all other instruments, agreements and documents which have been or may hereafter from time to time be executed in connection therewith, in each case as the same may be hereafter amended, modified, supplemented or restated in accordance with the terms thereof;
- (mm) "**Servicer**" means Dorr Capital Corporation;
- (nn) "**Statutory Lien**" has the meaning ascribed thereto in Section 1(dd)(i);
- (oo) "**Subsequent Encumbrances**" means, collectively, encumbrances registered against title to the Lands subsequent in priority to this Mortgage with the prior consent of the Mortgagee, which consent shall be granted in the Mortgagee's sole, absolute and unfettered discretion;
- (pp) "**Taxes**" means all present or future taxes, rates, liens, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto; and
- (qq) "**Title Agreements**" has the meaning ascribed thereto in Section 48;

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and

"including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise: (i) any definition of or reference to any agreement, instrument or other document herein (including this Mortgage) shall be construed as referring to such agreement, instrument or other document amended, varied, supplemented, restated, renewed or replaced at any time and from time to time (subject to any restrictions on such amendments, variations, supplements, restatements, renewals or replacements set forth herein); (ii) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns; (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Mortgage in its entirety and not to any particular provision hereof; (iv) unless otherwise expressly stated, all references in this Mortgage to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Mortgage, and references to a Section, means such Section or an enumerated sub-Section thereof, as applicable; (v) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time; and (vii) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

PROMISE TO PAY AND FULFIL OBLIGATIONS

2. The Mortgagor will pay or cause to be paid to the Mortgagee, on demand, in lawful money of Canada the full amount of the Loan Indebtedness in the manner of payment provided by this Mortgage before as well as after maturity, both before and after default, and both before and after judgment on this Mortgage, without any deduction or abatement, and shall do, observe, perform, fulfil and keep all of the Loan Obligations.

PAYMENTS

3. The Loan Indebtedness shall be repaid as follows:
 - (a) interest on the Loan Indebtedness advanced and remaining unpaid from time to time at the fixed rate per annum equal at all times to the Interest Rate, calculated daily not in advance, before as well as after maturity, default and judgment, on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and compounded monthly not in advance and computed from and including the respective dates of such advances;
 - (b) subject to Section 3(d)(iii), interest, at the Interest Rate, shall become due and be paid on the Interest Adjustment Date and thereafter in monthly instalments on the first business day of the month which is one month after the Interest Adjustment Date and continuing on the first business day of each and every month which is one month after the date of each such payment, and in addition, at the option of the Mortgagee, may be deducted from advances of moneys under this Mortgage, and the balance, if any, of the aforesaid interest on advances shall become due and be paid at the same time as is hereinafter provided for payment in full of the Loan Indebtedness;
 - (c) the Loan Indebtedness shall become due and be paid in full on the earlier of:
 - (i) the Mortgagee demanding repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time; and
 - (ii) the Maturity Date;
 - (d) it is acknowledged and agreed that:
 - (i) notwithstanding the Principal Amount, the maximum amount to be advanced by the Mortgagee from time to time in respect of the Loan Indebtedness shall not exceed the Maximum Loan Amount;
 - (ii) an initial and subsequent advances of Loan Indebtedness representing advances from time to time of the Loan may be made by the Mortgagee,

subject to and in accordance with the Commitment Letter and the conditions precedent and other provisions set out therein;

- (iii) beginning on the Interest Adjustment Date, the amount of monthly interest, up to a maximum of \$230,000.00 per month, at the Interest Rate, shall, provided no Event of Default has occurred hereunder which is continuing, be capitalized monthly to the Loan Indebtedness advanced hereunder until the earlier of:
 - A. such capitalized interest, at the Interest Rate, reaching in the aggregate the amount of \$5,500,000.00;
 - B. the sum of such capitalized interest and all other amounts advanced hereunder reaching, in the aggregate, the Maximum Loan Amount;
 - C. repayment of all amounts outstanding hereunder;
 - D. any Event of Default or a default by any of the Covenantors under any of the Loan Documents; and
- (e) in the event that amounts are no longer available in accordance with the provisions of Section 3(d)(iii), any additional interest payments shall not be capitalized and shall be required to be paid by the Mortgagor from sources other than subsequent advances of moneys under this Mortgage.

CHARGE

- 4. **THE MORTGAGOR HEREBY** grants, mortgages and charges to and in favour of the Mortgagee all right, title and interest of the Mortgagor in and to the Property as security for the payment of the Loan Indebtedness and performance of the Loan Obligations by the Borrower arising pursuant to the guarantee dated as of the date hereof granted by, *inter alios*, the Mortgagor to and in favour of the Mortgagee.

COMPOUND INTEREST

- 5. It is hereby agreed that in case default shall be made in payment of any sum to become due for interest, at the Interest Rate, at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, before as well as after maturity, shall bear interest, at the Interest Rate, and in case the interest and compound interest are not paid within the next thirty (30) days, compound interest, at the Interest Rate, shall be payable on the aggregate amount then due of outstanding interest and compound interest, before as well as after maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Property.

INTEREST RATE

- 6. Notwithstanding the provisions hereof in no event shall the aggregate "**interest**" (as that term is defined in Section 347 of the *Criminal Code* (Canada)) exceed the effective annual rate of interest on the "**credit advanced**" (as defined therein) lawfully permitted under that section. The effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles from the date of the initial advance of the Loan Indebtedness until the Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Mortgagee will be conclusive for the purposes of such determination. If any provision of the Mortgage would obligate the Mortgagor to make any payment of interest or other amount payable to the Mortgagee in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Mortgagee of interest at a criminal rate, then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the Mortgagee of interest at a criminal rate, the adjustment to be effected, to the extent necessary, as follows:
 - (a) first, by reducing the amount or rate of interest required to be paid to the Mortgagee under this Mortgage; and

- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Mortgagee which would constitute "**interest**" (as that term is defined in Section 347 of the *Criminal Code* (Canada)).

RENEWALS AND NON-REVOLVING NATURE OF LOAN

7. That:

- (a) in the event that this Mortgage shall be renewed or extended pursuant to Section 7(b) or by written agreement executed by the Mortgagor and the Mortgagee, such renewal or extension (and the rate of interest, term, instalment and other stipulations of such renewal or extension) shall be binding upon Subsequent Encumbrances, the Mortgagor and the Mortgagee, its successors in title and assigns, and all Subsequent Encumbrances, and shall take full priority over all Subsequent Encumbrances, whether or not the said renewal, extension or notice thereof is registered, filed or recorded by caveat at the applicable Land Titles Office and whether or not the rate of interest payable or payment amortization period applicable during the renewal or extension term is greater than or less than the rate or amortization stipulated in this Mortgage. The Mortgagor shall, forthwith on request therefor by the Mortgagee, provide to the Mortgagee, at the Mortgagor's expense, all such postponements and other assurances as the Mortgagee may require to ensure the foregoing binding effect and priority. All renewals (if any) shall be done at the Mortgagor's expense (including without limitation payment of the Mortgagee's reasonable legal expenses on a solicitor and his own client basis). In the event the within Mortgagor is a corporation, no such renewal or extension, even if made by a successor in title to the Mortgagor named herein and whether or not the Mortgagor shall consent thereto, shall in any way release or abrogate or render unenforceable the covenants or obligations of the Mortgagor named herein, which shall continue notwithstanding such renewal or extension and shall apply to this Mortgage as renewed or extended;
- (b) the Mortgagor has the option, subject to the prior consent of the Mortgagee, in its sole, absolute and unfettered discretion, to extend the Maturity Date by up to two (2) extensions with each extension being for a period of three (3) months on the terms and conditions set out in the Commitment Letter, and provided that in connection with each extension option:
- (i) the Mortgagor pays to the Mortgagee an Extension Fee, which shall be deemed earned by the Mortgagee upon receipt of notice requesting an extension of the Maturity Date, and payable on or before the date which is ten (10) days prior to the Maturity Date, provided that if such extension is not granted by the Mortgagee, the Mortgagee will return such amount to the Mortgagor;
- (ii) the Mortgagor or any other Covenantor delivering at least sixty (60) days' (but not more than ninety (90) days) written notice prior to the Maturity Date to the Mortgagee requesting each extension; and
- (iii) no Event of Default has occurred which is continuing;
- (c) other than the extension right set forth in Section 7(b), there are no further rights to renew or extend this Mortgage; and
- (d) no amount that is borrowed or advanced hereunder may, if repaid or prepaid, be reborrowed at any time, it being acknowledged and agreed that this Mortgage creates a non-revolving loan.

PREPAYMENT

8. This Mortgage is closed and may not be prepaid in whole or in part.

TAXES

9. Subject as hereinafter in this Section 9 provided, the Mortgagor will pay when and as the same fall due all Taxes; provided that in respect of municipal taxes, school taxes, local

improvements charges and all taxes and levies made or assessed in lieu of real property taxes, the Mortgagor shall provide the Mortgagee with a paid receipted tax bill within fifteen (15) days after the payment deadline of each such tax bill, and in the event the Mortgagor should default in payment of same and such default continues for more than three (3) business days following written notice to the Mortgagor, the Mortgagee shall have the right to implement any of the following:

- (a) the Mortgagee may deduct from time to time, from advances of moneys under this Mortgage, amounts sufficient to pay the Taxes which have become due and payable or will have become due and payable and are unpaid from time to time as advances are made;
- (b) the Mortgagor shall in each year during the currency hereof at the request of the Mortgagee pay to the Mortgagee in equal monthly instalments, such amounts as the Mortgagee may estimate as being the annual Taxes next becoming due and payable, the said monthly instalments to be paid in addition to the payments required under Section 2, and the Mortgagor shall also pay to the Mortgagee before the due date of the current annual Taxes such additional sums as may be requisite to enable the Mortgagee to pay out of such monthly instalments and additional payments, the whole amount of the annual Taxes on or before the due date thereof, provided, however, that the exercise of the foregoing right shall be subject to the rights and obligations of the Mortgagor and the Mortgagee under all Permitted Encumbrances;
- (c) so long as there is not an Event of Default that has occurred and is continuing, the Mortgagee shall apply such deduction and payments on the Taxes as they become due, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of Taxes more often than yearly, nor to pay the same in advance of the due date for payment of the same. Provided however, that if (before any sum or sums so paid to the Mortgagee shall have been so applied) an Event of Default shall have occurred which is continuing, the Mortgagee may, at its option, apply such sum or sums in or towards payment of the Loan Indebtedness;
- (d) in the event that there is default in the payment by the Mortgagor of moneys for Taxes as aforesaid, then the Mortgagee may pay such Taxes and, in addition, upon providing the Mortgagor with ten (10) days' prior written notice, the Mortgagee may pay any and all liens, charges and encumbrances which may be charged against the Property which are not otherwise first paid by the Mortgagor. All moneys expended by the Mortgagee for any of such purposes together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
- (e) if the Property or any part thereof becomes subject to sale or forfeiture for non-payment of Taxes while any Loan Indebtedness remains outstanding, then, subject to all applicable laws, the Mortgagee may acquire title and rights of the purchaser at any sale, or the rights of any other Person or corporation becoming entitled on or under any such forfeiture, or the Mortgagee may pay, either in its own name or in the Mortgagor's name or on the Mortgagor's behalf, any and all sums necessary to be paid to redeem the Property so sold or forfeited, and to re-vest the Property in the Mortgagor, and the Mortgagor hereby nominates and appoints the Mortgagee agent of the Mortgagor to pay such moneys on the Mortgagor's behalf and in the Mortgagor's name, and any moneys so expended by the Mortgagee together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default, or, in the alternative, the Mortgagee shall have the right to bid on and purchase the Property at any tax sale of the same and shall thereupon become the absolute owner thereof; and
- (f) the Mortgagor shall transmit to the Mortgagee evidence, satisfactory to the Mortgagee acting reasonably, of the payment of all Taxes affecting the Property to

the Mortgagee at least quarterly or as otherwise reasonably requested by the Mortgagee from time to time, and the Mortgagor authorizes the Mortgagee to obtain any tax or assessment information concerning the Property directly from the municipal taxing authority having jurisdiction over the Property.

INSURANCE

10. That:

- (a) the Mortgagor will, at the Mortgagor's expense, forthwith insure or cause to be insured, and during the continuance of this security keep insured in favour of the Mortgagee, the Property on an all risks basis, or as otherwise allowed by the Mortgagee, including coverage for course of construction, earthquake, flood and such other risks or perils as the Mortgagee may require or consider expedient and satisfactory to the Mortgagee, acting reasonably, including and pursuant to the following coverages, provisions and conditions:
 - (i) the Mortgagee must be shown as a named insured, or an additional named insured, and mortgagee and loss payee as the Mortgagee's interest may appear;
 - (ii) the limit of insurance shall not be less than one hundred (100%) percent of new replacement cost including recurring soft costs and costs of foundations and all parts below ground level including confirmation that the "same or adjacent site" clause has been deleted from the replacement cost wording;
 - (iii) any co-insurance clause contained in the policy shall be a stated amount co-insurance clause;
 - (iv) the policy shall include an Insurance Bureau of Canada standard mortgage clause or its equivalent;
 - (v) losses shall be made payable to the Mortgagee according to its interest;
 - (vi) rental income coverage on an "all risks" basis sufficient to cover one hundred (100%) percent of the gross annual revenues, including Rents and if leases are on a net-net basis, the equivalent gross revenues, including rentals for a period of not less than twelve (12) months; or if the property is owner-occupied, business interruption coverage;
- (b) the Mortgagor will maintain liability insurance coverage, including without limitation earthquake, flood and sewer back-up insurance at least equivalent in scope to a Commercial General Liability form, such insurance to be in the minimum amount of five million (\$5,000,000.00) dollars per occurrence, to include all required extensions of liability and naming the Mortgagee as co-insured;
- (c) the Mortgagor will cause its contractors to maintain contractors liability insurance coverage, and wrap-up liability insurance coverage, in each instance to be in the minimum amount of five million (\$5,000,000.00) dollars per occurrence, to include all required extensions of liability and naming the Mortgagor as an additional named insured, but only with respect to claims arising out of the operations of the named insured;
- (d) as applicable, the Mortgagor will maintain builders "all risks" or "broad form" insurance, subject to the latest CCDC policy wording and will include:
 - (i) coverage sufficient to cover one hundred (100%) percent of the projected hard costs and not less than twenty-five (25%) percent of the projected recurring soft costs;
 - (ii) a "permission to occupy" clause, "delayed rental income / soft costs" insurance to cover the anticipated loss of revenue for one (1) year, which may be incurred in the event of an insured loss, during construction;
 - (iii) coverage for the installation, testing and commissioning, of machinery and equipment; and

- (iv) the Mortgagee as loss payee and as mortgagee as its interest appears, pursuant to a standard mortgage clause satisfactory to the Mortgagee;
- (e) the Mortgagor will maintain boiler and machinery insurance covering all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical and mechanical breakdown;
- (f) promptly upon written request, the Mortgagor will deliver to the Mortgagee and directly to its insurance consultants all policy binders of insurance together with all applicable certificates of insurance or such other evidence of insurance as the Mortgagee may reasonably require, and, prior to their due date, proof of payment of the premiums and renewal premiums therefor;
- (g) all policies shall be with insurers and subject to terms and conditions reasonably satisfactory to the Mortgagee. Any deviation from these requirements shall be approved in writing by the Mortgagee acting reasonably. The policies must provide for thirty (30) days' written notice to the Mortgagee of material alteration, if available, and cancellation and must be signed by the insurer(s) or their authorized representative(s);
- (h) if the Mortgagor shall neglect to keep the Property insured as aforesaid, or to deliver all policy binders of insurance together with all applicable certificates of insurance or such other evidence of insurance as the Mortgagee may reasonably require and evidence proving payment of premiums or renewal premiums when reasonably requested by the Mortgagee, or to produce to the Mortgagee at least forty-five (45) days' before the termination of such insurance evidence of the renewal thereof, the Mortgagee shall, without reference to the Mortgagor, be entitled (but shall not be obliged) to insure the Property, or any part thereof, as set forth above, and the amount of any premiums paid by the Mortgagee together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
- (i) promptly upon the occurrence of any loss or damage, the Mortgagor at its own expense will furnish all necessary proof and do all necessary acts to enable the Mortgagee to obtain payment of the insurance moneys, subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances;
- (j) subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, if any cheque issued by an insurer in complete or partial settlement of an insurance claim pursuant to the coverages above, other than the coverage for general public liability insurance, is given, sent or delivered to the Mortgagor or the solicitor or agent of the Mortgagor, then the Mortgagor shall cause such cheque to be delivered to the Mortgagee forthwith and if any such cheque is made payable to the Mortgagor alone or jointly to the Mortgagor and another or others, then the Mortgagor shall forthwith endorse and deliver such cheque over to the Mortgagee, and the Mortgagor does hereby constitute the Mortgagee as the Mortgagor's true and lawful attorney to receive and endorse any such cheque for an on behalf of the Mortgagor; and
- (k) subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, all monies received by virtue of such policy or policies of insurance may at the option of the Mortgagee either be applied in or towards substantially rebuilding, reinstating or repairing the Property or towards the payment of the Loan Indebtedness, interest and other amounts secured hereby, whether or not the same are then due, in such manner as the Mortgagee shall from time to time determine, or may be paid in full or in part to the Mortgagor or its assigns, or may be applied or paid partly in one way and partly in another, as the Mortgagee may determine.

PAYMENT METHOD

11. The Mortgagor shall from time to time as required by the Servicer, provide a signed pre-authorized withdrawal form/or forms directed to the bank or financial institution at which the Mortgagor regularly keeps a chequing account, in such form and manner so as to enable the Servicer to receive payments from time to time of the monthly instalments payable hereunder and/or the Servicer's estimate of the monthly instalment for property Taxes, if applicable, from the Mortgagor's account with such bank or financial institution. Any payments received by the Servicer which are payable on a non-business day in the Province of Ontario or are received after 1 p.m. (Toronto time) on any business day in the Province of Ontario on or after receipt thereof, shall be credited to the mortgage account on the next business day thereafter.

INSPECTION

12. The Mortgagee, at such time or times as it may deem necessary, acting reasonably, and without the concurrence of any other Person but upon reasonable prior notice except, upon and during the continuance of an Event of Default when no notice shall be required, and in all cases subject to the rights of tenants at the Property, may send its inspector or agent to report upon the value, state and condition of the Property and, upon the occurrence of an Event of Default which is continuing, make arrangements for the improving, repairing, finishing and putting in order of the Property which may be reasonably required, and for leasing, collecting the Rents of and managing generally the Property, and may expend money, for any and all the purposes aforesaid, as it may deem expedient, and all moneys reasonably expended, costs, charges and out-of-pocket expenses together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

RESTRICTION ON TRANSFER, ENCUMBRANCES ETC.

13. The Mortgagor shall not convey, transfer, mortgage, alienate, or otherwise encumber all or any part of the Property or any direct or indirect interest therein (including as a result of a direct or indirect change in Control of the Mortgagor) nor allow all or any part of the Property or any direct or indirect interest therein to be encumbered without the prior written consent of the Mortgagee, in its absolute discretion, provided that, notwithstanding the forgoing, the Permitted Encumbrances shall be permitted to encumber the Property and that the Mortgagee shall act reasonably in providing its consent to any non-arm's length transfer. In the event that the Mortgagor breaches this Section 13 and has not first or contemporaneously prepaid the loan secured hereby in full in compliance with Section 8 hereof, then the entire Loan Indebtedness (but with interest at the Interest Rate calculated and compounded to the Maturity Date), shall immediately be due and payable.

ADVANCES

14. Neither the execution nor the registration nor the acceptance of this Mortgage, nor the advance of part of the Loan Indebtedness, shall bind the Mortgagee to make an advance of moneys under this Mortgage or any unadvanced portion thereof notwithstanding the provisions of the Commitment Letter, this Mortgage or any of the other Loan Documents, but nevertheless this Mortgage shall take effect forthwith on the execution of these presents, and if any Loan Indebtedness shall not be advanced at the date hereof, the Mortgagee may advance the same in one or more sums to or on behalf of the Mortgagor at any future date or dates, and the amount of such advances then so made together with interest at the Interest Rate shall be secured hereby.

SUBROGATION

15. In the event that the moneys advanced hereunder or any part thereof are applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights and stand in the position of and be entitled to all the equities of the party so paid off whether such charge or encumbrance has or has not been discharged; and the decision of the Mortgagee as to the validity or amount of any advance or disbursement made under this Mortgage or of any claim so paid off, shall be final and binding on the Mortgagor.

WASTE

16. Subject to the provisions of Section 18, the Mortgagor will not commit any act of waste on the Property or do any other thing by which the value of the Property shall, in the opinion of the Mortgagee, be diminished and will at all times remain in actual possession of the said Property. The Mortgagor will take good and reasonable care of the Property and without cost and expense to the Mortgagee manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures, machinery, facilities and equipment that belong to or are used in connection with the Property, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements beyond the extent to which they would ordinarily be repaired by a prudent owner. If, in the opinion of the Mortgagee, acting reasonably, the Property is not at any time in a proper state of repair, the Mortgagee may serve notice upon the Mortgagor to make such repairs or replacements as the Mortgagee, acting reasonably, deems proper within a period of thirty (30) days and in the event of the Mortgagor not having complied or not being in the process of diligently complying with such requisition, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors and they may enter upon the Property for the purpose of doing such work with or without the Mortgagor's concurrence, but in all cases subject to the rights of tenants at the Property, and the cost thereof, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid, shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

FIXTURES

17. All erections, buildings, fences, improvements, machinery, plant, furnaces, boilers, electric light fixtures, plumbing and heating equipment, aerials, incinerators, radiators and covers, fixed mirrors, fitted blinds and drapes, window screens, doors, storm windows and storm doors, shutters and awnings, floor coverings, air conditioning, ventilating, water heating equipment, partitions, elevators, and all component parts of any of the foregoing, fixed or otherwise now on or in or hereafter put on or in the Property (and also in all cases where the Mortgaged Premises are units rented in whole or in part, all refrigeration equipment, gas and electric stoves, ovens, washers, dryers, garburators, garbage compactors, microwave ovens and dishwashers whether affixed or not, and provided that same are owned by the Mortgagor) are and shall in addition to other fixtures thereon be and become fixtures and form part of the realty and of the security and are included in the expression the "Mortgaged Premises", and that the Mortgagor will not commit any act of waste thereon, and that the Mortgagor will at all times during the continuance of the security granted by this Mortgage, repair, maintain, restore, amend, keep, make good, finish, add to and put in order, the Property and in the event of any loss or damage thereto or destruction thereof which has had or is reasonably likely to have a Material Adverse Effect, the Mortgagee may give notice to the Mortgagor to repair, rebuild, or reinstate the same, and upon the Mortgagor failing so to repair, rebuild, or reinstate within such time such failure shall constitute a breach of covenant hereunder and thereupon the Loan Indebtedness shall, at the sole option of the Mortgagee, become immediately due and payable and without any demand by the Mortgagee upon the Mortgagor, provided that the Mortgagee may (but shall not be obligated to) repair, rebuild or reinstate the Property and the cost thereof, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid, shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing. This provision shall be in addition to any statutory covenants implied in this Mortgage.

ALTERATIONS

18. The Mortgagor shall not make or permit to be made, any additions or alterations to the Property without the prior written consent of the Mortgagee acting reasonably and except as may be permitted or required under the Permitted Encumbrances (including any leases which are Permitted Encumbrances), and the Mortgagor shall not use the Property nor permit the Property to be used, without the written consent of the Mortgagee, for a purpose not approved by the Mortgagee acting reasonably. Notwithstanding the forgoing:

- (a) the Mortgagor, its agents, employees and parties authorized by it may conduct building operations, construction and development on the Property including, without limitation, grading and excavation operations, installation of services and all other acts incidental to the development of the Property without the same being deemed acts of waste or requiring the prior written consent of the Mortgagee in accordance with this Section 18; and
- (b) the Mortgagee shall, upon reasonable notice, promptly execute:
 - (i) such plans, agreements, documents, easements, rights-of-way and consents as may be required to facilitate the development of the Property;
 - (ii) such partial discharges as may be required to convey to any Governmental Authority such portion of interest in the Property as may be required for municipal or governmental purposes and for which the Mortgagor receives no financial compensation, provided that in each case the Mortgagee's security is not adversely affected thereby (as determined by the Mortgagee, acting reasonably); and
 - (iii) applications, documents and plans for rezoning, development review, site plan approval, land titles registration, subdivision plan registration, severance consents and other related development matters required by the Mortgagor,

provided that the Mortgagee's reasonable legal fees and disbursements and out-of-pocket expenses in connection with the review and execution of the forgoing together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing. In addition to the forgoing, the Mortgagor hereby indemnifies and agrees to hold the Mortgagee harmless with respect to the payment of any such reasonable legal fees and disbursements and out-of-pocket expenses in connection with the review and execution of the forgoing.

PLACE OF PAYMENT

19. All moneys reflecting Loan Indebtedness shall be payable, in lawful money of Canada, to the Servicer at 41 Scarsdale Road, Unit 6, Toronto, Ontario M3B 2R2, or such other place as may be designated by the Servicer from time to time.

CROSS-DEFAULT

20. The occurrence of an Event of Default hereunder shall constitute default under the other Security Documents and the Commitment Letter and default, beyond any applicable cure or notice periods, under any of the other Security Documents or the Commitment Letter shall constitute an Event of Default hereunder. The Mortgagee may, upon and during the continuance of an Event of Default or a default under the other Security Documents, pursue its remedies separately under any of the Security Documents, including without limitation, this Mortgage, or jointly all together, or jointly one with any one or more of the Security Documents, without any of the rights and remedies of the Mortgagee not so pursued merging therewith or with any action or judgment with respect thereto.

RELEASE OF SECURITY

21. Subject to the provisions in Section 40, the Mortgagee may (but shall have no obligation to) at any time release any part or parts of the Property or any of the Covenantors from any of the Security Documents, or may release the Mortgagor or any other Covenantor from any covenant or other liability to pay any of the Loan Indebtedness or perform any of the Loan Obligations, either with or without any consideration therefor, without being accountable for the value of any such consideration or for any moneys except those actually received by the Mortgagee, and without thereby releasing any other part of the Property or any of the other Covenantors from any of the Security Documents, it being specifically agreed that notwithstanding any such release, the Property, securities and covenants remaining unreleased shall stand charged with the whole of the Loan Indebtedness, and no Person shall have the right to require that any of the Loan Indebtedness be apportioned.

WAIVER

22. No extension of time, waiver, or other indulgence given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor, any guarantor, or any other Person liable for payment of the moneys hereby secured.

USE OF MONEY

23. The Mortgagee shall not be charged with any moneys receivable or collectible out of the Property or otherwise, except those actually received; and all revenue of the Property received or collected by the Mortgagee from any source other than payment by the Mortgagor may, provided an Event of Default has occurred which is continuing, at the option of the Mortgagee, be used in maintaining or insuring or improving the Property, or in payment of Taxes or other charges against the Property, or applied on the mortgage account, and the Mortgagee may (at its option) retain such moneys received or collected, in suspense account; and the Mortgagee shall not, by reason of the collection of any moneys receivable or collectible out of the Property, be deemed to be a mortgagee in possession.

LIABILITY OF MORTGAGOR

24. No sale or other dealings by the Mortgagee or any receiver with the Property or any part thereof, shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the moneys hereby secured.

ATTORNMENT

25. For better securing the punctual payment of the said mortgage moneys, the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the Property at a monthly rental equivalent to the monthly instalments secured hereby, the same to be paid on such day appointed for the payment of instalments; and if any judgment, execution or attachment shall be issued against any of the goods or lands of the Mortgagor or if the Mortgagor shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act of Canada* as amended, or shall take the benefit of any statute relating to bankruptcy or insolvent debtors, then such rental shall, if not already payable, be payable immediately thereafter. The legal relation of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor, but neither this Section 25 nor anything done by virtue hereof, shall render the Mortgagee a mortgagee in possession or accountable for any moneys except those actually received. The Mortgagee may at any time after default hereunder enter upon the Property, or any part thereof, and determine the tenancy hereby created without giving the Mortgagor any notice to quit.

RECORDS

26. The Mortgagor will maintain full and correct books and records showing in detail the earnings and expenses of the Property, and will permit the Mortgagee and its representatives to examine the said books and records and all supporting vouchers and data at any time and from time to time upon reasonable prior request by the Mortgagee, and at any time and from time to time will furnish the Mortgagee at its request within thirty (30) days of such request, a statement showing in detail reasonably satisfactory to the

Mortgagee all such earnings and expenses since the last such statement, certified by an officer of the Mortgagor.

ASSIGNMENT OF LEASE RIGHTS AND BENEFITS

27. The Mortgagor:

- (a) hereby assigns, transfers and sets over unto the Mortgagee, all of the Mortgagor's right, title and interest, both at law and in equity, in and to the Leases, the Rents and the Lease Benefits, to hold and receive the same unto the Mortgagee with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and to enforce payment of the same and enforce performance of obligations under the Leases, including without limitation, the Lease Benefits, assigned in accordance with and subject to the terms of this Mortgage, to have and to hold unto the Mortgagee until payment in full of the Loan Indebtedness and performance of all of the Loan Obligations, provided that the Mortgagor may, subject to any other terms contained in any of the other Security Documents which restrict the Mortgagor's ability to deal with the Leases, collect the Rents and deal with the Leases from time to time as would a prudent landlord so long as an Event of Default does not exist, and upon the occurrence of an Event of Default which is continuing, the Mortgagee shall be entitled to:
 - (i) demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Mortgagor, any proceeding which may be, in the opinion of the Mortgagee or its counsel, expedient for the purpose of collecting Rents or for securing the payment thereof or for enforcing any of the Mortgagor's rights under the Leases, and the Mortgagor hereby grants to the Mortgagee irrevocable authority to join the Mortgagor in any such proceedings or actions, whether judicial or extra-judicial;
 - (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent, and any settlement arrived at shall be binding upon the Mortgagor;
 - (iii) to enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and to manage, operate and maintain its interest in the Property including without limitation, the making of repairs or replacements to maintain the Mortgaged Premises;
 - (iv) to receive, enjoy or otherwise avail itself of the Lease Benefits;
 - (v) to appoint and dismiss such agents or employees as may be necessary or desirable for exercise of the Mortgagee's rights hereunder;
 - (vi) to alter, modify, amend or change the terms of Leases; to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
 - (vii) to send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and to employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
 - (viii) to appoint a receiver or a receiver and manager in accordance with the provisions of the Mortgage which are hereby incorporated by reference into this Agreement; and
 - (ix) to generally perform all such acts as may in the reasonable opinion of the Mortgagee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Mortgagor, or in the name of the Mortgagee;

- (b) whenever any and all Events of Default have been cured after the exercise by the Mortgagee of its rights under this Section 27, may resume collection of the rentals until a further Event of Default has occurred, whereupon the Mortgagee may re-exercise its rights hereunder, and thereafter at any time any Event of Default occurs;
- (c) shall not at any time during the existence of this Mortgage assign, pledge or hypothecate any of the Leases or the Rents or revenues due or to become due thereunder, or any part thereof, other than to the Mortgagee or pursuant to a Permitted Encumbrance nor shall the Mortgagor grant any general assignment of book debts which would cover such rentals, except pursuant to a Permitted Encumbrance;
- (d) shall not collect more than two (2) month's rental in advance;
- (e) acknowledges and agrees that neither the taking of this assignment nor anything done in pursuance hereof shall make the Mortgagee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations and liabilities under the Leases or any of them; and
- (f) acknowledges and agrees that the exercise of this Section 27 or of any collateral security with respect to Rents shall not entitle the Mortgagor to redeem this mortgage.

EVENT OF DEFAULT

28. Notwithstanding the Mortgagee's rights to demand repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time in the Mortgagee's sole, absolute and unfettered discretion, any one or more of the following events shall constitute an event of default under the provisions of this Mortgage (an "**Event of Default**"), whether such Event of Default shall be voluntary or involuntary or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or other rule or regulation of any Governmental Authority:
- (a) any of the Covenantors fail to pay on the date upon which the same is due and payable any monies payable hereunder or under any of the other Loan Documents with respect to principal secured hereunder;
 - (b) any of the Covenantors fail to pay on the date upon which the same is due and payable any monies payable hereunder or under any of the other Loan Documents (other than on account of principal), and such failure is not remedied within three (3) business days written notice to the Mortgagor;
 - (c) any of the Covenantors fail to perform or observe any of the terms and conditions contained in this Mortgage or any of the other Loan Documents, and such failure is not remedied within thirty (30) days of written notice to the Mortgagor (but for greater certainty, there shall be no grace or cure period in respect of any Event of Default expressly enumerated hereunder, except as otherwise provided in respect of such Event of Default);
 - (d) any funds secured under this Mortgage are used for any purpose other than as set forth in the Commitment Letter;
 - (e) the breach or failure to perform or observe the terms and conditions contained in the Commitment Letter with respect to the Mortgagee's right of first refusal to finance or arrange financing for any subsequent phases of the Project, and such failure is not remedied within five (5) days of written notice to the Mortgagor (but for greater certainty, there shall be no grace or cure period in respect of any Event of Default expressly enumerated hereunder, except as otherwise provided in respect of such Event of Default);
 - (f) any representation or warranty by any of the Covenantors that is contained in this Mortgage or any of the other Loan Documents furnished to the Mortgagee in connection herewith or therewith shall prove at any time to be untrue or incorrect as of the date made in any material respect;

- (g) a resolution is passed or an order is made for the dissolution, liquidation or winding-up of any of the Covenantors or other cancellation or suspension of its incorporation or termination of its existence or if a petition is filed for the winding-up of the any of the Covenantors;
- (h) any of the Covenantors is found to be insolvent or bankrupt by a court of competent jurisdiction or makes an authorized assignment or bulk sale of its assets or a compromise or arrangement for the benefit of its creditors, makes a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada), seeks relief under the *Companies Creditors Arrangement Act* (Canada), or any other bankruptcy, insolvency or analogous law, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian or other Person with similar powers over all or any substantial portion of its assets, files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditor's rights or consents to, or acquiesces in, the filing of such a petition; or if a petition in bankruptcy is filed or presented against any of the Covenantors;
- (i) an encumbrancer takes possession of the property of any of the Covenantors which has had or is reasonably likely to have a Material Adverse Effect, or any distress or analogous process is levied upon any of the Covenantors provided that this Section 28(i) shall not apply to any judgment, court order for the payment of money, execution, sequestration, extant or other process that is being contested in good faith if reserves deemed by the Mortgagee to be adequate therefor have been set aside with the Mortgagee or insurance coverage acceptable to the Mortgagee is held, as the case may be, and if there is no Material Adverse Effect regarding the Mortgagee's security position;
- (j) any of the Covenantors permit any sum which has been admitted as due or which is not disputed to be due and which forms or is capable of forming a charge, Lien the Property in priority to or *pari passu* with the charge or security interest created by this Mortgage and any of the other Security Documents, to remain unpaid after proceedings have been taken to enforce the same as a Lien upon the Property has been vacated or discharged within ten (10) business days of such proceedings having been taken, provided that the occurrence of an event of default under either the First Mortgage or the Second Mortgage beyond all applicable notice and cure periods shall be an Event of Default hereunder;
- (k) the occurrence of a default under: (i) any other security or agreement (including any Permitted Encumbrance) made or assumed by any of the Covenantors (or by which it is bound) in favour of any Person in connection with the Property, to the extent such default has had or is reasonably likely to have a Material Adverse Effect; and (ii) any other security or agreement made or assumed by any of the Covenantors (or by which it is bound) in favour of the Mortgagee or the Servicer whether or not such security or agreement is in connection with the Property; and in each case if not remedied within the applicable cure or notice period provided for in such security or agreement;
- (l) the Mortgagor does not comply within a reasonable period with any work order issued by a municipal or provincial authority;
- (m) a receiver, receiver-manager or receiver and manager of the any of the Covenantors of any material part of its properties, assets or undertakings is appointed, or if a monitor is appointed in respect of any of the Covenantors;
- (n) any writ of execution, distress, attachment or other similar process is issued or levied against any of the Covenantors or all or any part of its assets, or attachment or other similar process is issued or levied against any of the Covenantors by a court of competent jurisdiction and, in the opinion of the Mortgagee, such judgement or order would materially and adversely affect the ability of any of the Covenantors to fulfil its obligations to the Mortgagee hereunder or under any of the other Loan Documents;

- (o) any part of the Property is condemned or expropriated and, in the opinion of the Mortgagee in respect of any expropriation, such expropriation materially impairs the value of the Property, the validity, enforceability or priority of the security of this Mortgage, or the ability of the Mortgagor to pay the Loan Indebtedness or to perform any of the Loan Obligations;
- (p) any direct or indirect change (i) in the ownership of (A) the Property; or (B) any Covenantor; or (ii) any change of Control of any of the Covenantors, in each case without the consent of the Mortgagee in its sole, absolute and unfettered discretion;
- (q) if a Material Adverse Effect occurs; or
- (r) the occurrence of a cross-default pursuant to Section 20.

RECEIVER

29. Upon the occurrence of an Event of Default which is continuing, the Mortgagee may at such time and from time to time and with or without entry into possession of the Property or any part thereof, appoint a receiver (which term includes a receiver or a manager or a receiver and manager) of the Property or any part thereof and of the Rents and profits thereof and with or without security, and may from time to time remove any receiver and appoint another in his stead and that, in making any such appointment or removal, the Mortgagee shall be deemed to be acting as the agent or attorney for the Mortgagor and not of the Mortgagee. Such appointment may be made at any time either before or after the Mortgagee shall have entered into or taken possession of the Property or any part thereof. Upon the appointment of any such receiver or receivers from time to time, the following provisions shall apply, subject to compliance with applicable laws:
- (a) the statutory declaration of an officer of the Mortgagee as to the Event of Default under the provisions of this Mortgage, shall be conclusive evidence thereof;
 - (b) every such receiver shall be the irrevocable agent or attorney of the Mortgagor for the collection of all Rents falling due in respect of the Property or any part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;
 - (c) every such receiver may, in the discretion of the Mortgagee and by writing under its corporate seal, be vested with all or any of the powers and discretions of the Mortgagee;
 - (d) the Mortgagee may from time to time, by such writing fix the remuneration of every such receiver who shall be entitled to deduct the same out of the Rents from the Property or from the proceeds of the judicial sale of the Property;
 - (e) every such receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee, and the Mortgagee shall not in any way be responsible for any acts or omissions (including negligence, misconduct or misfeasance) on the part of any such receiver;
 - (f) the appointment of every such receiver by the Mortgagee shall not create any liability on the part of the Mortgagee 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 Mortgagee a mortgagee in possession in respect of the Property or any part thereof;
 - (g) every such receiver shall from time to time have the power to rent any portion of the Property which may become vacant, for such term and subject to such provisions as he may deem advisable or expedient, and in so doing every such receiver shall act as the attorney or agent of the Mortgagor and he shall have authority to execute under seal any lease of such portion of the Property in the name of and on behalf of the Mortgagor, and the Mortgagor undertakes to ratify and confirm whatever any such receiver may do in respect of the Property;

- (h) every such receiver shall have full power to complete any unfinished construction upon the Property with the intent that the Mortgaged Premises when so completed shall be a complete structure;
- (i) every such receiver shall have full power to manage, operate, amend, repair, alter or extend the Property or any part thereof in the name of the Mortgagor for the purpose of securing the payment of rental from the Property or any part thereof;
- (j) no such receiver shall be liable to the Mortgagor to account for moneys or damages other than cash received by him in respect of the Property or any part thereof, and out of such cash so received every such receiver shall, subject to the approval of the Mortgagee, in the following order, pay:
 - (i) his remuneration aforesaid;
 - (ii) all payments including, without limitation, costs as between solicitor and his own client made or incurred by him in connection with the management, operation, amendment, repair, alteration or extension of the Property or any part thereof;
 - (iii) interest, principal and other moneys which may from time to time, be or become charged upon the Property in priority to these presents, and all Taxes, insurance premiums and every other proper expenditure made or incurred by him in respect to the Property or any part thereof;
 - (iv) to the Mortgagee, all interest due or falling due under these presents and the balance to be applied upon principal due and payable and secured by these presents;
 - (v) into a reserve account in the name of the receiver, an appropriate sum of money as a reserve fund for unusual, emergency or lump sum payments or expenses with respect to the Property; and
 - (vi) any surplus thereafter remaining in the hands of every such receiver after payments made as aforesaid, to the Mortgagor;
- (k) save as to claims for an accounting under Section 29(j) above, the Mortgagor hereby releases and discharges every such receiver from every claim of every nature which may arise or accrue to the Mortgagor or any Person claiming through or under the Mortgagor by reason or as a result of anything done by any such receiver under the provisions of this Section 29, unless such claim by the direct and proximate result of gross negligence or wilful misconduct;
- (l) the power of sale, foreclosure and any other remedies of the Mortgagee may be exercised either before, concurrent with, during, or after the appointment of any receiver hereunder.

RIGHTS OF MORTGAGEE

30. The Mortgagor further covenants and agrees with the Mortgagee upon the occurrence of an Event of Default which is continuing:
- (a) the Mortgagee may and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenants, agreements, provisos or stipulations and the costs incurred by the Mortgagee in connection therewith, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing;
 - (b) the Mortgagee may at such time or times as the Mortgagee may deem necessary and without the concurrency of any Person, enter upon the Property and may make such arrangements for completing the construction, repairing or putting in order of

the Mortgaged Premises, or for inspecting, taking care of, leasing, collecting the Rents of and managing generally the Property as the Mortgagee may deem expedient; all reasonable costs, charges and expenses, including allowances for the time and services of any employee of the Mortgagee or other Person appointed for the above purposes, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing;

- (c) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Property, and a solicitor to examine and report upon the title to the same;
- (d) the Mortgagee or agent of the Mortgagee may enter into possession of the Property and whether in or out of possession collect the Rents and profits thereof, and make any demise or lease of the Property, or any part thereof, for such terms and periods and at such Rents as the Mortgagee shall think proper; and the power of sale hereunder may be exercised either before or after and subject to any such demise or lease;
- (e) it shall and may be lawful for and the Mortgagor does hereby grant full power, right and license to the Mortgagee to enter, seize and distrain upon the Property, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the Property or any part thereof, as much of the mortgage moneys as shall from time to time be or remain in arrears and unpaid, together with costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
- (f) the Mortgagee shall be entitled forthwith to take such proceedings to obtain repayment of the moneys and interest payable to the Mortgagee hereunder and to realize on its security under this Mortgage by foreclosing the same or by whatever other action it may by law be entitled to do, it being acknowledged that nothing herein shall limit such recourse to the Property only;
- (g) subject to applicable law, the Mortgagee shall be entitled to sell and dispose of the Property with or without entering into possession of the same and with or without notice to the Mortgagor or any party interested in the Property; and all remedies competent may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by this Mortgage may be exercised; and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made of the Property hereunder, and the Mortgagee may sell, transfer and convey any part of the Property on such terms of credit, or part cash and part credit, secured by contract or agreement for sale or mortgage, or otherwise, as shall in the opinion of the Mortgagee be most advantageous, and for such price as can reasonably be obtained therefor; and in the event of a sale on credit, or part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable for or charged with any moneys until the same shall be actually received in cash; and the sales may be made from time to time of any portion or portions of the Property to satisfy interest or parts of the principal overdue, leaving the principal or parts thereof to run with interest payable as aforesaid; and the Mortgagee may make stipulations as to the title or evidences or commencement of title or otherwise as the Mortgagee shall deem proper; and the Mortgagee may buy in or rescind or vary any contract for sale of the Property and any resale thereof; and on any sale or release, the Mortgagee shall not be answerable for loss occasioned thereby; and for any of such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary; and in case any sale held by the Mortgagee under and by virtue of the laws of the Province of Ontario under the power of sale herein contained should prove abortive the Mortgagee may take foreclosure proceedings in respect of the Property in accordance with the provisions of the laws of the Province of Ontario; and in the event of any deficiency on account

of the moneys secured by this Mortgage remaining due to the Mortgagee after realizing all the Property, then Mortgagor will pay to the Mortgagee on demand the amount of such deficiency with interest at the Interest Rate both before and after judgment; and in the exercise of any of the foregoing powers, the Mortgagor hereby appoints the Mortgagee the attorney of the Mortgagor for the purpose of making any agreements and assurances on behalf of the Mortgagor as the Mortgagee may deem necessary which power of attorney is coupled with an interest; and the proceeds of any sale hereunder shall be applied as above provided for or in payment of moneys payable under this Mortgage and costs on a solicitor and his own client basis, the balance, if any, to be paid to the Mortgagor;

- (h) the whole of the mortgage moneys shall, at the option of the Mortgagee, become due and payable;
- (i) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor.

COVENANTOR MISREPRESENTATION

31. Notwithstanding any other provision in this Mortgage, the Mortgagee may demand repayment of all Loan Indebtedness and exercise all of its rights hereunder, including without limitation pursuant to Sections titled "**Receiver**" and "**Rights of Mortgagee**" if any of the Covenantors, any agent of any of the Covenantors or any officers or director of any of the Covenantors shall have made any material misrepresentation in any of the Loan Documents.

ATTORNEY

32. As further assurance to the rights and remedies granted by the Mortgagor to the Mortgagee herein, the Mortgagor, as the owner of the Property hereby irrevocably appoints the Mortgagee on its own behalf or any receiver or manager or receiver and manager appointed by the Mortgagee attorney on behalf of the Mortgagor to sell, lease, mortgage, transfer or convey the Property in accordance with the provisions of this Mortgage and to execute all instruments, and do all acts, matters and things that may be necessary for carrying out the powers hereby given and for the recovery of all Rents and Lease Benefits and sums of money that may become or are now due or owing to the Mortgagor in respect of the Property, and for the enforcement of all contracts, covenants or conditions binding on any lessee or occupier of the Property or on any other Person in respect of it, and for the taking and maintaining possession of the Property, and for protecting it from waste, damage, or trespass, in all cases only following an Event of Default which is continuing. Such power of attorney is coupled with an interest.

JUDGMENT

33. The taking of a judgment on any of the covenants or agreements herein contained shall not operate as a merger thereof or affect the Mortgagee's rights to interest to the Maturity Date at the Interest Rate and at the times herein provided. Further, any and all such judgments shall provide for interest thereon to be computed at the Interest Rate and in the same manner as herein provided to the Maturity Date shall have been fully paid and satisfied and, without limiting the generality of the foregoing, the Mortgagee shall be entitled to receive interest at the Interest Rate to the Maturity Date on all moneys payable to the Mortgagee under this Mortgage, after any judgment has been rendered with respect to this Mortgage.

EXPENSES

34. All expenses, fees, charges or payments incurred, expended or paid by the Mortgagee, acting reasonably and without duplication, (whether with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise) with respect to the following matters:
- (a) all reasonable solicitors', inspectors', valuers' and surveyors' fees and expenses for drawing and registering this Mortgage and for examining the Property and the title thereto, and for making or maintaining this Mortgage a good and valid charge and mortgage (subject only to the Prior Permitted Encumbrances);

- (b) all sums which the Mortgagee may advance for insurance premiums, Taxes, or rates;
- (c) any unpaid amount due to the Mortgagee for the Lender's Fee , and, if applicable, the Extension Fee, the Regulatory Fees, and the Administration Fee;
- (d) all sums which the Mortgagee may expend in payment of prior liens, charges, encumbrances or claims charged or to be charged against the Property or on this Mortgage or against the Mortgagee in respect of this Mortgage;
- (e) all sums which the Mortgagee may expend in maintaining, repairing, restoring or completing the construction on the Property pursuant to the terms of this Mortgage;
- (f) the cost of inspecting, leasing, managing or improving the Property, including the price or value of any goods of any sort or description supplied for use on the Property pursuant to the terms of this Mortgage;
- (g) all sums paid to a receiver of the Property;
- (h) the cost of exercising or enforcing or attempting to exercise or enforce any right, power, remedy or purpose hereunder provided or implied, and including an allowance for the time, work and expenses of the Mortgagee or any agent or employee of the Mortgagee, for any purpose provided for herein; and
- (i) the Mortgagee's reasonable solicitors' costs as between solicitor and his own client incurred or paid by the Mortgagee as a result of any Event of Default, or of endeavouring to collect (with or without suit) any money payable hereunder, or of taking, recovering or keeping possession of the Property, and generally in any other proceedings, matter or thing taken or done to protect or realize this security or any other security for payment of the Loan Indebtedness and performance of the Loan Obligations;

together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

COVENANTS AND REPRESENTATIONS

35. The Mortgagor:

- (a) further represents and warrants to the Mortgagee that:
 - (i) the Mortgagor:
 - (A) is a corporation incorporated formed and existing under the laws of its jurisdiction of incorporation;
 - (B) has the legal right and all necessary corporate or other power and authority to own its assets, possess a freehold interest in the Property, and carry on its business in all material respects; and
 - (C) is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it conducts business, except where failure to be so qualified, licensed or registered has not and is not reasonably likely to have a Material Adverse Effect;
 - (ii) the Mortgagor has all requisite corporate power and authority to enter into and perform its obligations under this Mortgage and the other Loan Documents, and to do all acts and things and execute and deliver all other documents and instruments as are required hereunder and thereunder to be done, observed or performed by it in accordance with the terms hereof and thereof;

- (iii) the execution and delivery by the Mortgagor, and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Mortgage and the other Loan Documents will not conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (A) its articles, by-laws, shareholders' agreements or other organizational documents; as the case may be;
 - (B) any applicable laws;
 - (C) any material contracts, material authorizations or material contractual restriction binding on or affecting it or its assets, including without limitation, the Property; or
 - (D) any material judgment, injunction, determination or award which is binding on it in each such case, except to the extent that such breach has not and is not reasonably likely to have a Material Adverse Effect;
- (iv) the execution and delivery by the Mortgagor of this Mortgage and the other Loan Documents, and the performance by it of its Loan Obligations have been duly authorized by all necessary corporate or other action including, without limitation, the obtaining of all necessary partner, shareholder or other material and relevant consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Authority, or other Person, is or was necessary in connection with the execution, delivery and performance of the Mortgagor's obligations under this Mortgage the other Loan Documents, except where failure to obtain same would not have or be reasonably likely to have a Material Adverse Effect;
- (v) this Mortgage and the other Loan Documents have been duly executed and delivered, as the case may be, by the Mortgagor, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of credit's rights generally), is (or will be immediately upon the execution thereof by such Person) in full force and effect, and the Mortgagor has performed and complied in all material respects with all the terms, provisions, agreements and conditions set forth herein and therein and required to be performed or complied with by the Mortgagor;
- (vi) the Mortgagor is not a non-resident within the meaning of the *Income Tax Act* (Canada);
- (vii) there is not now pending or, to the knowledge of the Mortgagor, threatened in writing, against the Mortgagor, any litigation, action, suit, investigation (to the knowledge of the Mortgagor) or other proceeding by or before any Governmental Authority or before any arbitrator which has had or is reasonably likely to have a Material Adverse Effect;
- (viii) as of the date hereof, the written information heretofore supplied by any of the Covenantors (other than information or reports prepared by third parties) to the Mortgagee is true and accurate in all material respects as at the date thereof;
- (ix) all financial statements delivered to the Mortgagee as of the date hereof pursuant to Section 47 present fairly and in all material respects the financial position of any of the Covenantors as of the date thereof and for the fiscal years or financial quarters, as the case may be, then ended;
- (x) since the later of the date hereof and the date of the most recent financial statements delivered to the Mortgagee, there has been no change regarding the financial condition or operations, of any of the Covenantors as reflected

- in such financial statements or Personal net worth statements, as applicable which has had or is reasonably likely to have a Material Adverse Effect;
- (xi) there is no Event of Default under this Mortgage, nor has the Mortgagor done or omitted to do anything which constitutes an Event of Default which has not been waived or cured. None of the Covenantors is in default under any agreement, guarantee, indenture or instrument to which it is a party or by which it is bound, the breach of which has had or is reasonably likely to have a Material Adverse Effect;
 - (xii) as of the date hereof, there are no outstanding judgments, orders, writs, injunctions or decrees that have not been stayed or of which enforcement has not been suspended, against the Mortgagor or any of its assets, including without limitation the Property, which would reasonably be expected to result in a Material Adverse Effect regarding the financial condition or operations of the Mortgagor;
 - (xiii) the Mortgagor is the legal owner of a freehold interest in the Property with good and marketable title thereto, and any other real and personal property of the Mortgagor of any nature which is part of the Property, in each case free and clear of all encumbrances, except Permitted Encumbrances, and no Person has any agreement or right to acquire an interest in the Property except as previously disclosed to the Mortgagee in writing by the Mortgagor or permitted in connection with the Permitted Encumbrances;
 - (xiv) the Mortgagor has not received notice of any proposed rezoning of all or any part of the Property which has had or is reasonably likely to have a Material Adverse Effect;
 - (xv) the Mortgagor has not received notice of any expropriation of all or any part of the Property;
 - (xvi) the Mortgagor has the right to mortgage the Property;
 - (xvii) upon the enforcement of its remedies under this Mortgage the Mortgagee shall have quiet possession of the Property, free from all encumbrances, other than Permitted Encumbrances;
 - (xviii) the Mortgagor, and the operation of its business and assets, including without limitation, the Property, are in compliance in all material respects with all applicable laws (including any environmental laws), except where any non-compliance is not reasonably likely to have a Material Adverse Effect; and
 - (xix) the Mortgagor has filed all tax returns which are required to be filed, other than such tax returns the failure of which to file has had or is reasonably likely to have a Material Adverse Effect, and has paid all Taxes, interest and penalties, if any, which have become due pursuant to such returns or pursuant to any assessment received by it and adequate provision for payment has been made for Taxes not yet due except any such payment of which the concerned party is contesting in good faith by appropriate proceedings and for which appropriate reserves have been provided on its books and as to which no foreclosure, distraint, seizure, attachment, sale or other similar proceedings have been commenced or the non-payment of which would not reasonable be excepted to result in a Material Adverse Effect regarding the financial condition or operations of the Mortgagor;
- (b) to the extent within the control of the Mortgagor, covenants to cause the forgoing representations and warranties to be true and correct in all material respects until the Loan Indebtedness is repaid in full and the Loan Obligations are fully performed;
 - (c) acknowledges and agrees that all representations and warranties of the Mortgagor made in this Mortgage or in any of the other Loan Documents are material, shall survive and shall not merge upon the execution and delivery of this Mortgage and

shall continue in full force and effect. The Mortgagee shall be deemed to have relied upon such representations and warranties notwithstanding any investigation made by or on behalf of the Mortgagee at any time;

- (d) shall not, at any time prior to the repayment in full of the Loan Indebtedness and the performance of all of the Loan Obligations:
- (i) repay any loans (principal or interest) to;
 - (ii) redeem or purchase any shares or units or partnership interests held by or on behalf of;
 - (iii) pay any compensation, fee or other amount to; or
 - (iv) pay any distributions or dividends or return on partnership or shareholder investment to,

in each case, any of the Covenantors or any other shareholder, unitholder or partner of any Covenantor, or any other Person not at arms-length to any of the foregoing, save and except for those development, marketing and/or construction fees specifically approved in writing by the Mortgagee;

- (e) acknowledges and agrees that any third party property manager of the Property and each property management agreement will be subject to the prior written approval of the Mortgagee, acting reasonably; and
- (f) acknowledges and agrees that each new Lease of the Property, including each renewal or extension of an existing Lease (other than any extension or renewal of an existing Lease which is exercised pursuant to, and the terms of which are governed by, such existing Lease), must:
- (i) be a commercially reasonable arm's length transaction made in the ordinary course of business and in accordance with prudent property management and leasing standards and practices; and
 - (ii) provide for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions.

EXPROPRIATION

36. Subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, the Mortgagor hereby assigns to the Mortgagee, that portion of any proceeds which may become due and payable to the Mortgagor by an expropriating authority upon an expropriation of the Property or the proceeds of any condemnation, eminent domain or like proceeding or the sale in lieu of or in reasonable anticipation thereof of the whole or any part of the Property or any portion thereof, not to exceed the balance outstanding under the Mortgage, provided that the Mortgagee shall permit the Mortgagor to use such portion of any proceeds as reasonably necessary to pay the cost to repair any damage resulting from such expropriation. The Mortgagor shall forward to the Mortgagee, copies of any documentation relating to an expropriation or a proposed expropriation of the Property or any portion thereof, forthwith upon receipt of the said documentation by it and shall execute and deliver any further or additional documentation which the Mortgagee in its sole discretion deems necessary to effect the above assignment or which is requested by the expropriating authority. Notwithstanding anything to the contrary contained herein, if the Mortgagor or the Mortgagee receives a notice of intention to expropriate in relation to the Property, or any portion thereof, that has had or is reasonably likely to have a Material Adverse Effect, at the option of the Mortgagee, the whole of the outstanding balance secured under this Mortgage at the date of the expropriation, shall immediately become due and payable in like manner and to all intents and purposes as if the time for payment of the said balance had fully come and expired. If any or all of the Property is expropriated, it is agreed that the proceeds from any such expropriation up to the amount outstanding under this Mortgage shall be paid directly to the Mortgagee in priority to the claims of any other party, except such creditors of the Mortgagor and other parties with priority to collect such proceeds pursuant to any Prior Permitted Encumbrances. Service of a copy of this Mortgage on the expropriating authority shall be sufficient authority for

the expropriating authority to deliver proceeds to the Mortgagee, in accordance with the terms of the assignment contained herein.

PERMITTED ENCUMBRANCES AND OTHER OBLIGATIONS

37. The Mortgagor hereby covenants to perform and observe and satisfy all the terms, covenants and conditions to be performed and observed by the Mortgagor under the terms of any Prior Permitted Encumbrances and the Leases (hereinafter called the "**Other Obligations**"). It is expressly agreed and understood by the Mortgagor that in the event of default by the Mortgagor under any of the terms of any Other Obligations, beyond any applicable notice or cure periods, then at the option of the Mortgagee an Event of Default shall have occurred hereunder. The Mortgagee may at its option make any payment or cure any default under the any Prior Permitted Encumbrance and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

SEVERABILITY

38. In the event any Section or part thereof or any Section or part thereof is invalid and not enforceable for any reason, then such Section or part thereof or such Section or part thereof shall be severable from this Mortgage and not affect the validity or enforceability of any other part of this Mortgage.

SUCCESSORS AND ASSIGNS

39. When the context makes it possible, the word "**Mortgagee**" wherever it occurs in this Mortgage, shall include the successors and assigns of the Mortgagee, and the word "**Mortgagor**" shall include heirs, executors, administrators, successors and permitted assigns of the Mortgagor; and that words in the singular include the plural, and that words in plural include the singular, and words importing the masculine gender include the feminine; and that if there is more than one entity comprising the Mortgagor all covenants herein contained and implied are to be construed as joint and several; and that heirs, executors, administrators, successors and assigns of any party executing this Mortgage are jointly and severally bound by the covenants, provisos and agreements herein contained or implied. The Documents, including without limitation this Mortgage, together with the Loan Indebtedness and the Loan Obligations may be assigned or participated by the Mortgagee (and its successors and assigns), in whole or in part, without the consent of the Mortgagor.

DISCHARGE

40. The Mortgagee shall upon payment and performance of all indebtedness and obligations secured hereby in full deliver an executed discharge of this Mortgage; it being agreed that the Mortgagor's solicitor shall be responsible for preparing the mortgage discharge document for review by the Mortgagee and its counsel at least seven (7) days prior to payment, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all reasonable legal and other expenses and Taxes thereon, if any, for the preparation and execution of such discharge shall be borne by the Mortgagor.

LAW

41. This Mortgage is made pursuant to the *Land Titles Act* (Ontario) and any amendments thereto.

COMMITMENT LETTER

42. The parties agree that the accepted terms and conditions of the Commitment Letter, shall survive the initial advance of monies by the Mortgagee to the Mortgagor as contemplated hereunder and continue to be in full force and effect after said initial advance. In the event there is a direct conflict between the terms and conditions of this Mortgage and the

Commitment Letter, then the Commitment Letter shall prevail to the extent necessary to resolve the conflict. In the event there is a direct conflict between the terms and conditions of this Mortgage and any other Loan Document (other than the Commitment Letter), the terms and conditions of this Mortgage shall prevail to the extent necessary to resolve the conflict.

HAZARDOUS MATERIALS

43. The Mortgagor,

- (a) has not nor, to the best knowledge of the Mortgagor, has any other Person ever caused or permitted any hazardous materials to be placed, held, located or disposed of on, under or at the Property and that its business and assets are operated in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and that no enforcement actions in respect thereof are threatened or pending.
- (b) covenants and agrees that it will at all times during the continuance of this Mortgage, operate the Property in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and shall, subject to the rights of tenants under the Leases, permit the Mortgagee to conduct inspections and appraisals of all or any of its records, business and assets at any time or from time to time upon reasonable prior notice to ensure such compliance.
- (c) in addition to the representations and warranties contained in Section 35, hereby represents, warrants and agrees that,
 - (i) to the best of the knowledge of the Mortgagor, the condition and use of the Property is, and will continue to be in compliance with all applicable environmental laws and standards; all necessary licenses and permits relating to the release of contaminants, production of dangerous materials and carrying on of hazardous activities have been obtained and are being complied with; there are no outstanding orders against the Mortgagor from any Governmental Authority responsible for protecting the environment;
 - (ii) to the best of the knowledge of the Mortgagor, the Property is not being subjected to environmental damage or contamination and to the best of the Mortgagor's knowledge, the Property incurred no such damage or contamination prior to the Mortgagor's control;
 - (iii) the Mortgagor will use commercially reasonable efforts to use the Property and conduct its business thereon so as not to cause environmental damage and that the use of the Property will not change without the Mortgagee's approval, acting reasonably;
 - (iv) to the best of the knowledge of the Mortgagor, the terms of any past credit arrangement have not been altered, cancelled or not renewed due to environmental risk considerations;
 - (v) all legally required remedial action will be taken with respect to violations of environmental laws, and spills or other contaminations;
 - (vi) the Mortgagor will give notice to the Mortgagee of any contamination of which the Mortgagor has or acquires knowledge of, or any pending or threatened government enforcement action or civil suit arising out of alleged environmental damage of which the Mortgagor has or acquires knowledge of;
 - (vii) in accordance with Section 12 above, the Mortgagor will permit the Mortgagee and its agents to enter onto the Property at any time to conduct an environmental inspection and to permit the Mortgagee to take such action as it deems reasonably necessary to remedy any environmental damage or breach of law which the Mortgagor fails to take, subject to the rights of tenants under the Leases;

- (viii) the Mortgagor will provide copies of its own internal/external environmental audits to the Mortgagee upon request;
- (ix) subject to the terms of the existing Leases, the Mortgagor will use commercially reasonable efforts to cause any other occupants or Persons in control of the Property to comply with the foregoing covenants;
- (x) the Mortgagor will defend and indemnify the Mortgagee, its directors, officers, employees and agents against all costs, etc., arising out of any environmental damage caused by the Mortgagor's activities or by contamination of or from the Property (unless caused by the Mortgagee or those for whom in law it is responsible); and
- (xi) if the Mortgagor fails to perform any of the foregoing covenants beyond any applicable notice or cure periods, the Mortgagee may do so and any money expended by the Mortgagee shall be paid by the Mortgagor out of any funds coming into the Mortgagee's possession in priority to the Loan.

DUE ON SALE

44. The Loan Indebtedness shall, at the election of the Mortgagee, immediately become due and payable in full without notice by nor demand from the Mortgagee if the Property or any part thereof or interest therein is, without the prior consent in writing of the Mortgagee sold, transferred, conveyed, foreclosed, exchanged, assigned, mortgaged, or otherwise disposed of, or if the Mortgagor enters into an agreement to effect any of the foregoing whether by registered or unregistered instrument and whether for valuable or nominal consideration (and if the Mortgagor is a corporation, any change in Control of the Mortgagor or any other Covenantor shall constitute a default under this Section 44), in all cases except as specifically permitted in this Mortgage or in the Commitment Letter; provided however that nothing herein shall be construed as permitting the Mortgagor to prepay this Mortgage in whole or in part except in accordance with Section 8 hereof; and provided further that the acceptance by the Mortgagee of any instalment payment or other payment under this Mortgage from any entity other than the Mortgagor shall not constitute a waiver by the Mortgagee of its rights under this Section 44, nor a consent by the Mortgagee of any such sale or disposal of the Property as above described.

SUBSEQUENT FINANCING

45. The Loan Indebtedness shall, at the election of the Mortgagee, become due and payable in full if the Property or any part thereof or interest therein is, without the prior consent in writing of the Mortgagee acting reasonably, mortgaged or similarly charged, except as may be specifically permitted in this Mortgage, the Commitment Letter or under a Permitted Encumbrance; provided however that nothing herein shall be construed as permitting the Mortgagor to repay this Mortgage in whole or in part except in accordance with Section 8 hereof.

PROHIBITED BUSINESSES

46. The Mortgagor agrees not to operate, nor allow any tenant to operate a business on the Property that:
- (a) is sexually exploitive or that is inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services; or
 - (b) are engaged in or associated with illegal activities.

FINANCIAL STATEMENTS AND REPORTS

47. The Mortgagor shall deliver or cause to be delivered the following documentation to the Mortgagee:
- (a) any and all insurance certificate renewals and/or amendments within ten (10) business days of the issuance thereof. In the event of any change to the insurance

held by the Mortgagor, the Mortgagee may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Mortgagor's expense;

- (b) property tax statements supported by proof of payment on an annual basis or as otherwise requested by the Mortgagee from time to time;
- (c) each year, or more often if requested by the Mortgagee, within one hundred twenty (120) days of the Mortgagor's fiscal year end, accountant prepared financial statements of the Mortgagor and of any corporate Covenantor, 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, in the case of any personal Covenantor, certified and current-dated net worth statements in lieu of financial statements with supporting documentation of asset values;
- (d) at the request of the Mortgagee from time to time any other relevant updates regarding the Property.

BENEFIT OF EASEMENTS

48. As additional security for the indebtedness and other obligations secured hereunder and interest thereon and the due performance of the Mortgagor's obligations hereunder and under any collateral security the Mortgagor hereby assigns, transfers, mortgages, charges and sets over to and in favour of the Mortgagee as and by way of a specific assignment, mortgage and charge all of the right, title and interest of the Mortgagor in and with respect to any and all easements, restrictive covenants, rights of way, party wall agreements and encroachment agreements benefiting the Property (the "**Title Agreements**") and all of the benefit, power and advantage of the Mortgagor to be derived therefrom (including without limitation the benefit of any positive covenants) and otherwise to enforce the rights of the Mortgagor under the Title Agreements in the name of the Mortgagor. Nothing herein contained shall render the Mortgagee liable to any Person for the fulfilment or non-fulfilment of the obligations covered in any of the Title Agreements, including, but not limited to, the payment of any moneys thereunder or in respect thereto and the Mortgagor hereby indemnifies and agrees to save and hold harmless the Mortgagee from and against any and all claims, demands, actions, causes of action, losses, suits, damages and costs whatsoever arising directly or indirectly from or out of any of the Title Agreements. The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor shall not surrender, alter, amend or modify any of the Title Agreements or any of the terms or conditions thereof except with the prior written consent of the Mortgagee or as required to complete the project, if applicable, as determined by the Mortgagor, acting as a prudent owner.

INDEMNITY

49. The Mortgagor shall indemnify and save harmless the Mortgagee 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 in connection with any breach or default by the Mortgagor under this Mortgage and any of the other Loan Documents.

GENERAL

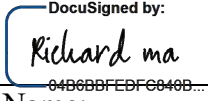
50. This Mortgage shall be construed in accordance with and governed under the laws of the Province of Ontario and the federal laws of Canada applicable therein.
51. The Mortgagor agrees with the Mortgagee as follows:
- (a) to comply with the terms and conditions of this Mortgage and the other Loan Documents at all times;
 - (b) to maintain the Property in a sound state of repair at all times as would other prudent owners of similar property;
 - (c) to allow the Mortgagee and its appointees to have access to the property at all reasonable times upon reasonable prior notice, subject to the rights of tenants at the Property; and

- (d) at the Mortgagee's request, acting reasonably, to promptly deliver or cause to be delivered to the Mortgagee promptly such information about the financial condition and operation with respect to the Property as the Mortgagee may request from time to time.
52. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Commitment Letter.
53. This Mortgage may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this Mortgage to produce or account for more than one such counterpart. Transmission of executed or electronically executed copies of this Mortgage whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.
54. Notwithstanding anything in this Mortgage, in dealing with enforcing and realizing on this Mortgage, the Mortgagee shall not claim hereunder any greater amount in the aggregate than the amounts advanced by the Mortgagee that remain unpaid, together with all accrued and unpaid interest, and any other amounts unpaid hereunder.

-- signatures follow on next page --

IN WITNESS WHEREOF the Mortgagor has duly executed this Mortgage this 15th day of June, 2022.

2402871 ONTARIO INC.

Per: 
Name: _____
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

SCHEDULE "A"
DESCRIPTION OF THE LANDS

PIN 07617-0889 (LT)

LOTS 159, 160 & 161 PLAN 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2 66R28185; ETOBICOKE; TOGETHER WITH AN EASEMENT OVER PART LOTS 160 & 160 PLAN 164, PART 2 66R28185 AS IN AT4215394; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4264438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; SUBJECT TO AN EASEMENT AS IN AT3989173; CITY OF TORONTO

Properties

PIN 13482 - 0071 LT *Interest/Estate* Fee Simple
Description LTS 1, 2, 3, 22, 23 & 24, PL H23 ; EXCEPT PT 1 43R16245 & PT 1 43R21276 ;
 MISSISSAUGA
Address 1345 LAKESHORE RD E
 MISSISSAUGA

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 VANDYK-LAKEVIEW-DXE-WEST LIMITED
Address for Service 1944 Fowler Drive
 Mississauga, ON L5K 0A1

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

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

Statements

Schedule: See Schedules

Provisions

Principal \$68,750,000.00 *Currency* CDN
Calculation Period See Schedule
Balance Due Date See Schedule
Interest Rate See Schedule
Payments
Interest Adjustment Date
Payment Date See Schedule
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full insurable value
Guarantor

Signed By

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2023 07 28
 Toronto
 M5X 1A4
 Chargor(s)

Tel 416-863-1200

Fax 416-863-1716

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

Submitted By

BENNETT JONES LLP 3400-1 First Canadian Place 2023 07 28
 Toronto
 M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

Fees/Taxes/Payment

Statutory Registration Fee \$69.00
Total Paid \$69.00

File Number

Chargee Client File Number : 59445.93 (JVG/MOG/MW/NC)

MORTGAGE

VANDYK – LAKEVIEW-DXE-WEST LIMITED having an office at 1944 Fowler Drive, Mississauga, Ontario L5K 0A1 (hereinafter referred to as the "**Mortgagor**") being registered as owner of an estate in fee simple in possession of the Property;

IN CONSIDERATION of the sum of \$74,225,000.00 of lawful money of Canada, (the "**Principal Amount**"), or any portion thereof, lent to the Mortgagor by **KINGSETT MORTGAGE CORPORATION**, having an office at Scotia Plaza, 40 King Street West, Suite 3700, Toronto, Ontario M5H 3Y2 (hereinafter referred to as the "**Mortgagee**"), the Mortgagor **HEREBY COVENANTS WITH** the Mortgagee as follows:

DEFINITIONS

1. The terms defined below shall have the indicated meanings unless the context expressly or by necessary implication requires otherwise:
 - (a) "**Borrower**" means, collectively, Vandyk-Uptowns Limited and Vandyk – Heart Lake Limited;
 - (b) "**Commitment Letter**" means the commitment letter dated as of May 6, 2022 between, *inter alios*, the Borrower and the Servicer, as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time;
 - (c) "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise;
 - (d) "**Covenantors**" means, collectively, the Mortgagor or any joint debtor or any obligor to the Mortgagee in connection with repayment of the Loan Indebtedness or the performance of the Loan Obligations;
 - (e) "**Event of Default**" has the meaning ascribed thereto in Section 28;
 - (f) "**Extension Fee**" means a fee of 0.30% of the then outstanding Loan Indebtedness;
 - (g) "**Governmental Authority**" means the government of Canada or any other nation, or of any political subdivision thereof, whether state/provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency;
 - (h) "**Hazardous Substance**" means any radioactive materials, asbestos materials, urea formaldehyde, underground or aboveground tanks, pollutants, contaminants, liquid waste, industrial waste, hauled liquid waste, deleterious substances, corrosive or toxic substances, hazardous wastes, hazardous materials, hazardous substances, special waste or waste of any kind or any other substance, the storage, manufacture, disposal, treatment, generation, use, transport, remediation or release into the environment of which is now or hereafter prohibited, controlled or regulated under any applicable environmental law;
 - (i) "**Heart Lake Lands**" means the properties municipally known as 10302 and 10194 Heart Lake Road, Brampton, Ontario;
 - (j) "**Heart Lake Project**" means:
 - (i) the development of 342 stacked townhouses with a total 379,842 square feet of gross floor area located at 10302 Heart Lake Road, Brampton, Ontario, and all landscaping, all plants, machinery, improvements and equipment and all other property whether free-standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto ("**Uptowns**"); and

- (ii) a development site approved for 200 townhouses located at 10194 Heart Lake Road, Brampton, Ontario, and all landscaping, all plants, machinery, improvements and equipment and all other property whether free-standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto ("**Jordan**");
- (k) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (l) "**Interest Adjustment Date**" means the first day of the calendar month following the calendar month in which the initial advance of all or any portion of the Loan Indebtedness is made, unless such initial advance takes place on the first day of a calendar month, in which case the interest adjustment date shall be the date of such initial advance;
- (m) "**Interest Rate**" means the greater of: (i) the RBC Prime Rate plus 7.95% per annum; and (ii) 11.15% per annum, calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement with respect to the Loan Indebtedness;
- (n) "**Lands**" means those lands and premises more particularly described in Schedule "A" attached hereto;
- (o) "**Lease Benefits**" means, collectively, the benefit of all covenants and obligations of lessees, tenants, licensees, or occupants as well as all other rights, privileges, advantages and benefits contained in any of the Leases, including without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the Mortgagor's rights under any Lease, and generally any collateral advantage or benefit to be derived from the Leases or any of them;
- (p) "**Leases**" means, collectively, all present and future leases, subleases, licenses, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Mortgagor or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Property, and including all agreements collateral thereto;
- (q) "**Lien**" means, collectively, any: (i) lien, charge, mortgage, pledge, security interest or conditional sale agreement; (ii) assignment, lease, consignment, trust or deemed trust that secures payment or performance of an obligation; (iii) garnishment; (iv) other encumbrance of any kind; and (v) any commitment or agreement to enter into or grant any of the foregoing;
- (r) "**Loan Documents**" means, collectively, the Commitment Letter, this Mortgage, the Security Documents and all certificates, instruments, agreements and other documents delivered, or to be delivered, to the Mortgagee under, pursuant to or in connection with this Mortgage or any of the other Loan Documents, each as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time and, when used in relation to any Person, the term "**Loan Documents**" means the Loan Documents executed and delivered by such Person;
- (s) "**Loan Indebtedness**" means any Indebtedness from time to time of the Mortgagor or any of the other Covenantors to the Mortgagee arising under any of the Loan Documents;
- (t) "**Loan Obligations**" means the obligations from time to time of the Mortgagor or any of the other Covenantors arising under the Loan Documents;
- (u) "**Material Adverse Effect**" means a material adverse effect on:

- (i) the Property or the economic viability thereof;
 - (ii) the business, operations, property or financial condition of any of the Covenantors which would materially impact the ability of the Covenantors, taken as a whole, to repay the Loan Indebtedness and to perform and discharge the Loan Obligations;
 - (iii) the validity or enforceability of this Mortgage or any of the other Loan Documents; or
 - (iv) the Mortgagee's ability to enforce its rights or remedies under this Mortgage or any of the other Loan Documents, including with respect to the Mortgagee's security position;
- (v) "**Maturity Date**" means September 1, 2023, as may be extended in accordance with the Commitment Letter;
- (w) "**Maximum Loan Amount**" means, notwithstanding the Principal Amount, the amount of \$59,380,000.00;
- (x) "**Mortgaged Premises**" means every building, structure, improvement and fixture (including those more fully set out in Section 17 hereof), including replacements therefor, on or which may hereafter be erected or placed on the Lands, including all plate glass, plant, equipment, apparatus and machinery of every kind now or hereafter located therein, thereon or used in connection therewith, and all personal property including, contents thereof to the extent that they are the property of the Mortgagor;
- (y) "**Mortgagee**" means KingSett Mortgage Corporation;
- (z) "**Mortgagor**" means Vandyk-Lakeview-DXE-West Limited;
- (aa) "**Other Obligations**" has the meaning ascribed thereto in Section 37;
- (bb) "**Permitted Encumbrances**" mean, collectively:
- (i) any Lien in respect of any property or assets of the Mortgagor created by or arising pursuant to any applicable legislation in favour of any Person (such as but not limited to a Governmental Authority), including a Lien for the purpose of securing the Mortgagor's obligation to deduct and remit employee source deductions and goods and services tax pursuant to the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan* (Canada), the *Employment Insurance Act* (Canada) and any legislation in any jurisdiction similar to or enacted in replacement of the foregoing from time to time (each individually a "**Statutory Lien**") in respect of any amount which is not at the time due;
 - (ii) any Statutory Lien in respect of any amount which may be due but the validity of which is being contested in good faith and in respect of which reserves have been established as reasonably required by the Mortgagee;
 - (iii) in respect of the Property: (A) any registered agreement (or unregistered agreement that is required in connection with the further development of the Property) with any Governmental Authority and any public utilities or private suppliers of services, including site plan agreements, subdivision agreements, development agreements, engineering, grading or landscaping agreements and similar agreements, which has not and is not reasonably likely to have a Material Adverse Effect, provided the same is complied with in all material respects; (B) any registered easement for the supply of utilities or telephone services to the Property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services and all licences, easements, rights-of-way, rights in the nature of easements and agreements with respect thereto not registered on title to the Property, including agreements, easements, licences, rights-of-way and interests in the nature of easements for sidewalks, public ways,

sewers, drains, utilities, gas, steam and water mains or electric light and power, or telephone telegraphic conduits, poles, wires and cables, which has not and is not reasonably likely to have a Material Adverse Effect; (C) any registered easement or right-of-way for the passage, ingress and egress of Persons and vehicles over parts of the Lands, which has not and is not reasonably likely to have a Material Adverse Effect; (D) any registered or unregistered easement, rights-of-way, agreement or other unregistered interest or claims not disclosed by registered title which has not and is not reasonably likely to have a Material Adverse Effect; (E) any zoning, land use and building restriction, bylaw, regulation and ordinance of any Governmental Authority, including municipal by-laws and regulations and airport zoning regulations, which has not any is not reasonably likely to have a Material Adverse Effect; (F) any obligation with respect to any permit required in connection with the construction and use of the Property provided such permit is in good standing and has not and is not reasonably likely to have a Material Adverse Effect; and (G) any minor defect in title which has not and is not reasonably likely to have a Material Adverse Effect;

- (iv) any reservation, limitation, proviso, condition, restriction and exception (including royalties, reservation of mines, mineral rights, access to navigable waters and similar rights) expressed in the letters patent or grant from the Crown, as varied by statute, of the lands of which the Lands form a part and any statutory limitation, exception, reservation and qualification, provided same has been complied with in all material respects;
 - (v) any Lien incurred or deposit made or pledged to secure any obligation under workers' compensation legislation or similar legislation, or in connection with contracts, bids, tenders or expropriation proceedings, or surety, performance or appeal bonds in connection with construction of the further development of the Property;
 - (vi) security given to a public utility or any Governmental Authority to secure obligations incurred to such utility, Governmental Authority or other authority in the ordinary course of business and not at the time overdue;
 - (vii) any inchoate Lien (statutory or otherwise) arising in connection with the construction or improvement of the Property or arising out of the furnishing of materials or supplies therefor, provided that such Lien secures moneys not at the time overdue (or if overdue, the validity of which is being contested in good faith and in respect of which and reserves have been established as reasonably required by the Mortgagee), notice of such Lien has not been given to the Mortgagee and such Lien has not been registered against title to the Property;
 - (viii) purchase-money security interests incurred or assumed in connection with the purchase, leasing or acquisition of capital equipment in the ordinary course of business, provided that the aggregate amount of the Mortgagor's liability thereunder is not at any time greater than one million (\$1,000,000.00) dollars;
 - (ix) any present and future lease, offer to lease, sublease, concession, licence or other contract or agreement by which the use, enjoyment or occupancy of the Property or any portion thereof is granted which has not and is not reasonably likely to have a Material Adverse Effect;
 - (x) this Mortgage and the other Security Documents;
 - (xi) the Prior Permitted Encumbrances; and
 - (xii) any Subsequent Encumbrances with the express prior written consent of the Mortgagee in its sole, absolute and unfettered discretion;
- (cc) "**Person**" means, and includes, natural persons, corporations, limited liability companies, limited partnerships, limited liability partnerships, general partnerships,

joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and governments and agencies and political subdivisions thereof and their respective permitted successors and assigns (or in the case of a governmental person, the successor functional equivalent of such Person);

- (dd) "**Principal Amount**" has the meaning ascribed thereto in the preamble to this Mortgage;
- (ee) "**Prior Permitted Encumbrances**" means those encumbrances registered against title to the Property in priority to this Mortgage on the date of the registration of this Mortgage against title to the Lands and which the Mortgagee has agreed to accept in its sole, absolute and unfettered discretion, including for greater certainty a first charge/mortgage granted by the Mortgagor to and in favour of Dorr Capital Corporation (the "**Prior Ranking Charge**");
- (ff) "**Project**" means a two-tower project comprised of a 478 unit residential condo project with 10,218 ground floor retail space located at 1345 Lakeshore Road East, Mississauga, and all landscaping, all plants, machinery, improvements and equipment and all other property whether free-standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto;
- (gg) "**Property**" means, collectively, the Lands and the Mortgaged Premises;
- (hh) "**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;
- (ii) "**Rents**" means, collectively, all rents, issues and profits now due or to become due under or derived from the Leases and/or the Property;
- (jj) "**Security Documents**" means, collectively, the Loan Documents creating Liens on the undertaking, property and assets of the Covenantors in favour of the Mortgagee, and all other instruments, agreements and documents which have been or may hereafter from time to time be executed in connection therewith, in each case as the same may be hereafter amended, modified, supplemented or restated in accordance with the terms thereof;
- (kk) "**Servicer**" means Dorr Capital Corporation;
- (ll) "**Statutory Lien**" has the meaning ascribed thereto in Section 1(bb)(i);
- (mm) "**Subsequent Encumbrances**" means, collectively, encumbrances registered against title to the Lands subsequent in priority to this Mortgage with the prior consent of the Mortgagee, which consent shall be granted in the Mortgagee's sole, absolute and unfettered discretion;
- (nn) "**Taxes**" means all present or future taxes, rates, liens, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto; and
- (oo) "**Title Agreements**" has the meaning ascribed thereto in Section 48;

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise: (i) any definition of or reference to any agreement, instrument or other document herein (including this Mortgage) shall be construed as referring to such agreement, instrument or other document amended, varied, supplemented, restated, renewed or replaced at any time and from time to time (subject to any restrictions

on such amendments, variations, supplements, restatements, renewals or replacements set forth herein); (ii) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns; (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Mortgage in its entirety and not to any particular provision hereof; (iv) unless otherwise expressly stated, all references in this Mortgage to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Mortgage, and references to a Section, means such Section or an enumerated sub-Section thereof, as applicable; (v) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time; and (vii) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

PROMISE TO PAY AND FULFIL OBLIGATIONS

2. The Mortgagor will pay or cause to be paid to the Mortgagee, on demand, in lawful money of Canada the full amount of the Loan Indebtedness in the manner of payment provided by this Mortgage before as well as after maturity, both before and after default, and both before and after judgment on this Mortgage, without any deduction or abatement, and shall do, observe, perform, fulfil and keep all of the Loan Obligations.

PAYMENTS

3. The Loan Indebtedness shall be repaid as follows:
 - (a) interest on the Loan Indebtedness advanced and remaining unpaid from time to time at the fixed rate per annum equal at all times to the Interest Rate, calculated daily not in advance, before as well as after maturity, default and judgment, on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and compounded monthly not in advance and computed from and including the respective dates of such advances;
 - (b) subject to Section 3(d)(iii), interest, at the Interest Rate, shall become due and be paid on the Interest Adjustment Date and thereafter in monthly instalments on the first business day of the month which is one month after the Interest Adjustment Date and continuing on the first business day of each and every month which is one month after the date of each such payment, and in addition, at the option of the Mortgagee, may be deducted from advances of moneys under this Mortgage, and the balance, if any, of the aforesaid interest on advances shall become due and be paid at the same time as is hereinafter provided for payment in full of the Loan Indebtedness;
 - (c) the Loan Indebtedness shall become due and be paid in full on the earlier of:
 - (i) the Mortgagee demanding repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time; and
 - (ii) the Maturity Date;
 - (d) it is acknowledged and agreed that:
 - (i) notwithstanding the Principal Amount, the maximum amount to be advanced by the Mortgagee from time to time in respect of the Loan Indebtedness shall not exceed the Maximum Loan Amount;
 - (ii) an initial and subsequent advances of Loan Indebtedness representing advances from time to time of the Loan may be made by the Mortgagee, subject to and in accordance with the Commitment Letter and the conditions precedent and other provisions set out therein;
 - (iii) beginning on the Interest Adjustment Date, the amount of monthly interest, at the Interest Rate, shall, provided no Event of Default has occurred

hereunder which is continuing, be capitalized monthly to the Loan Indebtedness advanced hereunder until the earlier of:

- A. such capitalized interest, at the Interest Rate, reaching in the aggregate the amount of \$9,880,000.00;
 - B. the sum of such capitalized interest and all other amounts advanced hereunder reaching, in the aggregate, the Maximum Loan Amount;
 - C. repayment of all amounts outstanding hereunder;
 - D. any Event of Default or a default by any of the Covenantors under any of the Loan Documents; and
- (e) in the event that amounts are no longer available in accordance with the provisions of Section 3(d)(iii), any additional interest payments shall not be capitalized and shall be required to be paid by the Mortgagor from sources other than subsequent advances of moneys under this Mortgage.

CHARGE

4. **THE MORTGAGOR HEREBY** grants, mortgages and charges to and in favour of the Mortgagee all right, title and interest of the Mortgagor in and to the Property as security for the payment of the Loan Indebtedness and performance of the Loan Obligations by the Borrower arising pursuant to the guarantee dated as of the date hereof granted by, *inter alios*, the Mortgagor to and in favour of the Mortgagee.

COMPOUND INTEREST

5. It is hereby agreed that in case default shall be made in payment of any sum to become due for interest, at the Interest Rate, at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, before as well as after maturity, shall bear interest, at the Interest Rate, and in case the interest and compound interest are not paid within the next thirty (30) days, compound interest, at the Interest Rate, shall be payable on the aggregate amount then due of outstanding interest and compound interest, before as well as after maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Property.

INTEREST RATE

6. Notwithstanding the provisions hereof in no event shall the aggregate "**interest**" (as that term is defined in Section 347 of the *Criminal Code* (Canada)) exceed the effective annual rate of interest on the "**credit advanced**" (as defined therein) lawfully permitted under that section. The effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles from the date of the initial advance of the Loan Indebtedness until the Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Mortgagee will be conclusive for the purposes of such determination. If any provision of the Mortgage would obligate the Mortgagor to make any payment of interest or other amount payable to the Mortgagee in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Mortgagee of interest at a criminal rate, then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the Mortgagee of interest at a criminal rate, the adjustment to be effected, to the extent necessary, as follows:
- (a) first, by reducing the amount or rate of interest required to be paid to the Mortgagee under this Mortgage; and
 - (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Mortgagee which would constitute "**interest**" (as that term is defined in Section 347 of the *Criminal Code* (Canada)).

RENEWALS AND NON-REVOLVING NATURE OF LOAN

7. That:
- (a) in the event that this Mortgage shall be renewed or extended pursuant to Section 7(b) or by written agreement executed by the Mortgagor and the Mortgagee, such renewal or extension (and the rate of interest, term, instalment and other stipulations of such renewal or extension) shall be binding upon Subsequent Encumbrances, the Mortgagor and the Mortgagee, its successors in title and assigns, and all Subsequent Encumbrances, and shall take full priority over all Subsequent Encumbrances, whether or not the said renewal, extension or notice thereof is registered, filed or recorded by caveat at the applicable Land Titles Office and whether or not the rate of interest payable or payment amortization period applicable during the renewal or extension term is greater than or less than the rate or amortization stipulated in this Mortgage. The Mortgagor shall, forthwith on request therefor by the Mortgagee, provide to the Mortgagee, at the Mortgagor's expense, all such postponements and other assurances as the Mortgagee may require to ensure the foregoing binding effect and priority. All renewals (if any) shall be done at the Mortgagor's expense (including without limitation payment of the Mortgagee's reasonable legal expenses on a solicitor and his own client basis). In the event the within Mortgagor is a corporation, no such renewal or extension, even if made by a successor in title to the Mortgagor named herein and whether or not the Mortgagor shall consent thereto, shall in any way release or abrogate or render unenforceable the covenants or obligations of the Mortgagor named herein, which shall continue notwithstanding such renewal or extension and shall apply to this Mortgage as renewed or extended;
 - (b) the Mortgagor has the option, subject to the prior consent of the Mortgagee, in its sole, absolute and unfettered discretion, to extend the Maturity Date by up to two (2) extensions with each extension being for a period of three (3) months on the terms and conditions set out in the Commitment Letter, and provided that in connection with each extension option:
 - (i) the Mortgagor pays to the Mortgagee an Extension Fee, which shall be deemed earned by the Mortgagee upon receipt of notice requesting an extension of the Maturity Date, and payable on or before the date which is ten (10) days prior to the Maturity Date, provided that if such extension is not granted by the Mortgagee, the Mortgagee will return such amount to the Mortgagor;
 - (ii) the Mortgagor or any other Covenantor delivering at least sixty (60) days' (but not more than ninety (90) days) written notice prior to the Maturity Date to the Mortgagee requesting each extension; and
 - (iii) no Event of Default has occurred which is continuing;
 - (c) other than the extension right set forth in Section 7(b), there are no further rights to renew or extend this Mortgage; and
 - (d) no amount that is borrowed or advanced hereunder may, if repaid or prepaid, be reborrowed at any time, it being acknowledged and agreed that this Mortgage creates a non-revolving loan.

PREPAYMENT

8. This Mortgage is closed and may not be prepaid in whole or in part, save and except for each prepayment of Net Closing Proceeds on the terms and conditions set out in the Commitment Letter.

TAXES

9. Subject as hereinafter in this Section 9 provided, the Mortgagor will pay when and as the same fall due all Taxes; provided that in respect of municipal taxes, school taxes, local improvements charges and all taxes and levies made or assessed in lieu of real property taxes, the Mortgagor shall provide the Mortgagee with a paid receipted tax bill within

fifteen (15) days after the payment deadline of each such tax bill, and in the event the Mortgagor should default in payment of same and such default continues for more than three (3) business days following written notice to the Mortgagor, the Mortgagee shall have the right to implement any of the following:

- (a) the Mortgagee may deduct from time to time, from advances of moneys under this Mortgage, amounts sufficient to pay the Taxes which have become due and payable or will have become due and payable and are unpaid from time to time as advances are made;
- (b) the Mortgagor shall in each year during the currency hereof at the request of the Mortgagee pay to the Mortgagee in equal monthly instalments, such amounts as the Mortgagee may estimate as being the annual Taxes next becoming due and payable, the said monthly instalments to be paid in addition to the payments required under Section 2, and the Mortgagor shall also pay to the Mortgagee before the due date of the current annual Taxes such additional sums as may be requisite to enable the Mortgagee to pay out of such monthly instalments and additional payments, the whole amount of the annual Taxes on or before the due date thereof, provided, however, that the exercise of the foregoing right shall be subject to the rights and obligations of the Mortgagor and the Mortgagee under all Permitted Encumbrances;
- (c) so long as there is not an Event of Default that has occurred and is continuing, the Mortgagee shall apply such deduction and payments on the Taxes as they become due, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of Taxes more often than yearly, nor to pay the same in advance of the due date for payment of the same. Provided however, that if (before any sum or sums so paid to the Mortgagee shall have been so applied) an Event of Default shall have occurred which is continuing, the Mortgagee may, at its option, apply such sum or sums in or towards payment of the Loan Indebtedness;
- (d) in the event that there is default in the payment by the Mortgagor of moneys for Taxes as aforesaid, then the Mortgagee may pay such Taxes and, in addition, upon providing the Mortgagor with ten (10) days' prior written notice, the Mortgagee may pay any and all liens, charges and encumbrances which may be charged against the Property which are not otherwise first paid by the Mortgagor. All moneys expended by the Mortgagee for any of such purposes together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
- (e) if the Property or any part thereof becomes subject to sale or forfeiture for non-payment of Taxes while any Loan Indebtedness remains outstanding, then, subject to all applicable laws, the Mortgagee may acquire title and rights of the purchaser at any sale, or the rights of any other Person or corporation becoming entitled on or under any such forfeiture, or the Mortgagee may pay, either in its own name or in the Mortgagor's name or on the Mortgagor's behalf, any and all sums necessary to be paid to redeem the Property so sold or forfeited, and to re-vest the Property in the Mortgagor, and the Mortgagor hereby nominates and appoints the Mortgagee agent of the Mortgagor to pay such moneys on the Mortgagor's behalf and in the Mortgagor's name, and any moneys so expended by the Mortgagee together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default, or, in the alternative, the Mortgagee shall have the right to bid on and purchase the Property at any tax sale of the same and shall thereupon become the absolute owner thereof; and
- (f) the Mortgagor shall transmit to the Mortgagee evidence, satisfactory to the Mortgagee acting reasonably, of the payment of all Taxes affecting the Property to the Mortgagee at least quarterly or as otherwise reasonably requested by the Mortgagee from time to time, and the Mortgagor authorizes the Mortgagee to obtain

any tax or assessment information concerning the Property directly from the municipal taxing authority having jurisdiction over the Property.

INSURANCE

10. That:

- (a) the Mortgagor will, at the Mortgagor's expense, forthwith insure or cause to be insured, and during the continuance of this security keep insured in favour of the Mortgagee, the Property on an all risks basis, or as otherwise allowed by the Mortgagee, including coverage for course of construction, earthquake, flood and such other risks or perils as the Mortgagee may require or consider expedient and satisfactory to the Mortgagee, acting reasonably, including and pursuant to the following coverages, provisions and conditions:
 - (i) the Mortgagee must be shown as a named insured, or an additional named insured, and mortgagee and loss payee as the Mortgagee's interest may appear;
 - (ii) the limit of insurance shall not be less than one hundred (100%) percent of new replacement cost including recurring soft costs and costs of foundations and all parts below ground level including confirmation that the "same or adjacent site" clause has been deleted from the replacement cost wording;
 - (iii) any co-insurance clause contained in the policy shall be a stated amount co-insurance clause;
 - (iv) the policy shall include an Insurance Bureau of Canada standard mortgage clause or its equivalent;
 - (v) losses shall be made payable to the Mortgagee according to its interest;
 - (vi) rental income coverage on an "all risks" basis sufficient to cover one hundred (100%) percent of the gross annual revenues, including Rents and if leases are on a net-net basis, the equivalent gross revenues, including rentals for a period of not less than twelve (12) months; or if the property is owner-occupied, business interruption coverage;
- (b) the Mortgagor will maintain liability insurance coverage, including without limitation earthquake, flood and sewer back-up insurance at least equivalent in scope to a Commercial General Liability form, such insurance to be in the minimum amount of five million (\$5,000,000.00) dollars per occurrence, to include all required extensions of liability and naming the Mortgagee as co-insured;
- (c) the Mortgagor will cause its contractors to maintain contractors liability insurance coverage, and wrap-up liability insurance coverage, in each instance to be in the minimum amount of five million (\$5,000,000.00) dollars per occurrence, to include all required extensions of liability and naming the Mortgagor as an additional named insured, but only with respect to claims arising out of the operations of the named insured;
- (d) as applicable, the Mortgagor will maintain builders "all risks" or "broad form" insurance, subject to the latest CCDC policy wording and will include:
 - (i) coverage sufficient to cover one hundred (100%) percent of the projected hard costs and not less than twenty-five (25%) percent of the projected recurring soft costs;
 - (ii) a "permission to occupy" clause, "delayed rental income / soft costs" insurance to cover the anticipated loss of revenue for one (1) year, which may be incurred in the event of an insured loss, during construction;
 - (iii) coverage for the installation, testing and commissioning, of machinery and equipment; and

- (iv) the Mortgagee as loss payee and as mortgagee as its interest appears, pursuant to a standard mortgage clause satisfactory to the Mortgagee;
- (e) the Mortgagor will maintain boiler and machinery insurance covering all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical and mechanical breakdown;
- (f) promptly upon written request, the Mortgagor will deliver to the Mortgagee and directly to its insurance consultants all policy binders of insurance together with all applicable certificates of insurance or such other evidence of insurance as the Mortgagee may reasonably require, and, prior to their due date, proof of payment of the premiums and renewal premiums therefor;
- (g) all policies shall be with insurers and subject to terms and conditions reasonably satisfactory to the Mortgagee. Any deviation from these requirements shall be approved in writing by the Mortgagee acting reasonably. The policies must provide for thirty (30) days' written notice to the Mortgagee of material alteration, if available, and cancellation and must be signed by the insurer(s) or their authorized representative(s);
- (h) if the Mortgagor shall neglect to keep the Property insured as aforesaid, or to deliver all policy binders of insurance together with all applicable certificates of insurance or such other evidence of insurance as the Mortgagee may reasonably require and evidence proving payment of premiums or renewal premiums when reasonably requested by the Mortgagee, or to produce to the Mortgagee at least forty-five (45) days' before the termination of such insurance evidence of the renewal thereof, the Mortgagee shall, without reference to the Mortgagor, be entitled (but shall not be obliged) to insure the Property, or any part thereof, as set forth above, and the amount of any premiums paid by the Mortgagee together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
- (i) promptly upon the occurrence of any loss or damage, the Mortgagor at its own expense will furnish all necessary proof and do all necessary acts to enable the Mortgagee to obtain payment of the insurance moneys, subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances;
- (j) subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, if any cheque issued by an insurer in complete or partial settlement of an insurance claim pursuant to the coverages above, other than the coverage for general public liability insurance, is given, sent or delivered to the Mortgagor or the solicitor or agent of the Mortgagor, then the Mortgagor shall cause such cheque to be delivered to the Mortgagee forthwith and if any such cheque is made payable to the Mortgagor alone or jointly to the Mortgagor and another or others, then the Mortgagor shall forthwith endorse and deliver such cheque over to the Mortgagee, and the Mortgagor does hereby constitute the Mortgagee as the Mortgagor's true and lawful attorney to receive and endorse any such cheque for an on behalf of the Mortgagor; and
- (k) subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, all monies received by virtue of such policy or policies of insurance may at the option of the Mortgagee either be applied in or towards substantially rebuilding, reinstating or repairing the Property or towards the payment of the Loan Indebtedness, interest and other amounts secured hereby, whether or not the same are then due, in such manner as the Mortgagee shall from time to time determine, or may be paid in full or in part to the Mortgagor or its assigns, or may be applied or paid partly in one way and partly in another, as the Mortgagee may determine.

PAYMENT METHOD

11. The Mortgagor shall from time to time as required by the Servicer, provide a signed pre-authorized withdrawal form/or forms directed to the bank or financial institution at which the Mortgagor regularly keeps a chequing account, in such form and manner so as to enable the Servicer to receive payments from time to time of the monthly instalments payable hereunder and/or the Servicer's estimate of the monthly instalment for property Taxes, if applicable, from the Mortgagor's account with such bank or financial institution. Any payments received by the Servicer which are payable on a non-business day in the Province of Ontario or are received after 1 p.m. (Toronto time) on any business day in the Province of Ontario on or after receipt thereof, shall be credited to the mortgage account on the next business day thereafter.

INSPECTION

12. The Mortgagee, at such time or times as it may deem necessary, acting reasonably, and without the concurrence of any other Person but upon reasonable prior notice except, upon and during the continuance of an Event of Default when no notice shall be required, and in all cases subject to the rights of tenants at the Property, may send its inspector or agent to report upon the value, state and condition of the Property and, upon the occurrence of an Event of Default which is continuing, make arrangements for the improving, repairing, finishing and putting in order of the Property which may be reasonably required, and for leasing, collecting the Rents of and managing generally the Property, and may expend money, for any and all the purposes aforesaid, as it may deem expedient, and all moneys reasonably expended, costs, charges and out-of-pocket expenses together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

RESTRICTION ON TRANSFER, ENCUMBRANCES ETC.

13. The Mortgagor shall not convey, transfer, mortgage, alienate, or otherwise encumber all or any part of the Property or any direct or indirect interest therein (including as a result of a direct or indirect change in Control of the Mortgagor) nor allow all or any part of the Property or any direct or indirect interest therein to be encumbered without the prior written consent of the Mortgagee, in its absolute discretion, provided that, notwithstanding the forgoing, the Permitted Encumbrances shall be permitted to encumber the Property and that the Mortgagee shall act reasonably in providing its consent to any non-arm's length transfer. In the event that the Mortgagor breaches this Section 13 and has not first or contemporaneously prepaid the loan secured hereby in full in compliance with Section 8 hereof, then the entire Loan Indebtedness (but with interest at the Interest Rate calculated and compounded to the Maturity Date), shall immediately be due and payable.

ADVANCES

14. Neither the execution nor the registration nor the acceptance of this Mortgage, nor the advance of part of the Loan Indebtedness, shall bind the Mortgagee to make an advance of moneys under this Mortgage or any unadvanced portion thereof notwithstanding the provisions of the Commitment Letter, this Mortgage or any of the other Loan Documents, but nevertheless this Mortgage shall take effect forthwith on the execution of these presents, and if any Loan Indebtedness shall not be advanced at the date hereof, the Mortgagee may advance the same in one or more sums to or on behalf of the Mortgagor at any future date or dates, and the amount of such advances then so made together with interest at the Interest Rate shall be secured hereby.

SUBROGATION

15. In the event that the moneys advanced hereunder or any part thereof are applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights and stand in the position of and be entitled to all the equities of the party so paid off whether such charge or encumbrance has or has not been discharged; and the decision of the Mortgagee as to the validity or amount of any advance or disbursement made under this Mortgage or of any claim so paid off, shall be final and binding on the Mortgagor.

WASTE

16. Subject to the provisions of Section 18, the Mortgagor will not commit any act of waste on the Property or do any other thing by which the value of the Property shall, in the opinion of the Mortgagee, be diminished and will at all times remain in actual possession of the said Property. The Mortgagor will take good and reasonable care of the Property and without cost and expense to the Mortgagee manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures, machinery, facilities and equipment that belong to or are used in connection with the Property, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements beyond the extent to which they would ordinarily be repaired by a prudent owner. If, in the opinion of the Mortgagee, acting reasonably, the Property is not at any time in a proper state of repair, the Mortgagee may serve notice upon the Mortgagor to make such repairs or replacements as the Mortgagee, acting reasonably, deems proper within a period of thirty (30) days and in the event of the Mortgagor not having complied or not being in the process of diligently complying with such requisition, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors and they may enter upon the Property for the purpose of doing such work with or without the Mortgagor's concurrence, but in all cases subject to the rights of tenants at the Property, and the cost thereof, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid, shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

FIXTURES

17. All erections, buildings, fences, improvements, machinery, plant, furnaces, boilers, electric light fixtures, plumbing and heating equipment, aerials, incinerators, radiators and covers, fixed mirrors, fitted blinds and drapes, window screens, doors, storm windows and storm doors, shutters and awnings, floor coverings, air conditioning, ventilating, water heating equipment, partitions, elevators, and all component parts of any of the foregoing, fixed or otherwise now on or in or hereafter put on or in the Property (and also in all cases where the Mortgaged Premises are units rented in whole or in part, all refrigeration equipment, gas and electric stoves, ovens, washers, dryers, garburators, garbage compactors, microwave ovens and dishwashers whether affixed or not, and provided that same are owned by the Mortgagor) are and shall in addition to other fixtures thereon be and become fixtures and form part of the realty and of the security and are included in the expression the "Mortgaged Premises", and that the Mortgagor will not commit any act of waste thereon, and that the Mortgagor will at all times during the continuance of the security granted by this Mortgage, repair, maintain, restore, amend, keep, make good, finish, add to and put in order, the Property and in the event of any loss or damage thereto or destruction thereof which has had or is reasonably likely to have a Material Adverse Effect, the Mortgagee may give notice to the Mortgagor to repair, rebuild, or reinstate the same, and upon the Mortgagor failing so to repair, rebuild, or reinstate within such time such failure shall constitute a breach of covenant hereunder and thereupon the Loan Indebtedness shall, at the sole option of the Mortgagee, become immediately due and payable and without any demand by the Mortgagee upon the Mortgagor, provided that the Mortgagee may (but shall not be obligated to) repair, rebuild or reinstate the Property and the cost thereof, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid, shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing. This provision shall be in addition to any statutory covenants implied in this Mortgage.

ALTERATIONS

18. The Mortgagor shall not make or permit to be made, any additions or alterations to the Property without the prior written consent of the Mortgagee acting reasonably and except as may be permitted or required under the Permitted Encumbrances (including any leases which are Permitted Encumbrances), and the Mortgagor shall not use the Property nor permit the Property to be used, without the written consent of the Mortgagee, for a purpose not approved by the Mortgagee acting reasonably. Notwithstanding the forgoing:

- (a) the Mortgagor, its agents, employees and parties authorized by it may conduct building operations, construction and development on the Property including, without limitation, grading and excavation operations, installation of services and all other acts incidental to the development of the Property without the same being deemed acts of waste or requiring the prior written consent of the Mortgagee in accordance with this Section 18; and
- (b) the Mortgagee shall, upon reasonable notice, promptly execute:
 - (i) such plans, agreements, documents, easements, rights-of-way and consents as may be required to facilitate the development of the Property;
 - (ii) such partial discharges as may be required to convey to any Governmental Authority such portion of interest in the Property as may be required for municipal or governmental purposes and for which the Mortgagor receives no financial compensation, provided that in each case the Mortgagee's security is not adversely affected thereby (as determined by the Mortgagee, acting reasonably); and
 - (iii) applications, documents and plans for rezoning, development review, site plan approval, land titles registration, subdivision plan registration, severance consents and other related development matters required by the Mortgagor,

provided that the Mortgagee's reasonable legal fees and disbursements and out-of-pocket expenses in connection with the review and execution of the forgoing together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagor shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing. In addition to the forgoing, the Mortgagor hereby indemnifies and agrees to hold the Mortgagee harmless with respect to the payment of any such reasonable legal fees and disbursements and out-of-pocket expenses in connection with the review and execution of the forgoing.

PLACE OF PAYMENT

19. All moneys reflecting Loan Indebtedness shall be payable, in lawful money of Canada, to the Servicer at 41 Scarsdale Road, Unit 6, Toronto, Ontario M3B 2R2, or such other place as may be designated by the Servicer from time to time.

CROSS-DEFAULT

20. The occurrence of an Event of Default hereunder shall constitute default under the other Security Documents and the Commitment Letter and default, beyond any applicable cure or notice periods, under any of the other Security Documents or the Commitment Letter shall constitute an Event of Default hereunder. The Mortgagee may, upon and during the continuance of an Event of Default or a default under the other Security Documents, pursue its remedies separately under any of the Security Documents, including without limitation, this Mortgage, or jointly all together, or jointly one with any one or more of the Security Documents, without any of the rights and remedies of the Mortgagee not so pursued merging therewith or with any action or judgment with respect thereto.

RELEASE OF SECURITY

21. Subject to the provisions in Section 40, the Mortgagee may (but shall have no obligation to) at any time release any part or parts of the Property or any of the Covenantors from any of the Security Documents, or may release the Mortgagor or any other Covenantor from any covenant or other liability to pay any of the Loan Indebtedness or perform any of the Loan Obligations, either with or without any consideration therefor, without being accountable for the value of any such consideration or for any moneys except those actually received by the Mortgagee, and without thereby releasing any other part of the Property or any of the other Covenantors from any of the Security Documents, it being specifically agreed that notwithstanding any such release, the Property, securities and covenants remaining unreleased shall stand charged with the whole of the Loan Indebtedness, and no Person shall have the right to require that any of the Loan Indebtedness be apportioned. Notwithstanding the foregoing, upon the closing of the sale of each unit comprising part of the Property, and provided that no Event of Default has occurred that is continuing and either: (i) a corresponding partial discharge of the Prior Ranking Charge (or any replacement prior ranking mortgage(s)/charge(s) in favour of the Mortgagee) from title to such unit is also being granted concurrently; or (ii) the Mortgagor has performed and observed the terms and conditions contained in the partial discharge provisions of the Commitment Letter (which terms and conditions are subject to change in the Mortgagee's sole and unfettered discretion), the Mortgagee shall provide a partial discharge of this Mortgage from title to such unit. The Mortgagor's solicitor shall prepare the mortgage discharge document for review by the Mortgagee and the Mortgagee's solicitor. All legal fees, disbursements and GST related to the discharge of this Mortgage and any other Security from title to a unit in the Project shall be paid by the Mortgagor.

WAIVER

22. No extension of time, waiver, or other indulgence given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor, any guarantor, or any other Person liable for payment of the moneys hereby secured.

USE OF MONEY

23. The Mortgagee shall not be charged with any moneys receivable or collectible out of the Property or otherwise, except those actually received; and all revenue of the Property received or collected by the Mortgagee from any source other than payment by the Mortgagor may, provided an Event of Default has occurred which is continuing, at the option of the Mortgagee, be used in maintaining or insuring or improving the Property, or in payment of Taxes or other charges against the Property, or applied on the mortgage account, and the Mortgagee may (at its option) retain such moneys received or collected, in suspense account; and the Mortgagee shall not, by reason of the collection of any moneys receivable or collectible out of the Property, be deemed to be a mortgagee in possession.

LIABILITY OF MORTGAGOR

24. No sale or other dealings by the Mortgagee or any receiver with the Property or any part thereof, shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the moneys hereby secured.

ATTORNMENT

25. For better securing the punctual payment of the said mortgage moneys, the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the Property at a monthly rental equivalent to the monthly instalments secured hereby, the same to be paid on such day appointed for the payment of instalments; and if any judgment, execution or attachment shall be issued against any of the goods or lands of the Mortgagor or if the Mortgagor shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act of Canada* as amended, or shall take the benefit of any statute relating to bankruptcy or insolvent debtors, then such rental shall, if not already payable, be payable immediately thereafter. The legal relation of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor, but neither this Section 25 nor anything done by virtue hereof, shall render the Mortgagee a mortgagee in possession

or accountable for any moneys except those actually received. The Mortgagee may at any time after default hereunder enter upon the Property, or any part thereof, and determine the tenancy hereby created without giving the Mortgagor any notice to quit.

RECORDS

26. The Mortgagor will maintain full and correct books and records showing in detail the earnings and expenses of the Property, and will permit the Mortgagee and its representatives to examine the said books and records and all supporting vouchers and data at any time and from time to time upon reasonable prior request by the Mortgagee, and at any time and from time to time will furnish the Mortgagee at its request within thirty (30) days of such request, a statement showing in detail reasonably satisfactory to the Mortgagee all such earnings and expenses since the last such statement, certified by an officer of the Mortgagor.

ASSIGNMENT OF LEASE RIGHTS AND BENEFITS

27. The Mortgagor:
- (a) hereby assigns, transfers and sets over unto the Mortgagee, all of the Mortgagor's right, title and interest, both at law and in equity, in and to the Leases, the Rents and the Lease Benefits, to hold and receive the same unto the Mortgagee with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and to enforce payment of the same and enforce performance of obligations under the Leases, including without limitation, the Lease Benefits, assigned in accordance with and subject to the terms of this Mortgage, to have and to hold unto the Mortgagee until payment in full of the Loan Indebtedness and performance of all of the Loan Obligations, provided that the Mortgagor may, subject to any other terms contained in any of the other Security Documents which restrict the Mortgagor's ability to deal with the Leases, collect the Rents and deal with the Leases from time to time as would a prudent landlord so long as an Event of Default does not exist, and upon the occurrence of an Event of Default which is continuing, the Mortgagee shall be entitled to:
 - (i) demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Mortgagor, any proceeding which may be, in the opinion of the Mortgagee or its counsel, expedient for the purpose of collecting Rents or for securing the payment thereof or for enforcing any of the Mortgagor's rights under the Leases, and the Mortgagor hereby grants to the Mortgagee irrevocable authority to join the Mortgagor in any such proceedings or actions, whether judicial or extra-judicial;
 - (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent, and any settlement arrived at shall be binding upon the Mortgagor;
 - (iii) to enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and to manage, operate and maintain its interest in the Property including without limitation, the making of repairs or replacements to maintain the Mortgaged Premises;
 - (iv) to receive, enjoy or otherwise avail itself of the Lease Benefits;
 - (v) to appoint and dismiss such agents or employees as may be necessary or desirable for exercise of the Mortgagee's rights hereunder;
 - (vi) to alter, modify, amend or change the terms of Leases; to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
 - (vii) to send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and to employ a solicitor to

- examine and report upon title to the same and the lease documentation pertaining to same;
- (viii) to appoint a receiver or a receiver and manager in accordance with the provisions of the Mortgage which are hereby incorporated by reference into this Agreement; and
 - (ix) to generally perform all such acts as may in the reasonable opinion of the Mortgagee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Mortgagor, or in the name of the Mortgagee;
- (b) whenever any and all Events of Default have been cured after the exercise by the Mortgagee of its rights under this Section 27, may resume collection of the rentals until a further Event of Default has occurred, whereupon the Mortgagee may re-exercise its rights hereunder, and thereafter at any time any Event of Default occurs;
 - (c) shall not at any time during the existence of this Mortgage assign, pledge or hypothecate any of the Leases or the Rents or revenues due or to become due thereunder, or any part thereof, other than to the Mortgagee or pursuant to a Permitted Encumbrance nor shall the Mortgagor grant any general assignment of book debts which would cover such rentals, except pursuant to a Permitted Encumbrance;
 - (d) shall not collect more than two (2) month's rental in advance;
 - (e) acknowledges and agrees that neither the taking of this assignment nor anything done in pursuance hereof shall make the Mortgagee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations and liabilities under the Leases or any of them; and
 - (f) acknowledges and agrees that the exercise of this Section 27 or of any collateral security with respect to Rents shall not entitle the Mortgagor to redeem this mortgage.

EVENT OF DEFAULT

28. Notwithstanding the Mortgagee's rights to demand repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time in the Mortgagee's sole, absolute and unfettered discretion, any one or more of the following events shall constitute an event of default under the provisions of this Mortgage (an "**Event of Default**"), whether such Event of Default shall be voluntary or involuntary or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or other rule or regulation of any Governmental Authority:
- (a) any of the Covenantors fail to pay on the date upon which the same is due and payable any monies payable hereunder or under any of the other Loan Documents with respect to principal secured hereunder;
 - (b) any of the Covenantors fail to pay on the date upon which the same is due and payable any monies payable hereunder or under any of the other Loan Documents (other than on account of principal), and such failure is not remedied within three (3) business days written notice to the Mortgagor;
 - (c) any of the Covenantors fail to perform or observe any of the terms and conditions contained in this Mortgage or any of the other Loan Documents, and such failure is not remedied within thirty (30) days of written notice to the Mortgagor (but for greater certainty, there shall be no grace or cure period in respect of any Event of Default expressly enumerated hereunder, except as otherwise provided in respect of such Event of Default);
 - (d) any funds secured under this Mortgage are used for any purpose other than as set forth in the Commitment Letter;

- (e) the breach or failure to perform or observe the terms and conditions contained in the Commitment Letter with respect to the Mortgagee's right of first refusal to finance or arrange financing for any subsequent phases of the Project, and such failure is not remedied within five (5) days of written notice to the Mortgagor (but for greater certainty, there shall be no grace or cure period in respect of any Event of Default expressly enumerated hereunder, except as otherwise provided in respect of such Event of Default);
- (f) any representation or warranty by any of the Covenantors that is contained in this Mortgage or any of the other Loan Documents furnished to the Mortgagee in connection herewith or therewith shall prove at any time to be untrue or incorrect as of the date made in any material respect;
- (g) a resolution is passed or an order is made for the dissolution, liquidation or winding-up of any of the Covenantors or other cancellation or suspension of its incorporation or termination of its existence or if a petition is filed for the winding-up of the any of the Covenantors;
- (h) any of the Covenantors is found to be insolvent or bankrupt by a court of competent jurisdiction or makes an authorized assignment or bulk sale of its assets or a compromise or arrangement for the benefit of its creditors, makes a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada), seeks relief under the *Companies Creditors Arrangement Act* (Canada), or any other bankruptcy, insolvency or analogous law, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian or other Person with similar powers over all or any substantial portion of its assets, files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditor's rights or consents to, or acquiesces in, the filing of such a petition; or if a petition in bankruptcy is filed or presented against any of the Covenantors;
- (i) an encumbrancer takes possession of the property of any of the Covenantors which has had or is reasonably likely to have a Material Adverse Effect, or any distress or analogous process is levied upon any of the Covenantors provided that this Section 28(i) shall not apply to any judgment, court order for the payment of money, execution, sequestration, extant or other process that is being contested in good faith if reserves deemed by the Mortgagee to be adequate therefor have been set aside with the Mortgagee or insurance coverage acceptable to the Mortgagee is held, as the case may be, and if there is no Material Adverse Effect regarding the Mortgagee's security position;
- (j) any of the Covenantors permit any sum which has been admitted as due or which is not disputed to be due and which forms or is capable of forming a charge, Lien the Property in priority to or *pari passu* with the charge or security interest created by this Mortgage and any of the other Security Documents, to remain unpaid after proceedings have been taken to enforce the same as a Lien upon the Property has been vacated or discharged within ten (10) business days of such proceedings having been taken;
- (k) the occurrence of a default under: (i) any other security or agreement (including any Permitted Encumbrance) made or assumed by any of the Covenantors (or by which it is bound) in favour of any Person in connection with the Property, to the extent such default has had or is reasonably likely to have a Material Adverse Effect; and (ii) any other security or agreement made or assumed by any of the Covenantors (or by which it is bound) in favour of the Mortgagee or the Servicer whether or not such security or agreement is in connection with the Property; and in each case if not remedied within the applicable cure or notice period provided for in such security or agreement;
- (l) the Mortgagor does not comply within a reasonable period with any work order issued by a municipal or provincial authority;

- (m) a receiver, receiver-manager or receiver and manager of the any of the Covenantors of any material part of its properties, assets or undertakings is appointed, or if a monitor is appointed in respect of any of the Covenantors;
- (n) any writ of execution, distress, attachment or other similar process is issued or levied against any of the Covenantors or all or any part of its assets, or attachment or other similar process is issued or levied against any of the Covenantors by a court of competent jurisdiction and, in the opinion of the Mortgagee, such judgement or order would materially and adversely affect the ability of any of the Covenantors to fulfil its obligations to the Mortgagee hereunder or under any of the other Loan Documents;
- (o) any part of the Property is condemned or expropriated and, in the opinion of the Mortgagee in respect of any expropriation, such expropriation materially impairs the value of the Property, the validity, enforceability or priority of the security of this Mortgage, or the ability of the Mortgagor to pay the Loan Indebtedness or to perform any of the Loan Obligations;
- (p) any direct or indirect change (i) in the ownership of (A) the Property; or (B) any Covenantor; or (ii) any change of Control of any of the Covenantors, in each case without the consent of the Mortgagee in its sole, absolute and unfettered discretion;
- (q) if a Material Adverse Effect occurs; or
- (r) the occurrence of a cross-default pursuant to Section 20.

RECEIVER

29. Upon the occurrence of an Event of Default which is continuing, the Mortgagee may at such time and from time to time and with or without entry into possession of the Property or any part thereof, appoint a receiver (which term includes a receiver or a manager or a receiver and manager) of the Property or any part thereof and of the Rents and profits thereof and with or without security, and may from time to time remove any receiver and appoint another in his stead and that, in making any such appointment or removal, the Mortgagee shall be deemed to be acting as the agent or attorney for the Mortgagor and not of the Mortgagee. Such appointment may be made at any time either before or after the Mortgagee shall have entered into or taken possession of the Property or any part thereof. Upon the appointment of any such receiver or receivers from time to time, the following provisions shall apply, subject to compliance with applicable laws:
- (a) the statutory declaration of an officer of the Mortgagee as to the Event of Default under the provisions of this Mortgage, shall be conclusive evidence thereof;
 - (b) every such receiver shall be the irrevocable agent or attorney of the Mortgagor for the collection of all Rents falling due in respect of the Property or any part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;
 - (c) every such receiver may, in the discretion of the Mortgagee and by writing under its corporate seal, be vested with all or any of the powers and discretions of the Mortgagee;
 - (d) the Mortgagee may from time to time, by such writing fix the remuneration of every such receiver who shall be entitled to deduct the same out of the Rents from the Property or from the proceeds of the judicial sale of the Property;
 - (e) every such receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee, and the Mortgagee shall not in any way be responsible for any acts or omissions (including negligence, misconduct or misfeasance) on the part of any such receiver;
 - (f) the appointment of every such receiver by the Mortgagee shall not create any liability on the part of the Mortgagee 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 Mortgagee a mortgagee in possession in respect of the Property or any part thereof;

- (g) every such receiver shall from time to time have the power to rent any portion of the Property which may become vacant, for such term and subject to such provisions as he may deem advisable or expedient, and in so doing every such receiver shall act as the attorney or agent of the Mortgagor and he shall have authority to execute under seal any lease of such portion of the Property in the name of and on behalf of the Mortgagor, and the Mortgagor undertakes to ratify and confirm whatever any such receiver may do in respect of the Property;
- (h) every such receiver shall have full power to complete any unfinished construction upon the Property with the intent that the Mortgaged Premises when so completed shall be a complete structure;
- (i) every such receiver shall have full power to manage, operate, amend, repair, alter or extend the Property or any part thereof in the name of the Mortgagor for the purpose of securing the payment of rental from the Property or any part thereof;
- (j) no such receiver shall be liable to the Mortgagor to account for moneys or damages other than cash received by him in respect of the Property or any part thereof, and out of such cash so received every such receiver shall, subject to the approval of the Mortgagee, in the following order, pay:
 - (i) his remuneration aforesaid;
 - (ii) all payments including, without limitation, costs as between solicitor and his own client made or incurred by him in connection with the management, operation, amendment, repair, alteration or extension of the Property or any part thereof;
 - (iii) interest, principal and other moneys which may from time to time, be or become charged upon the Property in priority to these presents, and all Taxes, insurance premiums and every other proper expenditure made or incurred by him in respect to the Property or any part thereof;
 - (iv) to the Mortgagee, all interest due or falling due under these presents and the balance to be applied upon principal due and payable and secured by these presents;
 - (v) into a reserve account in the name of the receiver, an appropriate sum of money as a reserve fund for unusual, emergency or lump sum payments or expenses with respect to the Property; and
 - (vi) any surplus thereafter remaining in the hands of every such receiver after payments made as aforesaid, to the Mortgagor;
- (k) save as to claims for an accounting under Section 29(j) above, the Mortgagor hereby releases and discharges every such receiver from every claim of every nature which may arise or accrue to the Mortgagor or any Person claiming through or under the Mortgagor by reason or as a result of anything done by any such receiver under the provisions of this Section 29, unless such claim by the direct and proximate result of gross negligence or wilful misconduct;
- (l) the power of sale, foreclosure and any other remedies of the Mortgagee may be exercised either before, concurrent with, during, or after the appointment of any receiver hereunder.

RIGHTS OF MORTGAGEE

- 30. The Mortgagor further covenants and agrees with the Mortgagee upon the occurrence of an Event of Default which is continuing:
 - (a) the Mortgagee may and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenants,

agreements, provisos or stipulations and the costs incurred by the Mortgagee in connection therewith, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing;

- (b) the Mortgagee may at such time or times as the Mortgagee may deem necessary and without the concurrency of any Person, enter upon the Property and may make such arrangements for completing the construction, repairing or putting in order of the Mortgaged Premises, or for inspecting, taking care of, leasing, collecting the Rents of and managing generally the Property as the Mortgagee may deem expedient; all reasonable costs, charges and expenses, including allowances for the time and services of any employee of the Mortgagee or other Person appointed for the above purposes, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing;
- (c) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Property, and a solicitor to examine and report upon the title to the same;
- (d) the Mortgagee or agent of the Mortgagee may enter into possession of the Property and whether in or out of possession collect the Rents and profits thereof, and make any demise or lease of the Property, or any part thereof, for such terms and periods and at such Rents as the Mortgagee shall think proper; and the power of sale hereunder may be exercised either before or after and subject to any such demise or lease;
- (e) it shall and may be lawful for and the Mortgagor does hereby grant full power, right and license to the Mortgagee to enter, seize and distrain upon the Property, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the Property or any part thereof, as much of the mortgage moneys as shall from time to time be or remain in arrears and unpaid, together with costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
- (f) the Mortgagee shall be entitled forthwith to take such proceedings to obtain repayment of the moneys and interest payable to the Mortgagee hereunder and to realize on its security under this Mortgage by foreclosing the same or by whatever other action it may by law be entitled to do, it being acknowledged that nothing herein shall limit such recourse to the Property only;
- (g) subject to applicable law, the Mortgagee shall be entitled to sell and dispose of the Property with or without entering into possession of the same and with or without notice to the Mortgagor or any party interested in the Property; and all remedies competent may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by this Mortgage may be exercised; and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made of the Property hereunder, and the Mortgagee may sell, transfer and convey any part of the Property on such terms of credit, or part cash and part credit, secured by contract or agreement for sale or mortgage, or otherwise, as shall in the opinion of the Mortgagee be most advantageous, and for such price as can reasonably be obtained therefor; and in the event of a sale on credit, or part cash and part credit, whether by way of contract for sale or by conveyance or mortgage, the Mortgagee is not to be accountable for or charged with any moneys until the same shall be actually received in cash; and the sales may be made from time to time of any portion or portions of the Property to satisfy interest or parts of the principal overdue, leaving the principal or parts thereof to run with

interest payable as aforesaid; and the Mortgagee may make stipulations as to the title or evidences or commencement of title or otherwise as the Mortgagee shall deem proper; and the Mortgagee may buy in or rescind or vary any contract for sale of the Property and any resale thereof; and on any sale or release, the Mortgagee shall not be answerable for loss occasioned thereby; and for any of such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary; and in case any sale held by the Mortgagee under and by virtue of the laws of the Province of Ontario under the power of sale herein contained should prove abortive the Mortgagee may take foreclosure proceedings in respect of the Property in accordance with the provisions of the laws of the Province of Ontario; and in the event of any deficiency on account of the moneys secured by this Mortgage remaining due to the Mortgagee after realizing all the Property, then Mortgagor will pay to the Mortgagee on demand the amount of such deficiency with interest at the Interest Rate both before and after judgment; and in the exercise of any of the foregoing powers, the Mortgagor hereby appoints the Mortgagee the attorney of the Mortgagor for the purpose of making any agreements and assurances on behalf of the Mortgagor as the Mortgagee may deem necessary which power of attorney is coupled with an interest; and the proceeds of any sale hereunder shall be applied as above provided for or in payment of moneys payable under this Mortgage and costs on a solicitor and his own client basis, the balance, if any, to be paid to the Mortgagor;

- (h) the whole of the mortgage moneys shall, at the option of the Mortgagee, become due and payable;
- (i) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor.

COVENANTOR MISREPRESENTATION

31. Notwithstanding any other provision in this Mortgage, the Mortgagee may demand repayment of all Loan Indebtedness and exercise all of its rights hereunder, including without limitation pursuant to Sections titled "**Receiver**" and "**Rights of Mortgagee**" if any of the Covenantors, any agent of any of the Covenantors or any officers or director of any of the Covenantors shall have made any material misrepresentation in any of the Loan Documents.

ATTORNEY

32. As further assurance to the rights and remedies granted by the Mortgagor to the Mortgagee herein, the Mortgagor, as the owner of the Property hereby irrevocably appoints the Mortgagee on its own behalf or any receiver or manager or receiver and manager appointed by the Mortgagee attorney on behalf of the Mortgagor to sell, lease, mortgage, transfer or convey the Property in accordance with the provisions of this Mortgage and to execute all instruments, and do all acts, matters and things that may be necessary for carrying out the powers hereby given and for the recovery of all Rents and Lease Benefits and sums of money that may become or are now due or owing to the Mortgagor in respect of the Property, and for the enforcement of all contracts, covenants or conditions binding on any lessee or occupier of the Property or on any other Person in respect of it, and for the taking and maintaining possession of the Property, and for protecting it from waste, damage, or trespass, in all cases only following an Event of Default which is continuing. Such power of attorney is coupled with an interest.

JUDGMENT

33. The taking of a judgment on any of the covenants or agreements herein contained shall not operate as a merger thereof or affect the Mortgagee's rights to interest to the Maturity Date at the Interest Rate and at the times herein provided. Further, any and all such judgments shall provide for interest thereon to be computed at the Interest Rate and in the same manner as herein provided to the Maturity Date shall have been fully paid and satisfied and, without limiting the generality of the foregoing, the Mortgagee shall be entitled to receive interest at the Interest Rate to the Maturity Date on all moneys payable to the Mortgagee under this Mortgage, after any judgment has been rendered with respect to this Mortgage.

EXPENSES

34. All expenses, fees, charges or payments incurred, expended or paid by the Mortgagee, acting reasonably and without duplication, (whether with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise) with respect to the following matters:
- (a) all reasonable solicitors', inspectors', valuers' and surveyors' fees and expenses for drawing and registering this Mortgage and for examining the Property and the title thereto, and for making or maintaining this Mortgage a good and valid charge and mortgage (subject only to the Prior Permitted Encumbrances);
 - (b) all sums which the Mortgagee may advance for insurance premiums, Taxes, or rates;
 - (c) any unpaid amount due to the Mortgagee for the Lender's Fee , and, if applicable, the Extension Fee, the Regulatory Fees, and the Administration Fee;
 - (d) all sums which the Mortgagee may expend in payment of prior liens, charges, encumbrances or claims charged or to be charged against the Property or on this Mortgage or against the Mortgagee in respect of this Mortgage;
 - (e) all sums which the Mortgagee may expend in maintaining, repairing, restoring or completing the construction on the Property pursuant to the terms of this Mortgage;
 - (f) the cost of inspecting, leasing, managing or improving the Property, including the price or value of any goods of any sort or description supplied for use on the Property pursuant to the terms of this Mortgage;
 - (g) all sums paid to a receiver of the Property;
 - (h) the cost of exercising or enforcing or attempting to exercise or enforce any right, power, remedy or purpose hereunder provided or implied, and including an allowance for the time, work and expenses of the Mortgagee or any agent or employee of the Mortgagee, for any purpose provided for herein; and
 - (i) the Mortgagee's reasonable solicitors' costs as between solicitor and his own client incurred or paid by the Mortgagee as a result of any Event of Default, or of endeavouring to collect (with or without suit) any money payable hereunder, or of taking, recovering or keeping possession of the Property, and generally in any other proceedings, matter or thing taken or done to protect or realize this security or any other security for payment of the Loan Indebtedness and performance of the Loan Obligations;

together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

COVENANTS AND REPRESENTATIONS

35. The Mortgagor:
- (a) further represents and warrants to the Mortgagee that:
 - (i) the Mortgagor:
 - (A) is a corporation incorporated formed and existing under the laws of its jurisdiction of incorporation;
 - (B) has the legal right and all necessary corporate or other power and authority to own its assets, possess a freehold interest in the Property, and carry on its business in all material respects; and

- (C) is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it conducts business, except where failure to be so qualified, licensed or registered has not and is not reasonably likely to have a Material Adverse Effect;
- (ii) the Mortgagor has all requisite corporate power and authority to enter into and perform its obligations under this Mortgage and the other Loan Documents, and to do all acts and things and execute and deliver all other documents and instruments as are required hereunder and thereunder to be done, observed or performed by it in accordance with the terms hereof and thereof;
- (iii) the execution and delivery by the Mortgagor, and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Mortgage and the other Loan Documents will not conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (A) its articles, by-laws, shareholders' agreements or other organizational documents; as the case may be;
 - (B) any applicable laws;
 - (C) any material contracts, material authorizations or material contractual restriction binding on or affecting it or its assets, including without limitation, the Property; or
 - (D) any material judgment, injunction, determination or award which is binding on it in each such case, except to the extent that such breach has not and is not reasonably likely to have a Material Adverse Effect;
- (iv) the execution and delivery by the Mortgagor of this Mortgage and the other Loan Documents, and the performance by it of its Loan Obligations have been duly authorized by all necessary corporate or other action including, without limitation, the obtaining of all necessary partner, shareholder or other material and relevant consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Authority, or other Person, is or was necessary in connection with the execution, delivery and performance of the Mortgagor's obligations under this Mortgage the other Loan Documents, except where failure to obtain same would not have or be reasonably likely to have a Material Adverse Effect;
- (v) this Mortgage and the other Loan Documents have been duly executed and delivered, as the case may be, by the Mortgagor, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of credit's rights generally), is (or will be immediately upon the execution thereof by such Person) in full force and effect, and the Mortgagor has performed and complied in all material respects with all the terms, provisions, agreements and conditions set forth herein and therein and required to be performed or complied with by the Mortgagor;
- (vi) the Mortgagor is not a non-resident within the meaning of the *Income Tax Act* (Canada);
- (vii) there is not now pending or, to the knowledge of the Mortgagor, threatened in writing, against the Mortgagor, any litigation, action, suit, investigation (to the knowledge of the Mortgagor) or other proceeding by or before any Governmental Authority or before any arbitrator which has had or is reasonably likely to have a Material Adverse Effect;

- (viii) as of the date hereof, the written information heretofore supplied by any of the Covenantors (other than information or reports prepared by third parties) to the Mortgagee is true and accurate in all material respects as at the date thereof;
- (ix) all financial statements delivered to the Mortgagee as of the date hereof pursuant to Section 47 present fairly and in all material respects the financial position of any of the Covenantors as of the date thereof and for the fiscal years or financial quarters, as the case may be, then ended;
- (x) since the later of the date hereof and the date of the most recent financial statements delivered to the Mortgagee, there has been no change regarding the financial condition or operations, of any of the Covenantors as reflected in such financial statements or Personal net worth statements, as applicable which has had or is reasonably likely to have a Material Adverse Effect;
- (xi) there is no Event of Default under this Mortgage, nor has the Mortgagor done or omitted to do anything which constitutes an Event of Default which has not been waived or cured. None of the Covenantors is in default under any agreement, guarantee, indenture or instrument to which it is a party or by which it is bound, the breach of which has had or is reasonably likely to have a Material Adverse Effect;
- (xii) as of the date hereof, there are no outstanding judgments, orders, writs, injunctions or decrees that have not been stayed or of which enforcement has not been suspended, against the Mortgagor or any of its assets, including without limitation the Property, which would reasonably be expected to result in a Material Adverse Effect regarding the financial condition or operations of the Mortgagor;
- (xiii) the Mortgagor is the legal owner of a freehold interest in the Property with good and marketable title thereto, and any other real and personal property of the Mortgagor of any nature which is part of the Property, in each case free and clear of all encumbrances, except Permitted Encumbrances, and no Person has any agreement or right to acquire an interest in the Property except as previously disclosed to the Mortgagee in writing by the Mortgagor or permitted in connection with the Permitted Encumbrances;
- (xiv) the Mortgagor has not received notice of any proposed rezoning of all or any part of the Property which has had or is reasonably likely to have a Material Adverse Effect;
- (xv) the Mortgagor has not received notice of any expropriation of all or any part of the Property;
- (xvi) the Mortgagor has the right to mortgage the Property;
- (xvii) upon the enforcement of its remedies under this Mortgage the Mortgagee shall have quiet possession of the Property, free from all encumbrances, other than Permitted Encumbrances;
- (xviii) the Mortgagor, and the operation of its business and assets, including without limitation, the Property, are in compliance in all material respects with all applicable laws (including any environmental laws), except where any non-compliance is not reasonably likely to have a Material Adverse Effect; and
- (xix) the Mortgagor has filed all tax returns which are required to be filed, other than such tax returns the failure of which to file has had or is reasonably likely to have a Material Adverse Effect, and has paid all Taxes, interest and penalties, if any, which have become due pursuant to such returns or pursuant to any assessment received by it and adequate provision for payment has been made for Taxes not yet due except any such payment of which the concerned party is contesting in good faith by appropriate proceedings and for which appropriate reserves have been provided on its

books and as to which no foreclosure, distraint, seizure, attachment, sale or other similar proceedings have been commenced or the non-payment of which would not reasonable be excepted to result in a Material Adverse Effect regarding the financial condition or operations of the Mortgagor;

- (b) to the extent within the control of the Mortgagor, covenants to cause the forgoing representations and warranties to be true and correct in all material respects until the Loan Indebtedness is repaid in full and the Loan Obligations are fully performed;
- (c) acknowledges and agrees that all representations and warranties of the Mortgagor made in this Mortgage or in any of the other Loan Documents are material, shall survive and shall not merge upon the execution and delivery of this Mortgage and shall continue in full force and effect. The Mortgagee shall be deemed to have relied upon such representations and warranties notwithstanding any investigation made by or on behalf of the Mortgagee at any time;
- (d) shall not, at any time prior to the repayment in full of the Loan Indebtedness and the performance of all of the Loan Obligations:
 - (i) repay any loans (principal or interest) to;
 - (ii) redeem or purchase any shares or units or partnership interests held by or on behalf of;
 - (iii) pay any compensation, fee or other amount to; or
 - (iv) pay any distributions or dividends or return on partnership or shareholder investment to,

in each case, any of the Covenantors or any other shareholder, unitholder or partner of any Covenantor, or any other Person not at arms-length to any of the foregoing, save and except for those development, marketing and/or construction fees specifically approved in writing by the Mortgagee;
- (e) acknowledges and agrees that any third party property manager of the Property and each property management agreement will be subject to the prior written approval of the Mortgagee, acting reasonably; and
- (f) acknowledges and agrees that each new Lease of the Property, including each renewal or extension of an existing Lease (other than any extension or renewal of an existing Lease which is exercised pursuant to, and the terms of which are governed by, such existing Lease), must:
 - (i) be a commercially reasonable arm's length transaction made in the ordinary course of business and in accordance with prudent property management and leasing standards and practices; and
 - (ii) provide for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions.

EXPROPRIATION

36. Subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, the Mortgagor hereby assigns to the Mortgagee, that portion of any proceeds which may become due and payable to the Mortgagor by an expropriating authority upon an expropriation of the Property or the proceeds of any condemnation, eminent domain or like proceeding or the sale in lieu of or in reasonable anticipation thereof of the whole or any part of the Property or any portion thereof, not to exceed the balance outstanding under the Mortgage, provided that the Mortgagee shall permit the Mortgagor to use such portion of any proceeds as reasonably necessary to pay the cost to repair any damage resulting from such expropriation. The Mortgagor shall forward to the Mortgagee, copies of any documentation relating to an expropriation or a proposed expropriation of the Property or any portion thereof, forthwith upon receipt of the said documentation by it and shall execute and deliver any further or additional documentation which the Mortgagee

in its sole discretion deems necessary to effect the above assignment or which is requested by the expropriating authority. Notwithstanding anything to the contrary contained herein, if the Mortgagor or the Mortgagee receives a notice of intention to expropriate in relation to the Property, or any portion thereof, that has had or is reasonably likely to have a Material Adverse Effect, at the option of the Mortgagee, the whole of the outstanding balance secured under this Mortgage at the date of the expropriation, shall immediately become due and payable in like manner and to all intents and purposes as if the time for payment of the said balance had fully come and expired. If any or all of the Property is expropriated, it is agreed that the proceeds from any such expropriation up to the amount outstanding under this Mortgage shall be paid directly to the Mortgagee in priority to the claims of any other party, except such creditors of the Mortgagor and other parties with priority to collect such proceeds pursuant to any Prior Permitted Encumbrances. Service of a copy of this Mortgage on the expropriating authority shall be sufficient authority for the expropriating authority to deliver proceeds to the Mortgagee, in accordance with the terms of the assignment contained herein.

PERMITTED ENCUMBRANCES AND OTHER OBLIGATIONS

37. The Mortgagor hereby covenants to perform and observe and satisfy all the terms, covenants and conditions to be performed and observed by the Mortgagor under the terms of any Prior Permitted Encumbrances and the Leases (hereinafter called the "**Other Obligations**"). It is expressly agreed and understood by the Mortgagor that in the event of default by the Mortgagor under any of the terms of any Other Obligations, beyond any applicable notice or cure periods, then at the option of the Mortgagee an Event of Default shall have occurred hereunder. The Mortgagee may at its option make any payment or cure any default under the any Prior Permitted Encumbrance and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

SEVERABILITY

38. In the event any Section or part thereof or any Section or part thereof is invalid and not enforceable for any reason, then such Section or part thereof or such Section or part thereof shall be severable from this Mortgage and not affect the validity or enforceability of any other part of this Mortgage.

SUCCESSORS AND ASSIGNS

39. When the context makes it possible, the word "**Mortgagee**" wherever it occurs in this Mortgage, shall include the successors and assigns of the Mortgagee, and the word "**Mortgagor**" shall include heirs, executors, administrators, successors and permitted assigns of the Mortgagor; and that words in the singular include the plural, and that words in plural include the singular, and words importing the masculine gender include the feminine; and that if there is more than one entity comprising the Mortgagor all covenants herein contained and implied are to be construed as joint and several; and that heirs, executors, administrators, successors and assigns of any party executing this Mortgage are jointly and severally bound by the covenants, provisos and agreements herein contained or implied. The Documents, including without limitation this Mortgage, together with the Loan Indebtedness and the Loan Obligations may be assigned or participated by the Mortgagee (and its successors and assigns), in whole or in part, without the consent of the Mortgagor.

DISCHARGE

40. The Mortgagee shall upon payment and performance of all indebtedness and obligations secured hereby in full deliver an executed discharge of this Mortgage; it being agreed that the Mortgagor's solicitor shall be responsible for preparing the mortgage discharge document for review by the Mortgagee and its counsel at least seven (7) days prior to payment, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all reasonable legal and other expenses and Taxes thereon, if any, for the preparation and execution of such discharge shall be borne

by the Mortgagor. For greater certainty, the Mortgagor acknowledges and agrees that payment and performance of all indebtedness and obligations secured by the Prior Ranking Charge (or any replacement prior ranking mortgage(s)/charge(s) in favour of the Mortgagee) shall not be cause for a discharge of this Mortgage (other than the partial discharges specifically set out in Section 21), with this Mortgage only to be discharged upon payment and performance of all indebtedness and obligations secured hereby in full.

LAW

41. This Mortgage is made pursuant to the *Land Titles Act* (Ontario) and any amendments thereto.

COMMITMENT LETTER

42. The parties agree that the accepted terms and conditions of the Commitment Letter, shall survive the initial advance of monies by the Mortgagee to the Mortgagor as contemplated hereunder and continue to be in full force and effect after said initial advance. In the event there is a direct conflict between the terms and conditions of this Mortgage and the Commitment Letter, then the Commitment Letter shall prevail to the extent necessary to resolve the conflict. In the event there is a direct conflict between the terms and conditions of this Mortgage and any other Loan Document (other than the Commitment Letter), the terms and conditions of this Mortgage shall prevail to the extent necessary to resolve the conflict.

HAZARDOUS MATERIALS

43. The Mortgagor,
- (a) has not nor, to the best knowledge of the Mortgagor, has any other Person ever caused or permitted any hazardous materials to be placed, held, located or disposed of on, under or at the Property and that its business and assets are operated in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and that no enforcement actions in respect thereof are threatened or pending.
 - (b) covenants and agrees that it will at all times during the continuance of this Mortgage, operate the Property in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and shall, subject to the rights of tenants under the Leases, permit the Mortgagee to conduct inspections and appraisals of all or any of its records, business and assets at any time or from time to time upon reasonable prior notice to ensure such compliance.
 - (c) in addition to the representations and warranties contained in Section 35, hereby represents, warrants and agrees that,
 - (i) to the best of the knowledge of the Mortgagor, the condition and use of the Property is, and will continue to be in compliance with all applicable environmental laws and standards; all necessary licenses and permits relating to the release of contaminants, production of dangerous materials and carrying on of hazardous activities have been obtained and are being complied with; there are no outstanding orders against the Mortgagor from any Governmental Authority responsible for protecting the environment;
 - (ii) to the best of the knowledge of the Mortgagor, the Property is not being subjected to environmental damage or contamination and to the best of the Mortgagor's knowledge, the Property incurred no such damage or contamination prior to the Mortgagor's control;
 - (iii) the Mortgagor will use commercially reasonable efforts to use the Property and conduct its business thereon so as not to cause environmental damage and that the use of the Property will not change without the Mortgagee's approval, acting reasonably;

- (iv) to the best of the knowledge of the Mortgagor, the terms of any past credit arrangement have not been altered, cancelled or not renewed due to environmental risk considerations;
- (v) all legally required remedial action will be taken with respect to violations of environmental laws, and spills or other contaminations;
- (vi) the Mortgagor will give notice to the Mortgagee of any contamination of which the Mortgagor has or acquires knowledge of, or any pending or threatened government enforcement action or civil suit arising out of alleged environmental damage of which the Mortgagor has or acquires knowledge of;
- (vii) in accordance with Section 12 above, the Mortgagor will permit the Mortgagee and its agents to enter onto the Property at any time to conduct an environmental inspection and to permit the Mortgagee to take such action as it deems reasonably necessary to remedy any environmental damage or breach of law which the Mortgagor fails to take, subject to the rights of tenants under the Leases;
- (viii) the Mortgagor will provide copies of its own internal/external environmental audits to the Mortgagee upon request;
- (ix) subject to the terms of the existing Leases, the Mortgagor will use commercially reasonable efforts to cause any other occupants or Persons in control of the Property to comply with the foregoing covenants;
- (x) the Mortgagor will defend and indemnify the Mortgagee, its directors, officers, employees and agents against all costs, etc., arising out of any environmental damage caused by the Mortgagor's activities or by contamination of or from the Property (unless caused by the Mortgagee or those for whom in law it is responsible); and
- (xi) if the Mortgagor fails to perform any of the foregoing covenants beyond any applicable notice or cure periods, the Mortgagee may do so and any money expended by the Mortgagee shall be paid by the Mortgagor out of any funds coming into the Mortgagee's possession in priority to the Loan.

DUE ON SALE

44. The Loan Indebtedness shall, at the election of the Mortgagee, immediately become due and payable in full without notice by nor demand from the Mortgagee if the Property or any part thereof or interest therein is, without the prior consent in writing of the Mortgagee sold, transferred, conveyed, foreclosed, exchanged, assigned, mortgaged, or otherwise disposed of, or if the Mortgagor enters into an agreement to effect any of the foregoing whether by registered or unregistered instrument and whether for valuable or nominal consideration (and if the Mortgagor is a corporation, any change in Control of the Mortgagor or any other Covenantor shall constitute a default under this Section 44), in all cases except as specifically permitted in this Mortgage or in the Commitment Letter; provided however that nothing herein shall be construed as permitting the Mortgagor to prepay this Mortgage in whole or in part except in accordance with Section 8 hereof; and provided further that the acceptance by the Mortgagee of any instalment payment or other payment under this Mortgage from any entity other than the Mortgagor shall not constitute a waiver by the Mortgagee of its rights under this Section 44, nor a consent by the Mortgagee of any such sale or disposal of the Property as above described.

SUBSEQUENT FINANCING

45. The Loan Indebtedness shall, at the election of the Mortgagee, become due and payable in full if the Property or any part thereof or interest therein is, without the prior consent in writing of the Mortgagee acting reasonably, mortgaged or similarly charged, except as may be specifically permitted in this Mortgage, the Commitment Letter or under a Permitted Encumbrance; provided however that nothing herein shall be construed as permitting the Mortgagor to repay this Mortgage in whole or in part except in accordance with Section 8 hereof.

PROHIBITED BUSINESSES

46. The Mortgagor agrees not to operate, nor allow any tenant to operate a business on the Property that:
- (a) is sexually exploitive or that is inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services; or
 - (b) are engaged in or associated with illegal activities.

FINANCIAL STATEMENTS AND REPORTS

47. The Mortgagor shall deliver or cause to be delivered the following documentation to the Mortgagee:
- (a) any and all insurance certificate renewals and/or amendments within ten (10) business days of the issuance thereof. In the event of any change to the insurance held by the Mortgagor, the Mortgagee may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Mortgagor's expense;
 - (b) property tax statements supported by proof of payment on an annual basis or as otherwise requested by the Mortgagee from time to time;
 - (c) each year, or more often if requested by the Mortgagee, within one hundred twenty (120) days of the Mortgagor's fiscal year end, accountant prepared financial statements of the Mortgagor and of any corporate Covenantor, 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, in the case of any personal Covenantor, certified and current-dated net worth statements in lieu of financial statements with supporting documentation of asset values;
 - (d) at the request of the Mortgagee from time to time any other relevant updates regarding the Property.

BENEFIT OF EASEMENTS

48. As additional security for the indebtedness and other obligations secured hereunder and interest thereon and the due performance of the Mortgagor's obligations hereunder and under any collateral security the Mortgagor hereby assigns, transfers, mortgages, charges and sets over to and in favour of the Mortgagee as and by way of a specific assignment, mortgage and charge all of the right, title and interest of the Mortgagor in and with respect to any and all easements, restrictive covenants, rights of way, party wall agreements and encroachment agreements benefiting the Property (the "**Title Agreements**") and all of the benefit, power and advantage of the Mortgagor to be derived therefrom (including without limitation the benefit of any positive covenants) and otherwise to enforce the rights of the Mortgagor under the Title Agreements in the name of the Mortgagor. Nothing herein contained shall render the Mortgagee liable to any Person for the fulfilment or non-fulfilment of the obligations covered in any of the Title Agreements, including, but not limited to, the payment of any moneys thereunder or in respect thereto and the Mortgagor hereby indemnifies and agrees to save and hold harmless the Mortgagee from and against any and all claims, demands, actions, causes of action, losses, suits, damages and costs whatsoever arising directly or indirectly from or out of any of the Title Agreements. The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor shall not surrender, alter, amend or modify any of the Title Agreements or any of the terms or conditions thereof except with the prior written consent of the Mortgagee or as required to complete the project, if applicable, as determined by the Mortgagor, acting as a prudent owner.

INDEMNITY

49. The Mortgagor shall indemnify and save harmless the Mortgagee 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

in connection with any breach or default by the Mortgagor under this Mortgage and any of the other Loan Documents.

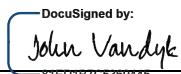
GENERAL


50. This Mortgage shall be construed in accordance with and governed under the laws of the Province of Ontario and the federal laws of Canada applicable therein.
51. The Mortgagor agrees with the Mortgagee as follows:
 - (a) to comply with the terms and conditions of this Mortgage and the other Loan Documents at all times;
 - (b) to maintain the Property in a sound state of repair at all times as would other prudent owners of similar property;
 - (c) to allow the Mortgagee and its appointees to have access to the property at all reasonable times upon reasonable prior notice, subject to the rights of tenants at the Property; and
 - (d) at the Mortgagee's request, acting reasonably, to promptly deliver or cause to be delivered to the Mortgagee promptly such information about the financial condition and operation with respect to the Property as the Mortgagee may request from time to time.
52. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Commitment Letter.
53. This Mortgage may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this Mortgage to produce or account for more than one such counterpart. Transmission of executed or electronically executed copies of this Mortgage whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.
54. Notwithstanding anything in this Mortgage, in dealing with enforcing and realizing on this Mortgage, the Mortgagee shall not claim hereunder any greater amount in the aggregate than the amounts advanced by the Mortgagee that remain unpaid, together with all accrued and unpaid interest, and any other amounts unpaid hereunder.

-- signatures follow on next page --

IN WITNESS WHEREOF the Mortgagor has duly executed this Mortgage this 28th day
of July, 2023.

**VANDYK – LAKEVIEW-DXE-WEST
LIMITED**

Per: 
Name: _____
Title: _____

Per: 
Name: _____
Title: _____

I/We have authority to bind the Corporation

SCHEDULE "A"
DESCRIPTION OF THE LANDS

PIN 13482-0071 (LT)

LTS 1, 2, 3, 22, 23 & 24, PL H23; EXCEPT PT 1 43R16245 & PT 1 43R21276 ; MISSISSAUGA

Properties

<i>PIN</i>	13214 - 0871	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 1, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0872	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 2, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0873	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 3, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0874	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 4, PLAN 43M2113; SUBJECT TO AN EASEMENT IN GROSS OVER PART 4, 43R40043 AS IN PR3908805; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0875	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 5, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0876	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 6, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0877	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 7, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0878	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 8, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0879	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 9, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0880	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 10, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0881	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 11, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0882	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 12, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0883	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 13, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0884	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 14, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0885	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 15, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0886	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 16, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0887	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 17, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0888	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 18, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			

Properties

<i>PIN</i>	13214 - 0889	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 19, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0891	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 21, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0892	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 22, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0893	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 23, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0894	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 24, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0895	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 25, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0896	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 26, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0897	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 27, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0898	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 28, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0899	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 29, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0900	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 30, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0901	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 31, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0902	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 32, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0903	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 33, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0904	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 34, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0905	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 35, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0906	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 36, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0907	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 37, PLAN 43M2113; CITY OF MISSISSAUGA			
<i>Address</i>	MISSISSAUGA			
<i>PIN</i>	13214 - 0908	LT	<i>Interest/Estate</i>	Fee Simple

Properties

Description LOT 38, PLAN 43M2113; CITY OF MISSISSAUGA
Address MISSISSAUGA
PIN 13214 - 0909 LT *Interest/Estate* Fee Simple
Description LOT 39, PLAN 43M2113; CITY OF MISSISSAUGA
Address MISSISSAUGA
PIN 13214 - 0911 LT *Interest/Estate* Fee Simple
Description LOT 41, PLAN 43M2113; CITY OF MISSISSAUGA
Address MISSISSAUGA

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 VANDYK - THE RAVINE LIMITED
Address for Service 1944 Fowler Drive
 Mississauga, Ontario L5K 0A1

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

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

Chargee(s)*Capacity**Share*

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

Statements

Schedule: See Schedules

Provisions

Principal \$68,750,000.00 *Currency* CDN
Calculation Period See Schedule
Balance Due Date See Schedule
Interest Rate See Schedule
Payments
Interest Adjustment Date
Payment Date See Schedule
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full insurable value
Guarantor

Signed By

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2022 06 16
 Toronto
 M5X 1A4 Chargor(s)

Tel 416-863-1200

Fax 416-863-1716

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

Submitted By

BENNETT JONES LLP 3400-1 First Canadian Place 2022 06 16
 Toronto
 M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Chargee Client File Number : 59445.93 (JVG/MOG/MW/NA)

MORTGAGE

VANDYK – THE RAVINE LIMITED having an office at 1944 Fowler Drive, Mississauga, Ontario L5K 0A1 (hereinafter referred to as the "**Mortgagor**") being registered as owner of an estate in fee simple in possession of the Property;

IN CONSIDERATION of the sum of \$68,750,000.00 of lawful money of Canada, (the "**Principal Amount**"), or any portion thereof, lent to the Mortgagor by **KINGSETT MORTGAGE CORPORATION**, having an office at Scotia Plaza, 40 King Street West, Suite 3700, Toronto, Ontario M5H 3Y2 (hereinafter referred to as the "**Mortgagee**"), the Mortgagor **HEREBY COVENANTS WITH** the Mortgagee as follows:

DEFINITIONS

1. The terms defined below shall have the indicated meanings unless the context expressly or by necessary implication requires otherwise:
 - (a) "**Assessments**" has the meaning ascribed thereto in Section 12(b);
 - (b) "**Borrower**" means, collectively, Vandyk-Uptowns Limited and 2366885 Ontario Inc.;
 - (c) "**Commitment Letter**" means the commitment letter dated as of May 6, 2022 between, *inter alios*, the Borrower and the Servicer, as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time;
 - (d) "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise;
 - (e) "**Covenantors**" means, collectively, the Mortgagor or any joint debtor or any obligor to the Mortgagee in connection with repayment of the Loan Indebtedness or the performance of the Loan Obligations;
 - (f) "**Event of Default**" has the meaning ascribed thereto in Section 29;
 - (g) "**Extension Fee**" means a fee of 0.30% of the then outstanding Loan Indebtedness;
 - (h) "**Final Discharge Fee**" has the meaning ascribed thereto in Section 22;
 - (i) "**Governmental Authority**" means the government of Canada or any other nation, or of any political subdivision thereof, whether state/provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency;
 - (j) "**Hazardous Substance**" means any radioactive materials, asbestos materials, urea formaldehyde, underground or aboveground tanks, pollutants, contaminants, liquid waste, industrial waste, hauled liquid waste, deleterious substances, corrosive or toxic substances, hazardous wastes, hazardous materials, hazardous substances, special waste or waste of any kind or any other substance, the storage, manufacture, disposal, treatment, generation, use, transport, remediation or release into the environment of which is now or hereafter prohibited, controlled or regulated under any applicable environmental law;
 - (k) "**Heart Lake Lands**" means the properties municipally known as 10302 and 10194 Heart Lake Road, Brampton, Ontario;
 - (l) "**Heart Lake Project**" means:
 - (i) the development of 342 stacked townhouses with a total 379,842 square feet of gross floor area located at 10302 Heart Lake Road, Brampton, Ontario, and all landscaping, all plants, machinery, improvements and equipment

and all other property whether free-standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto ("**Uptowns**"); and

- (ii) a development site approved for 200 townhouses located at 10194 Heart Lake Road, Brampton, Ontario, and all landscaping, all plants, machinery, improvements and equipment and all other property whether free-standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto ("**Jordan**");
- (m) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (n) "**Interest Adjustment Date**" means the first day of the calendar month following the calendar month in which the initial advance of all or any portion of the Loan Indebtedness is made, unless such initial advance takes place on the first day of a calendar month, in which case the interest adjustment date shall be the date of such initial advance;
- (o) "**Interest Rate**" means the greater of: (i) the RBC Prime Rate plus 7.95% per annum; and (ii) 11.15% per annum, calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement with respect to the Loan Indebtedness;
- (p) "**Lands**" means those lands and premises more particularly described in Schedule "A" attached hereto;
- (q) "**Lease Benefits**" means, collectively, the benefit of all covenants and obligations of lessees, tenants, licensees, or occupants as well as all other rights, privileges, advantages and benefits contained in any of the Leases, including without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the Mortgagor's rights under any Lease, and generally any collateral advantage or benefit to be derived from the Leases or any of them;
- (r) "**Leases**" means, collectively, all present and future leases, subleases, licenses, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Mortgagor or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Property, and including all agreements collateral thereto;
- (s) "**Lien**" means, collectively, any: (i) lien, charge, mortgage, pledge, security interest or conditional sale agreement; (ii) assignment, lease, consignment, trust or deemed trust that secures payment or performance of an obligation; (iii) garnishment; (iv) other encumbrance of any kind; and (v) any commitment or agreement to enter into or grant any of the foregoing;
- (t) "**Loan Documents**" means, collectively, the Commitment Letter, this Mortgage, the Security Documents and all certificates, instruments, agreements and other documents delivered, or to be delivered, to the Mortgagee under, pursuant to or in connection with this Mortgage or any of the other Loan Documents, each as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time and, when used in relation to any Person, the term "**Loan Documents**" means the Loan Documents executed and delivered by such Person;
- (u) "**Loan Indebtedness**" means any Indebtedness from time to time of the Mortgagor or any of the other Covenantors to the Mortgagee arising under any of the Loan Documents;
- (v) "**Loan Obligations**" means the obligations from time to time of the Mortgagor or any of the other Covenantors arising under the Loan Documents;

- (w) **"Material Adverse Effect"** means a material adverse effect on:
- (i) the Property or the economic viability thereof;
 - (ii) the business, operations, property or financial condition of any of the Covenantors which would materially impact the ability of the Covenantors, taken as a whole, to repay the Loan Indebtedness and to perform and discharge the Loan Obligations;
 - (iii) the validity or enforceability of this Mortgage or any of the other Loan Documents; or
 - (iv) the Mortgagee's ability to enforce its rights or remedies under this Mortgage or any of the other Loan Documents, including with respect to the Mortgagee's security position;
- (x) **"Maturity Date"** means twenty-four (24) months after the Interest Adjustment Date as may be extended in accordance with the Commitment Letter;
- (y) **"Maximum Loan Amount"** means, notwithstanding the Principal Amount, the amount of \$55,000,000.00;
- (z) **"Mortgaged Premises"** means every building, structure, improvement and fixture (including those more fully set out in Section 18 hereof), including replacements therefor, on or which may hereafter be erected or placed on the Lands, including all plate glass, plant, equipment, apparatus and machinery of every kind now or hereafter located therein, thereon or used in connection therewith, and all personal property including, contents thereof to the extent that they are the property of the Mortgagor;
- (aa) **"Mortgagee"** means KingSett Mortgage Corporation;
- (bb) **"Mortgagor"** means Vandyk – The Ravine Limited;
- (cc) **"Other Obligations"** has the meaning ascribed thereto in Section 38;
- (dd) **"Partial Discharge Fee"** has the meaning ascribed thereto in Section 22;
- (ee) **"Permitted Encumbrances"** mean, collectively:
- (i) any Lien in respect of any property or assets of the Mortgagor created by or arising pursuant to any applicable legislation in favour of any Person (such as but not limited to a Governmental Authority), including a Lien for the purpose of securing the Mortgagor's obligation to deduct and remit employee source deductions and goods and services tax pursuant to the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan* (Canada), the *Employment Insurance Act* (Canada) and any legislation in any jurisdiction similar to or enacted in replacement of the foregoing from time to time (each individually a "**Statutory Lien**") in respect of any amount which is not at the time due;
 - (ii) any Statutory Lien in respect of any amount which may be due but the validity of which is being contested in good faith and in respect of which reserves have been established as reasonably required by the Mortgagee;
 - (iii) in respect of the Property: (A) any registered agreement (or unregistered agreement that is required in connection with the further development of the Property) with any Governmental Authority and any public utilities or private suppliers of services, including site plan agreements, subdivision agreements, development agreements, engineering, grading or landscaping agreements and similar agreements, which has not and is not reasonably likely to have a Material Adverse Effect, provided the same is complied with in all material respects; (B) any registered easement for the supply of utilities or telephone services to the Property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services and all licences, easements, rights-of-way, rights in the

nature of easements and agreements with respect thereto not registered on title to the Property, including agreements, easements, licences, rights-of-way and interests in the nature of easements for sidewalks, public ways, sewers, drains, utilities, gas, steam and water mains or electric light and power, or telephone telegraphic conduits, poles, wires and cables, which has not and is not reasonably likely to have a Material Adverse Effect; (C) any registered easement or right-of-way for the passage, ingress and egress of Persons and vehicles over parts of the Lands, which has not and is not reasonably likely to have a Material Adverse Effect; (D) any registered or unregistered easement, rights-of-way, agreement or other unregistered interest or claims not disclosed by registered title which has not and is not reasonably likely to have a Material Adverse Effect; (E) any zoning, land use and building restriction, bylaw, regulation and ordinance of any Governmental Authority, including municipal by-laws and regulations and airport zoning regulations, which has not any is not reasonably likely to have a Material Adverse Effect; (F) any obligation with respect to any permit required in connection with the construction and use of the Property provided such permit is in good standing and has not and is not reasonably likely to have a Material Adverse Effect; and (G) any minor defect in title which has not and is not reasonably likely to have a Material Adverse Effect;

- (iv) any reservation, limitation, proviso, condition, restriction and exception (including royalties, reservation of mines, mineral rights, access to navigable waters and similar rights) expressed in the letters patent or grant from the Crown, as varied by statute, of the lands of which the Lands form a part and any statutory limitation, exception, reservation and qualification, provided same has been complied with in all material respects;
- (v) any Lien incurred or deposit made or pledged to secure any obligation under workers' compensation legislation or similar legislation, or in connection with contracts, bids, tenders or expropriation proceedings, or surety, performance or appeal bonds in connection with construction of the further development of the Property;
- (vi) security given to a public utility or any Governmental Authority to secure obligations incurred to such utility, Governmental Authority or other authority in the ordinary course of business and not at the time overdue;
- (vii) any inchoate Lien (statutory or otherwise) arising in connection with the construction or improvement of the Property or arising out of the furnishing of materials or supplies therefor, provided that such Lien secures moneys not at the time overdue (or if overdue, the validity of which is being contested in good faith and in respect of which and reserves have been established as reasonably required by the Mortgagee), notice of such Lien has not been given to the Mortgagee and such Lien has not been registered against title to the Property;
- (viii) purchase-money security interests incurred or assumed in connection with the purchase, leasing or acquisition of capital equipment in the ordinary course of business, provided that the aggregate amount of the Mortgagor's liability thereunder is not at any time greater than one million (\$1,000,000.00) dollars;
- (ix) any present and future lease, offer to lease, sublease, concession, licence or other contract or agreement by which the use, enjoyment or occupancy of the Property or any portion thereof is granted which has not and is not reasonably likely to have a Material Adverse Effect;
- (x) this Mortgage and the other Security Documents;
- (xi) the Prior Permitted Encumbrances; and
- (xii) any Subsequent Encumbrances with the express prior written consent of the Mortgagee in its sole, absolute and unfettered discretion;

- (ff) "**Person**" means, and includes, natural persons, corporations, limited liability companies, limited partnerships, limited liability partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and governments and agencies and political subdivisions thereof and their respective permitted successors and assigns (or in the case of a governmental person, the successor functional equivalent of such Person);
- (gg) "**Principal Amount**" has the meaning ascribed thereto in the preamble to this Mortgage;
- (hh) "**Prior Permitted Encumbrances**" means those encumbrances registered against title to the Property in priority to this Mortgage on the date of the registration of this Mortgage against title to the Lands and which the Mortgagee has agreed to accept in its sole, absolute and unfettered discretion, including for greater certainty, a first mortgage, in an amount not to exceed \$25,000,000.00 provided by the Mortgagee on terms and conditions acceptable to the Mortgagee (the "**First Mortgage**") and a second mortgage, in an amount not to exceed \$37,000,000.00 provided by the Mortgagee on terms and conditions acceptable to the Mortgagee (the "**Second Mortgage**");
- (ii) "**Project**" means development of an infill serviced lot development site approved for 39 detached units and 6 semi-detached units located at the Lands;
- (jj) "**Property**" means, collectively, the Lands and the Mortgaged Premises;
- (kk) "**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;
- (ll) "**Rents**" means, collectively, all rents, issues and profits now due or to become due under or derived from the Leases and/or the Property;
- (mm) "**Royal York Lands**" means the property municipally known as 327 Royal York, Etobicoke, Ontario;
- (nn) "**Royal York Project**" means the mixed-use land site to be developed with a two-tower project comprised of 692 residential condominium units, approximately 5,726 square feet of ground floor retail, approximately 75,000 square feet of office space, and approximately 16,416 square feet of Metrolinx station spaced located at the Royal York Lands;
- (oo) "**Security Documents**" means, collectively, the Loan Documents creating Liens on the undertaking, property and assets of the Covenantors in favour of the Mortgagee, and all other instruments, agreements and documents which have been or may hereafter from time to time be executed in connection therewith, in each case as the same may be hereafter amended, modified, supplemented or restated in accordance with the terms thereof;
- (pp) "**Servicer**" means Dorr Capital Corporation;
- (qq) "**Statutory Lien**" has the meaning ascribed thereto in Section 1(ee)(i);
- (rr) "**Subsequent Encumbrances**" means, collectively, encumbrances registered against title to the Lands subsequent in priority to this Mortgage with the prior consent of the Mortgagee, which consent shall be granted in the Mortgagee's sole, absolute and unfettered discretion;
- (ss) "**Taxes**" means all present or future taxes, rates, liens, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto; and

(tt) **"Title Agreements"** has the meaning ascribed thereto in Section 49;

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise: (i) any definition of or reference to any agreement, instrument or other document herein (including this Mortgage) shall be construed as referring to such agreement, instrument or other document amended, varied, supplemented, restated, renewed or replaced at any time and from time to time (subject to any restrictions on such amendments, variations, supplements, restatements, renewals or replacements set forth herein); (ii) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns; (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Mortgage in its entirety and not to any particular provision hereof; (iv) unless otherwise expressly stated, all references in this Mortgage to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Mortgage, and references to a Section, means such Section or an enumerated sub-Section thereof, as applicable; (v) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time; and (vii) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

PROMISE TO PAY AND FULFIL OBLIGATIONS

2. The Mortgagor will pay or cause to be paid to the Mortgagee, on demand, in lawful money of Canada the full amount of the Loan Indebtedness in the manner of payment provided by this Mortgage before as well as after maturity, both before and after default, and both before and after judgment on this Mortgage, without any deduction or abatement, and shall do, observe, perform, fulfil and keep all of the Loan Obligations.

PAYMENTS

3. The Loan Indebtedness shall be repaid as follows:
- (a) interest on the Loan Indebtedness advanced and remaining unpaid from time to time at the fixed rate per annum equal at all times to the Interest Rate, calculated daily not in advance, before as well as after maturity, default and judgment, on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and compounded monthly not in advance and computed from and including the respective dates of such advances;
 - (b) subject to Section 3(d)(iii), interest, at the Interest Rate, shall become due and be paid on the Interest Adjustment Date and thereafter in monthly instalments on the first business day of the month which is one month after the Interest Adjustment Date and continuing on the first business day of each and every month which is one month after the date of each such payment, and in addition, at the option of the Mortgagee, may be deducted from advances of moneys under this Mortgage, and the balance, if any, of the aforesaid interest on advances shall become due and be paid at the same time as is hereinafter provided for payment in full of the Loan Indebtedness;
 - (c) the Loan Indebtedness shall become due and be paid in full on the earlier of:
 - (i) the Mortgagee demanding repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time; and
 - (ii) the Maturity Date;
 - (d) it is acknowledged and agreed that:

- (i) notwithstanding the Principal Amount, the maximum amount to be advanced by the Mortgagee from time to time in respect of the Loan Indebtedness shall not exceed the Maximum Loan Amount;
- (ii) an initial and subsequent advances of Loan Indebtedness representing advances from time to time of the Loan may be made by the Mortgagee, subject to and in accordance with the Commitment Letter and the conditions precedent and other provisions set out therein;
- (iii) beginning on the Interest Adjustment Date, the amount of monthly interest, up to a maximum of \$230,000.00 per month, at the Interest Rate, shall, provided no Event of Default has occurred hereunder which is continuing, be capitalized monthly to the Loan Indebtedness advanced hereunder until the earlier of:
 - A. such capitalized interest, at the Interest Rate, reaching in the aggregate the amount of \$5,500,000.00;
 - B. the sum of such capitalized interest and all other amounts advanced hereunder reaching, in the aggregate, the Maximum Loan Amount;
 - C. repayment of all amounts outstanding hereunder;
 - D. any Event of Default or a default by any of the Covenantors under any of the Loan Documents; and
- (e) in the event that amounts are no longer available in accordance with the provisions of Section 3(d)(iii), any additional interest payments shall not be capitalized and shall be required to be paid by the Mortgagor from sources other than subsequent advances of moneys under this Mortgage.

CHARGE

4. **THE MORTGAGOR HEREBY** grants, mortgages and charges to and in favour of the Mortgagee all right, title and interest of the Mortgagor in and to the Property as security for the payment of the Loan Indebtedness and performance of the Loan Obligations by the Borrower arising pursuant to the guarantee dated as of the date hereof granted by, *inter alios*, the Mortgagor to and in favour of the Mortgagee.

COMPOUND INTEREST

5. It is hereby agreed that in case default shall be made in payment of any sum to become due for interest, at the Interest Rate, at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, before as well as after maturity, shall bear interest, at the Interest Rate, and in case the interest and compound interest are not paid within the next thirty (30) days, compound interest, at the Interest Rate, shall be payable on the aggregate amount then due of outstanding interest and compound interest, before as well as after maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Property.

INTEREST RATE

6. Notwithstanding the provisions hereof in no event shall the aggregate "**interest**" (as that term is defined in Section 347 of the *Criminal Code* (Canada)) exceed the effective annual rate of interest on the "**credit advanced**" (as defined therein) lawfully permitted under that section. The effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles from the date of the initial advance of the Loan Indebtedness until the Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Mortgagee will be conclusive for the purposes of such determination. If any provision of the Mortgage would obligate the Mortgagor to make any payment of interest or other amount payable to the Mortgagee in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Mortgagee of interest at a criminal rate, then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect

to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the Mortgagee of interest at a criminal rate, the adjustment to be effected, to the extent necessary, as follows:

- (a) first, by reducing the amount or rate of interest required to be paid to the Mortgagee under this Mortgage; and
- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Mortgagee which would constitute "**interest**" (as that term is defined in Section 347 of the *Criminal Code* (Canada)).

RENEWALS AND NON-REVOLVING NATURE OF LOAN

7. That:

- (a) in the event that this Mortgage shall be renewed or extended pursuant to Section 7(b) or by written agreement executed by the Mortgagor and the Mortgagee, such renewal or extension (and the rate of interest, term, instalment and other stipulations of such renewal or extension) shall be binding upon Subsequent Encumbrances, the Mortgagor and the Mortgagee, its successors in title and assigns, and all Subsequent Encumbrances, and shall take full priority over all Subsequent Encumbrances, whether or not the said renewal, extension or notice thereof is registered, filed or recorded by caveat at the applicable Land Titles Office and whether or not the rate of interest payable or payment amortization period applicable during the renewal or extension term is greater than or less than the rate or amortization stipulated in this Mortgage. The Mortgagor shall, forthwith on request therefor by the Mortgagee, provide to the Mortgagee, at the Mortgagor's expense, all such postponements and other assurances as the Mortgagee may require to ensure the foregoing binding effect and priority. All renewals (if any) shall be done at the Mortgagor's expense (including without limitation payment of the Mortgagee's reasonable legal expenses on a solicitor and his own client basis). In the event the within Mortgagor is a corporation, no such renewal or extension, even if made by a successor in title to the Mortgagor named herein and whether or not the Mortgagor shall consent thereto, shall in any way release or abrogate or render unenforceable the covenants or obligations of the Mortgagor named herein, which shall continue notwithstanding such renewal or extension and shall apply to this Mortgage as renewed or extended;
- (b) the Mortgagor has the option, subject to the prior consent of the Mortgagee, in its sole, absolute and unfettered discretion, to extend the Maturity Date by up to two (2) extensions with each extension being for a period of three (3) months on the terms and conditions set out in the Commitment Letter, and provided that in connection with each extension option:
 - (i) the Mortgagor pays to the Mortgagee an Extension Fee, which shall be deemed earned by the Mortgagee upon receipt of notice requesting an extension of the Maturity Date, and payable on or before the date which is ten (10) days prior to the Maturity Date, provided that if such extension is not granted by the Mortgagee, the Mortgagee will return such amount to the Mortgagor;
 - (ii) the Mortgagor or any other Covenantor delivering at least sixty (60) days' (but not more than ninety (90) days) written notice prior to the Maturity Date to the Mortgagee requesting each extension; and
 - (iii) no Event of Default has occurred which is continuing;
- (c) other than the extension right set forth in Section 7(b), there are no further rights to renew or extend this Mortgage; and
- (d) no amount that is borrowed or advanced hereunder may, if repaid or prepaid, be reborrowed at any time, it being acknowledged and agreed that this Mortgage creates a non-revolving loan.

PREPAYMENT

8. This Mortgage is closed and may not be prepaid in whole or in part, save and except for each prepayment of net sales proceeds for either the Uptowns portion of the Heart Lake Project or the Project on the terms and conditions set out in the Commitment Letter.

TAXES

9. Subject as hereinafter in this Section 9 provided, the Mortgagor will pay when and as the same fall due all Taxes; provided that in respect of municipal taxes, school taxes, local improvements charges and all taxes and levies made or assessed in lieu of real property taxes, the Mortgagor shall provide the Mortgagee with a paid receipted tax bill within fifteen (15) days after the payment deadline of each such tax bill, and in the event the Mortgagor should default in payment of same and such default continues for more than three (3) business days following written notice to the Mortgagor, the Mortgagee shall have the right to implement any of the following:
- (a) the Mortgagee may deduct from time to time, from advances of moneys under this Mortgage, amounts sufficient to pay the Taxes which have become due and payable or will have become due and payable and are unpaid from time to time as advances are made;
 - (b) the Mortgagor shall in each year during the currency hereof at the request of the Mortgagee pay to the Mortgagee in equal monthly instalments, such amounts as the Mortgagee may estimate as being the annual Taxes next becoming due and payable, the said monthly instalments to be paid in addition to the payments required under Section 2, and the Mortgagor shall also pay to the Mortgagee before the due date of the current annual Taxes such additional sums as may be requisite to enable the Mortgagee to pay out of such monthly instalments and additional payments, the whole amount of the annual Taxes on or before the due date thereof, provided, however, that the exercise of the foregoing right shall be subject to the rights and obligations of the Mortgagor and the Mortgagee under all Permitted Encumbrances;
 - (c) so long as there is not an Event of Default that has occurred and is continuing, the Mortgagee shall apply such deduction and payments on the Taxes as they become due, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of Taxes more often than yearly, nor to pay the same in advance of the due date for payment of the same. Provided however, that if (before any sum or sums so paid to the Mortgagee shall have been so applied) an Event of Default shall have occurred which is continuing, the Mortgagee may, at its option, apply such sum or sums in or towards payment of the Loan Indebtedness;
 - (d) in the event that there is default in the payment by the Mortgagor of moneys for Taxes as aforesaid, then the Mortgagee may pay such Taxes and, in addition, upon providing the Mortgagor with ten (10) days' prior written notice, the Mortgagee may pay any and all liens, charges and encumbrances which may be charged against the Property which are not otherwise first paid by the Mortgagor. All moneys expended by the Mortgagee for any of such purposes together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
 - (e) if the Property or any part thereof becomes subject to sale or forfeiture for non-payment of Taxes while any Loan Indebtedness remains outstanding, then, subject to all applicable laws, the Mortgagee may acquire title and rights of the purchaser at any sale, or the rights of any other Person or corporation becoming entitled on or under any such forfeiture, or the Mortgagee may pay, either in its own name or in the Mortgagor's name or on the Mortgagor's behalf, any and all sums necessary to be paid to redeem the Property so sold or forfeited, and to re-vest the Property in the Mortgagor, and the Mortgagor hereby nominates and appoints the Mortgagee agent of the Mortgagor to pay such moneys on the Mortgagor's behalf and in the Mortgagor's name, and any moneys so expended by the Mortgagee together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby

secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default, or, in the alternative, the Mortgagee shall have the right to bid on and purchase the Property at any tax sale of the same and shall thereupon become the absolute owner thereof; and

- (f) the Mortgagor shall transmit to the Mortgagee evidence, satisfactory to the Mortgagee acting reasonably, of the payment of all Taxes affecting the Property to the Mortgagee at least quarterly or as otherwise reasonably requested by the Mortgagee from time to time, and the Mortgagor authorizes the Mortgagee to obtain any tax or assessment information concerning the Property directly from the municipal taxing authority having jurisdiction over the Property.

INSURANCE

10. That:

- (a) the Mortgagor will, at the Mortgagor's expense, forthwith insure or cause to be insured, and during the continuance of this security keep insured in favour of the Mortgagee, the Property on an all risks basis, or as otherwise allowed by the Mortgagee, including coverage for course of construction, earthquake, flood and such other risks or perils as the Mortgagee may require or consider expedient and satisfactory to the Mortgagee, acting reasonably, including and pursuant to the following coverages, provisions and conditions:
- (i) the Mortgagee must be shown as a named insured, or an additional named insured, and mortgagee and loss payee as the Mortgagee's interest may appear;
 - (ii) the limit of insurance shall not be less than one hundred (100%) percent of new replacement cost including recurring soft costs and costs of foundations and all parts below ground level including confirmation that the "same or adjacent site" clause has been deleted from the replacement cost wording;
 - (iii) any co-insurance clause contained in the policy shall be a stated amount co-insurance clause;
 - (iv) the policy shall include an Insurance Bureau of Canada standard mortgage clause or its equivalent;
 - (v) losses shall be made payable to the Mortgagee according to its interest;
 - (vi) rental income coverage on an "all risks" basis sufficient to cover one hundred (100%) percent of the gross annual revenues, including Rents and if leases are on a net-net basis, the equivalent gross revenues, including rentals for a period of not less than twelve (12) months; or if the property is owner-occupied, business interruption coverage;
- (b) the Mortgagor will maintain liability insurance coverage, including without limitation earthquake, flood and sewer back-up insurance at least equivalent in scope to a Commercial General Liability form, such insurance to be in the minimum amount of five million (\$5,000,000.00) dollars per occurrence, to include all required extensions of liability and naming the Mortgagee as co-insured;
- (c) the Mortgagor will cause its contractors to maintain contractors liability insurance coverage, and wrap-up liability insurance coverage, in each instance to be in the minimum amount of five million (\$5,000,000.00) dollars per occurrence, to include all required extensions of liability and naming the Mortgagor as an additional named insured, but only with respect to claims arising out of the operations of the named insured;
- (d) as applicable, the Mortgagor will maintain builders "all risks" or "broad form" insurance, subject to the latest CCDC policy wording and will include:

- (i) coverage sufficient to cover one hundred (100%) percent of the projected hard costs and not less than twenty-five (25%) percent of the projected recurring soft costs;
 - (ii) a "permission to occupy" clause, "delayed rental income / soft costs" insurance to cover the anticipated loss of revenue for one (1) year, which may be incurred in the event of an insured loss, during construction;
 - (iii) coverage for the installation, testing and commissioning, of machinery and equipment; and
 - (iv) the Mortgagee as loss payee and as mortgagee as its interest appears, pursuant to a standard mortgage clause satisfactory to the Mortgagee;
- (e) the Mortgagor will maintain boiler and machinery insurance covering all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical and mechanical breakdown;
- (f) promptly upon written request, the Mortgagor will deliver to the Mortgagee and directly to its insurance consultants all policy binders of insurance together with all applicable certificates of insurance or such other evidence of insurance as the Mortgagee may reasonably require, and, prior to their due date, proof of payment of the premiums and renewal premiums therefor;
- (g) all policies shall be with insurers and subject to terms and conditions reasonably satisfactory to the Mortgagee. Any deviation from these requirements shall be approved in writing by the Mortgagee acting reasonably. The policies must provide for thirty (30) days' written notice to the Mortgagee of material alteration, if available, and cancellation and must be signed by the insurer(s) or their authorized representative(s);
- (h) if the Mortgagor shall neglect to keep the Property insured as aforesaid, or to deliver all policy binders of insurance together with all applicable certificates of insurance or such other evidence of insurance as the Mortgagee may reasonably require and evidence proving payment of premiums or renewal premiums when reasonably requested by the Mortgagee, or to produce to the Mortgagee at least forty-five (45) days' before the termination of such insurance evidence of the renewal thereof, the Mortgagee shall, without reference to the Mortgagor, be entitled (but shall not be obliged) to insure the Property, or any part thereof, as set forth above, and the amount of any premiums paid by the Mortgagee together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
- (i) promptly upon the occurrence of any loss or damage, the Mortgagor at its own expense will furnish all necessary proof and do all necessary acts to enable the Mortgagee to obtain payment of the insurance moneys, subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances;
- (j) subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, if any cheque issued by an insurer in complete or partial settlement of an insurance claim pursuant to the coverages above, other than the coverage for general public liability insurance, is given, sent or delivered to the Mortgagor or the solicitor or agent of the Mortgagor, then the Mortgagor shall cause such cheque to be delivered to the Mortgagee forthwith and if any such cheque is made payable to the Mortgagor alone or jointly to the Mortgagor and another or others, then the Mortgagor shall forthwith endorse and deliver such cheque over to the Mortgagee, and the Mortgagor does hereby constitute the Mortgagee as the Mortgagor's true and lawful attorney to receive and endorse any such cheque for an on behalf of the Mortgagor; and
- (k) subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, all monies received by virtue of such policy or policies

of insurance may at the option of the Mortgagee either be applied in or towards substantially rebuilding, reinstating or repairing the Property or towards the payment of the Loan Indebtedness, interest and other amounts secured hereby, whether or not the same are then due, in such manner as the Mortgagee shall from time to time determine, or may be paid in full or in part to the Mortgagor or its assigns, or may be applied or paid partly in one way and partly in another, as the Mortgagee may determine.

PAYMENT METHOD

11. The Mortgagor shall from time to time as required by the Servicer, provide a signed pre-authorized withdrawal form/or forms directed to the bank or financial institution at which the Mortgagor regularly keeps a chequing account, in such form and manner so as to enable the Servicer to receive payments from time to time of the monthly instalments payable hereunder and/or the Servicer's estimate of the monthly instalment for property Taxes, if applicable, from the Mortgagor's account with such bank or financial institution. Any payments received by the Servicer which are payable on a non-business day in the Province of Ontario or are received after 1 p.m. (Toronto time) on any business day in the Province of Ontario on or after receipt thereof, shall be credited to the mortgage account on the next business day thereafter.

CONDOMINIUM

12. That in the event the Property is or becomes a Condominium within the *Condominium Act* (Ontario), the Mortgagor further covenants with the Mortgagee that:
- (a) the Mortgagor will comply with, observe and perform all provisions of the *Condominium Act* (Ontario), its regulations and the bylaws, rules and regulations of the condominium corporation from time to time in force;
 - (b) the Mortgagor shall pay on or before the due dates thereof, each and every assessment, contribution, charge, fine or levy made by or on behalf of the condominium corporation in respect of the unit charged hereunder (hereinafter collectively called "**Assessments**"). If the Mortgagor fails to pay the Assessments, on or before their due date, such failure shall constitute default hereunder and shall entitle the Mortgagee to exercise any and all remedies available to the Mortgagee upon the occurrence of an Event of Default. Upon default under this Section 12 and notwithstanding any other right or action of the condominium corporation or the Mortgagee, the Mortgagee may pay the Assessments, and any Assessments so paid and all costs, charges, expenses and outlays of the Mortgagee thereby incurred together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
 - (c) the Mortgagor hereby irrevocably authorizes the Mortgagee to apply at any time and from time to time to the condominium corporation for certification of the amount and manner in which any Assessment is payable and the extent to which such Assessment has been paid;
 - (d) subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, the Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the Mortgagor's rights which now exist or may hereafter come into existence to vote at meetings of the condominium corporation:
 - (i) in all cases in which a unanimous resolution is required by the *Condominium Act* (Ontario), as amended, the bylaws of the condominium corporation or any agreement with the condominium corporation; and
 - (ii) in all other cases other than as referred to in (i) of this Section 12(d), provided that, if the Mortgagee is not present in Person or by proxy, or if present does not wish to vote, then the Mortgagor may exercise his voting right without further authority;

- (e) if for any reason whatsoever the Mortgagor has the right to vote at any meeting of the condominium corporation it shall, if directed by the Mortgagee, vote in such manner as the Mortgagee directs with respect to each and every matter to be voted on and the Mortgagor covenants to execute any documents requested by the Mortgagee, including, proxies if required, in order to give effect to the foregoing assignment of voting rights;
- (f) if requested by the Mortgagee, at least five (5) days prior to each and every general meeting of the condominium corporation, the Mortgagor shall deliver to the Mortgagee written notice of each such meeting specifying the place, date, hour and purpose of the meeting and in addition, immediately upon receipt of the same shall deliver to the Mortgagee true copies of the bylaws, rules and regulations of the condominium corporation from time to time in force, all notices, minutes, resolutions, accounts, financial statements and other documents relating to the financial statements and to the affairs of the condominium corporation as the Mortgagor may from time to time receive;
- (g) if requested by the Mortgagee (which the Mortgagee shall only make if it, acting reasonably, believes that the occurrence of an Event of Default or Material Adverse Effect is imminent or an event having a Material Adverse Effect is reasonably likely to occur), the Mortgagor shall deliver to the Mortgagee a further charge of the Property (in substantially the same form as this Mortgage) with respect to all units and the pro-rata share of common elements, which replacement charge shall be registered after the date of registration the declaration pursuant to and in accordance with the *Condominium Act* (Ontario) creating the Condominium;
- (h) upon the occurrence of an Event of Default which is continuing and notwithstanding any other right or action of the condominium corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessment, contribution, charge, fine or levy in respect of a unit and paid by it and such distraint shall not result in the Mortgagee being a Mortgagee in possession; and
- (i) as individual units are sold, the net sales proceeds for the Project shall be applied pursuant to the terms and conditions set out in the Commitment Letter.

INSPECTION

13. The Mortgagee, at such time or times as it may deem necessary, acting reasonably, and without the concurrence of any other Person but upon reasonable prior notice except, upon and during the continuance of an Event of Default when no notice shall be required, and in all cases subject to the rights of tenants at the Property, may send its inspector or agent to report upon the value, state and condition of the Property and, upon the occurrence of an Event of Default which is continuing, make arrangements for the improving, repairing, finishing and putting in order of the Property which may be reasonably required, and for leasing, collecting the Rents of and managing generally the Property, and may expend money, for any and all the purposes aforesaid, as it may deem expedient, and all moneys reasonably expended, costs, charges and out-of-pocket expenses together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

RESTRICTION ON TRANSFER, ENCUMBRANCES ETC.

14. The Mortgagor shall not convey, transfer, mortgage, alienate, or otherwise encumber all or any part of the Property or any direct or indirect interest therein (including as a result of a direct or indirect change in Control of the Mortgagor) nor allow all or any part of the Property or any direct or indirect interest therein to be encumbered without the prior written consent of the Mortgagee, in its absolute discretion, provided that, notwithstanding the foregoing, the Permitted Encumbrances shall be permitted to encumber the Property and that the Mortgagee shall act reasonably in providing its consent to any non-arm's length transfer. In the event that the Mortgagor breaches this Section 14 and has not first or contemporaneously prepaid the loan secured hereby in full in compliance with Section 8

hereof, then the entire Loan Indebtedness (but with interest at the Interest Rate calculated and compounded to the Maturity Date), shall immediately be due and payable.

ADVANCES

15. Neither the execution nor the registration nor the acceptance of this Mortgage, nor the advance of part of the Loan Indebtedness, shall bind the Mortgagee to make an advance of moneys under this Mortgage or any unadvanced portion thereof notwithstanding the provisions of the Commitment Letter, this Mortgage or any of the other Loan Documents, but nevertheless this Mortgage shall take effect forthwith on the execution of these presents, and if any Loan Indebtedness shall not be advanced at the date hereof, the Mortgagee may advance the same in one or more sums to or on behalf of the Mortgagor at any future date or dates, and the amount of such advances then so made together with interest at the Interest Rate shall be secured hereby.

SUBROGATION

16. In the event that the moneys advanced hereunder or any part thereof are applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights and stand in the position of and be entitled to all the equities of the party so paid off whether such charge or encumbrance has or has not been discharged; and the decision of the Mortgagee as to the validity or amount of any advance or disbursement made under this Mortgage or of any claim so paid off, shall be final and binding on the Mortgagor.

WASTE

17. Subject to the provisions of Section 19, the Mortgagor will not commit any act of waste on the Property or do any other thing by which the value of the Property shall, in the opinion of the Mortgagee, be diminished and will at all times remain in actual possession of the said Property. The Mortgagor will take good and reasonable care of the Property and without cost and expense to the Mortgagee manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures, machinery, facilities and equipment that belong to or are used in connection with the Property, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements beyond the extent to which they would ordinarily be repaired by a prudent owner. If, in the opinion of the Mortgagee, acting reasonably, the Property is not at any time in a proper state of repair, the Mortgagee may serve notice upon the Mortgagor to make such repairs or replacements as the Mortgagee, acting reasonably, deems proper within a period of thirty (30) days and in the event of the Mortgagor not having complied or not being in the process of diligently complying with such requisition, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors and they may enter upon the Property for the purpose of doing such work with or without the Mortgagor's concurrence, but in all cases subject to the rights of tenants at the Property, and the cost thereof, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid, shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

FIXTURES

18. All erections, buildings, fences, improvements, machinery, plant, furnaces, boilers, electric light fixtures, plumbing and heating equipment, aerials, incinerators, radiators and covers, fixed mirrors, fitted blinds and drapes, window screens, doors, storm windows and storm doors, shutters and awnings, floor coverings, air conditioning, ventilating, water heating equipment, partitions, elevators, and all component parts of any of the foregoing, fixed or otherwise now on or in or hereafter put on or in the Property (and also in all cases where the Mortgaged Premises are units rented in whole or in part, all refrigeration equipment, gas and electric stoves, ovens, washers, dryers, garburators, garbage compactors, microwave ovens and dishwashers whether affixed or not, and provided that same are

owned by the Mortgagor) are and shall in addition to other fixtures thereon be and become fixtures and form part of the realty and of the security and are included in the expression the "Mortgaged Premises", and that the Mortgagor will not commit any act of waste thereon, and that the Mortgagor will at all times during the continuance of the security granted by this Mortgage, repair, maintain, restore, amend, keep, make good, finish, add to and put in order, the Property and in the event of any loss or damage thereto or destruction thereof which has had or is reasonably likely to have a Material Adverse Effect, the Mortgagee may give notice to the Mortgagor to repair, rebuild, or reinstate the same, and upon the Mortgagor failing so to repair, rebuild, or reinstate within such time such failure shall constitute a breach of covenant hereunder and thereupon the Loan Indebtedness shall, at the sole option of the Mortgagee, become immediately due and payable and without any demand by the Mortgagee upon the Mortgagor, provided that the Mortgagee may (but shall not be obligated to) repair, rebuild or reinstate the Property and the cost thereof, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid, shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing. This provision shall be in addition to any statutory covenants implied in this Mortgage.

ALTERATIONS

19. The Mortgagor shall not make or permit to be made, any additions or alterations to the Property without the prior written consent of the Mortgagee acting reasonably and except as may be permitted or required under the Permitted Encumbrances (including any leases which are Permitted Encumbrances), and the Mortgagor shall not use the Property nor permit the Property to be used, without the written consent of the Mortgagee, for a purpose not approved by the Mortgagee acting reasonably. Notwithstanding the forgoing:
- (a) the Mortgagor, its agents, employees and parties authorized by it may conduct building operations, construction and development on the Property including, without limitation, grading and excavation operations, installation of services and all other acts incidental to the development of the Property without the same being deemed acts of waste or requiring the prior written consent of the Mortgagee in accordance with this Section 19; and
 - (b) the Mortgagee shall, upon reasonable notice, promptly execute:
 - (i) such plans, agreements, documents, easements, rights-of-way and consents as may be required to facilitate the development of the Property;
 - (ii) such partial discharges as may be required to convey to any Governmental Authority such portion of interest in the Property as may be required for municipal or governmental purposes and for which the Mortgagor receives no financial compensation, provided that in each case the Mortgagee's security is not adversely affected thereby (as determined by the Mortgagee, acting reasonably); and
 - (iii) applications, documents and plans for rezoning, development review, site plan approval, land titles registration, subdivision plan registration, severance consents and other related development matters required by the Mortgagor,

provided that the Mortgagee's reasonable legal fees and disbursements and out-of-pocket expenses in connection with the review and execution of the forgoing together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing. In addition to the forgoing, the Mortgagor hereby indemnifies and agrees to hold the Mortgagee harmless with respect to the payment of any such reasonable legal fees and disbursements and out-of-pocket expenses in connection with the review and execution of the forgoing.

PLACE OF PAYMENT

20. All moneys reflecting Loan Indebtedness shall be payable, in lawful money of Canada, to the Servicer at 41 Scarsdale Road, Unit 6, Toronto, Ontario M3B 2R2, or such other place as may be designated by the Servicer from time to time.

CROSS-DEFAULT

21. The occurrence of an Event of Default hereunder shall constitute default under the other Security Documents and the Commitment Letter and default, beyond any applicable cure or notice periods, under any of the other Security Documents or the Commitment Letter shall constitute an Event of Default hereunder. The Mortgagee may, upon and during the continuance of an Event of Default or a default under the other Security Documents, pursue its remedies separately under any of the Security Documents, including without limitation, this Mortgage, or jointly all together, or jointly one with any one or more of the Security Documents, without any of the rights and remedies of the Mortgagee not so pursued merging therewith or with any action or judgment with respect thereto.

RELEASE OF SECURITY

22. Subject to the provisions in Section 41, the Mortgagee may (but shall have no obligation to) at any time release any part or parts of the Property or any of the Covenantors from any of the Security Documents, or may release the Mortgagor or any other Covenantor from any covenant or other liability to pay any of the Loan Indebtedness or perform any of the Loan Obligations, either with or without any consideration therefor, without being accountable for the value of any such consideration or for any moneys except those actually received by the Mortgagee, and without thereby releasing any other part of the Property or any of the other Covenantors from any of the Security Documents, it being specifically agreed that notwithstanding any such release, the Property, securities and covenants remaining unreleased shall stand charged with the whole of the Loan Indebtedness, and no Person shall have the right to require that any of the Loan Indebtedness be apportioned. Notwithstanding the foregoing, upon the closing of the sale of each unit in the Project as contemplated in the Commitment Letter, and provided that (i) no Event of Default has occurred that is continuing, (ii) the Mortgagor has performed and observed the terms and conditions contained in the partial discharge provisions of the Commitment Letter (which terms and conditions are subject to change in the Mortgagee's sole and unfettered discretion), and (iii) the Mortgagor pays a fee (the "**Partial Discharge Fee**") equal to \$500.00 to the Mortgagee, the Mortgagee shall provide a partial discharge of this Mortgage from title to such unit to be sold upon closing. The Partial Discharge Fee is applicable to each and every partial discharge of a unit. The Mortgagor's solicitor shall prepare the mortgage discharge document for review by the Mortgagee and the Mortgagee's solicitor. All legal fees, disbursements and HST related to the discharge of this Mortgage and any other Security from title to a unit in the Project to be sold at the closing shall be paid by the Mortgagor. For greater certainty, the Mortgagor acknowledges and agrees that a final discharge fee equal to \$150,000.00, as may be reduced pursuant to the terms and conditions of the Commitment Letter (the "**Final Discharge Fee**"), shall be paid to the Mortgagee prior to the final discharge of this Mortgage and any other Security from title to the Project.

WAIVER

23. No extension of time, waiver, or other indulgence given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor, any guarantor, or any other Person liable for payment of the moneys hereby secured.

USE OF MONEY

24. The Mortgagee shall not be charged with any moneys receivable or collectible out of the Property or otherwise, except those actually received; and all revenue of the Property received or collected by the Mortgagee from any source other than payment by the Mortgagor may, provided an Event of Default has occurred which is continuing, at the option of the Mortgagee, be used in maintaining or insuring or improving the Property, or in payment of Taxes or other charges against the Property, or applied on the mortgage account, and the Mortgagee may (at its option) retain such moneys received or collected,

in suspense account; and the Mortgagee shall not, by reason of the collection of any moneys receivable or collectible out of the Property, be deemed to be a mortgagee in possession.

LIABILITY OF MORTGAGOR

25. No sale or other dealings by the Mortgagee or any receiver with the Property or any part thereof, shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the moneys hereby secured.

ATTORNMENT

26. For better securing the punctual payment of the said mortgage moneys, the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the Property at a monthly rental equivalent to the monthly instalments secured hereby, the same to be paid on such day appointed for the payment of instalments; and if any judgment, execution or attachment shall be issued against any of the goods or lands of the Mortgagor or if the Mortgagor shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act of Canada* as amended, or shall take the benefit of any statute relating to bankruptcy or insolvent debtors, then such rental shall, if not already payable, be payable immediately thereafter. The legal relation of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor, but neither this Section 26 nor anything done by virtue hereof, shall render the Mortgagee a mortgagee in possession or accountable for any moneys except those actually received. The Mortgagee may at any time after default hereunder enter upon the Property, or any part thereof, and determine the tenancy hereby created without giving the Mortgagor any notice to quit.

RECORDS

27. The Mortgagor will maintain full and correct books and records showing in detail the earnings and expenses of the Property, and will permit the Mortgagee and its representatives to examine the said books and records and all supporting vouchers and data at any time and from time to time upon reasonable prior request by the Mortgagee, and at any time and from time to time will furnish the Mortgagee at its request within thirty (30) days of such request, a statement showing in detail reasonably satisfactory to the Mortgagee all such earnings and expenses since the last such statement, certified by an officer of the Mortgagor.

ASSIGNMENT OF LEASE RIGHTS AND BENEFITS

28. The Mortgagor:
- (a) hereby assigns, transfers and sets over unto the Mortgagee, all of the Mortgagor's right, title and interest, both at law and in equity, in and to the Leases, the Rents and the Lease Benefits, to hold and receive the same unto the Mortgagee with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and to enforce payment of the same and enforce performance of obligations under the Leases, including without limitation, the Lease Benefits, assigned in accordance with and subject to the terms of this Mortgage, to have and to hold unto the Mortgagee until payment in full of the Loan Indebtedness and performance of all of the Loan Obligations, provided that the Mortgagor may, subject to any other terms contained in any of the other Security Documents which restrict the Mortgagor's ability to deal with the Leases, collect the Rents and deal with the Leases from time to time as would a prudent landlord so long as an Event of Default does not exist, and upon the occurrence of an Event of Default which is continuing, the Mortgagee shall be entitled to:
 - (i) demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Mortgagor, any proceeding which may be, in the opinion of the Mortgagee or its counsel, expedient for the purpose of collecting Rents or for securing the payment thereof or for enforcing any of the Mortgagor's rights under the Leases, and the Mortgagor hereby grants to the Mortgagee irrevocable authority to join the Mortgagor in any such proceedings or actions, whether judicial or extra-judicial;

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- (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent, and any settlement arrived at shall be binding upon the Mortgagor;
 - (iii) to enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and to manage, operate and maintain its interest in the Property including without limitation, the making of repairs or replacements to maintain the Mortgaged Premises;
 - (iv) to receive, enjoy or otherwise avail itself of the Lease Benefits;
 - (v) to appoint and dismiss such agents or employees as may be necessary or desirable for exercise of the Mortgagee's rights hereunder;
 - (vi) to alter, modify, amend or change the terms of Leases; to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
 - (vii) to send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and to employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
 - (viii) to appoint a receiver or a receiver and manager in accordance with the provisions of the Mortgage which are hereby incorporated by reference into this Agreement; and
 - (ix) to generally perform all such acts as may in the reasonable opinion of the Mortgagee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Mortgagor, or in the name of the Mortgagee;
- (b) whenever any and all Events of Default have been cured after the exercise by the Mortgagee of its rights under this Section 28, may resume collection of the rentals until a further Event of Default has occurred, whereupon the Mortgagee may re-exercise its rights hereunder, and thereafter at any time any Event of Default occurs;
- (c) shall not at any time during the existence of this Mortgage assign, pledge or hypothecate any of the Leases or the Rents or revenues due or to become due thereunder, or any part thereof, other than to the Mortgagee or pursuant to a Permitted Encumbrance nor shall the Mortgagor grant any general assignment of book debts which would cover such rentals, except pursuant to a Permitted Encumbrance;
- (d) shall not collect more than two (2) month's rental in advance;
- (e) acknowledges and agrees that neither the taking of this assignment nor anything done in pursuance hereof shall make the Mortgagee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations and liabilities under the Leases or any of them; and
- (f) acknowledges and agrees that the exercise of this Section 28 or of any collateral security with respect to Rents shall not entitle the Mortgagor to redeem this mortgage.

EVENT OF DEFAULT

29. Notwithstanding the Mortgagee's rights to demand repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time in the Mortgagee's sole, absolute and unfettered discretion, any one or more of the following events shall constitute an event of default under the provisions of this Mortgage (an "**Event of Default**"), whether such Event of Default shall be voluntary or involuntary or be effected by operation of law

or pursuant to or in compliance with any judgment, decree or order of any court or other rule or regulation of any Governmental Authority:

- (a) any of the Covenantors fail to pay on the date upon which the same is due and payable any monies payable hereunder or under any of the other Loan Documents with respect to principal secured hereunder;
- (b) any of the Covenantors fail to pay on the date upon which the same is due and payable any monies payable hereunder or under any of the other Loan Documents (other than on account of principal), and such failure is not remedied within three (3) business days written notice to the Mortgagor;
- (c) any of the Covenantors fail to perform or observe any of the terms and conditions contained in this Mortgage or any of the other Loan Documents, and such failure is not remedied within thirty (30) days of written notice to the Mortgagor (but for greater certainty, there shall be no grace or cure period in respect of any Event of Default expressly enumerated hereunder, except as otherwise provided in respect of such Event of Default);
- (d) any funds secured under this Mortgage are used for any purpose other than as set forth in the Commitment Letter;
- (e) the breach or failure to perform or observe the terms and conditions contained in the Commitment Letter with respect to the Mortgagee's right of first refusal to finance or arrange financing for any subsequent phases of the Project, and such failure is not remedied within five (5) days of written notice to the Mortgagor (but for greater certainty, there shall be no grace or cure period in respect of any Event of Default expressly enumerated hereunder, except as otherwise provided in respect of such Event of Default);
- (f) any representation or warranty by any of the Covenantors that is contained in this Mortgage or any of the other Loan Documents furnished to the Mortgagee in connection herewith or therewith shall prove at any time to be untrue or incorrect as of the date made in any material respect;
- (g) a resolution is passed or an order is made for the dissolution, liquidation or winding-up of any of the Covenantors or other cancellation or suspension of its incorporation or termination of its existence or if a petition is filed for the winding-up of the any of the Covenantors;
- (h) any of the Covenantors is found to be insolvent or bankrupt by a court of competent jurisdiction or makes an authorized assignment or bulk sale of its assets or a compromise or arrangement for the benefit of its creditors, makes a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada), seeks relief under the *Companies Creditors Arrangement Act* (Canada), or any other bankruptcy, insolvency or analogous law, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian or other Person with similar powers over all or any substantial portion of its assets, files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditor's rights or consents to, or acquiesces in, the filing of such a petition; or if a petition in bankruptcy is filed or presented against any of the Covenantors;
- (i) an encumbrancer takes possession of the property of any of the Covenantors which has had or is reasonably likely to have a Material Adverse Effect, or any distress or analogous process is levied upon any of the Covenantors provided that this Section 29(i) shall not apply to any judgment, court order for the payment of money, execution, sequestration, extant or other process that is being contested in good faith if reserves deemed by the Mortgagee to be adequate therefor have been set aside with the Mortgagee or insurance coverage acceptable to the Mortgagee is held, as the case may be, and if there is no Material Adverse Effect regarding the Mortgagee's security position;

- (j) any of the Covenantors permit any sum which has been admitted as due or which is not disputed to be due and which forms or is capable of forming a charge, Lien the Property in priority to or *pari passu* with the charge or security interest created by this Mortgage and any of the other Security Documents, to remain unpaid after proceedings have been taken to enforce the same as a Lien upon the Property has been vacated or discharged within ten (10) business days of such proceedings having been taken, provided that the occurrence of an event of default under either the First Mortgage or the Second Mortgage beyond all applicable notice and cure periods shall be an Event of Default hereunder;
- (k) the occurrence of a default under: (i) any other security or agreement (including any Permitted Encumbrance) made or assumed by any of the Covenantors (or by which it is bound) in favour of any Person in connection with the Property, to the extent such default has had or is reasonably likely to have a Material Adverse Effect; and (ii) any other security or agreement made or assumed by any of the Covenantors (or by which it is bound) in favour of the Mortgagee or the Servicer whether or not such security or agreement is in connection with the Property; and in each case if not remedied within the applicable cure or notice period provided for in such security or agreement;
- (l) the Mortgagor does not comply within a reasonable period with any work order issued by a municipal or provincial authority;
- (m) a receiver, receiver-manager or receiver and manager of the any of the Covenantors of any material part of its properties, assets or undertakings is appointed, or if a monitor is appointed in respect of any of the Covenantors;
- (n) any writ of execution, distress, attachment or other similar process is issued or levied against any of the Covenantors or all or any part of its assets, or attachment or other similar process is issued or levied against any of the Covenantors by a court of competent jurisdiction and, in the opinion of the Mortgagee, such judgement or order would materially and adversely affect the ability of any of the Covenantors to fulfil its obligations to the Mortgagee hereunder or under any of the other Loan Documents;
- (o) any part of the Property is condemned or expropriated and, in the opinion of the Mortgagee in respect of any expropriation, such expropriation materially impairs the value of the Property, the validity, enforceability or priority of the security of this Mortgage, or the ability of the Mortgagor to pay the Loan Indebtedness or to perform any of the Loan Obligations;
- (p) any direct or indirect change (i) in the ownership of (A) the Property; or (B) any Covenantor; or (ii) any change of Control of any of the Covenantors, in each case without the consent of the Mortgagee in its sole, absolute and unfettered discretion;
- (q) if a Material Adverse Effect occurs; or
- (r) the occurrence of a cross-default pursuant to Section 21.

RECEIVER

30. Upon the occurrence of an Event of Default which is continuing, the Mortgagee may at such time and from time to time and with or without entry into possession of the Property or any part thereof, appoint a receiver (which term includes a receiver or a manager or a receiver and manager) of the Property or any part thereof and of the Rents and profits thereof and with or without security, and may from time to time remove any receiver and appoint another in his stead and that, in making any such appointment or removal, the Mortgagee shall be deemed to be acting as the agent or attorney for the Mortgagor and not of the Mortgagee. Such appointment may be made at any time either before or after the Mortgagee shall have entered into or taken possession of the Property or any part thereof. Upon the appointment of any such receiver or receivers from time to time, the following provisions shall apply, subject to compliance with applicable laws:
- (a) the statutory declaration of an officer of the Mortgagee as to the Event of Default under the provisions of this Mortgage, shall be conclusive evidence thereof;

- (b) every such receiver shall be the irrevocable agent or attorney of the Mortgagor for the collection of all Rents falling due in respect of the Property or any part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;
- (c) every such receiver may, in the discretion of the Mortgagee and by writing under its corporate seal, be vested with all or any of the powers and discretions of the Mortgagee;
- (d) the Mortgagee may from time to time, by such writing fix the remuneration of every such receiver who shall be entitled to deduct the same out of the Rents from the Property or from the proceeds of the judicial sale of the Property;
- (e) every such receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee, and the Mortgagee shall not in any way be responsible for any acts or omissions (including negligence, misconduct or misfeasance) on the part of any such receiver;
- (f) the appointment of every such receiver by the Mortgagee shall not create any liability on the part of the Mortgagee 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 Mortgagee a mortgagee in possession in respect of the Property or any part thereof;
- (g) every such receiver shall from time to time have the power to rent any portion of the Property which may become vacant, for such term and subject to such provisions as he may deem advisable or expedient, and in so doing every such receiver shall act as the attorney or agent of the Mortgagor and he shall have authority to execute under seal any lease of such portion of the Property in the name of and on behalf of the Mortgagor, and the Mortgagor undertakes to ratify and confirm whatever any such receiver may do in respect of the Property;
- (h) every such receiver shall have full power to complete any unfinished construction upon the Property with the intent that the Mortgaged Premises when so completed shall be a complete structure;
- (i) every such receiver shall have full power to manage, operate, amend, repair, alter or extend the Property or any part thereof in the name of the Mortgagor for the purpose of securing the payment of rental from the Property or any part thereof;
- (j) no such receiver shall be liable to the Mortgagor to account for moneys or damages other than cash received by him in respect of the Property or any part thereof, and out of such cash so received every such receiver shall, subject to the approval of the Mortgagee, in the following order, pay:
 - (i) his remuneration aforesaid;
 - (ii) all payments including, without limitation, costs as between solicitor and his own client made or incurred by him in connection with the management, operation, amendment, repair, alteration or extension of the Property or any part thereof;
 - (iii) interest, principal and other moneys which may from time to time, be or become charged upon the Property in priority to these presents, and all Taxes, insurance premiums and every other proper expenditure made or incurred by him in respect to the Property or any part thereof;
 - (iv) to the Mortgagee, all interest due or falling due under these presents and the balance to be applied upon principal due and payable and secured by these presents;

- (v) into a reserve account in the name of the receiver, an appropriate sum of money as a reserve fund for unusual, emergency or lump sum payments or expenses with respect to the Property; and
- (vi) any surplus thereafter remaining in the hands of every such receiver after payments made as aforesaid, to the Mortgagor;
- (k) save as to claims for an accounting under Section 30(j) above, the Mortgagor hereby releases and discharges every such receiver from every claim of every nature which may arise or accrue to the Mortgagor or any Person claiming through or under the Mortgagor by reason or as a result of anything done by any such receiver under the provisions of this Section 30, unless such claim by the direct and proximate result of gross negligence or wilful misconduct;
- (l) the power of sale, foreclosure and any other remedies of the Mortgagee may be exercised either before, concurrent with, during, or after the appointment of any receiver hereunder.

RIGHTS OF MORTGAGEE

31. The Mortgagor further covenants and agrees with the Mortgagee upon the occurrence of an Event of Default which is continuing:
- (a) the Mortgagee may and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenants, agreements, provisos or stipulations and the costs incurred by the Mortgagee in connection therewith, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing;
 - (b) the Mortgagee may at such time or times as the Mortgagee may deem necessary and without the concurrency of any Person, enter upon the Property and may make such arrangements for completing the construction, repairing or putting in order of the Mortgaged Premises, or for inspecting, taking care of, leasing, collecting the Rents of and managing generally the Property as the Mortgagee may deem expedient; all reasonable costs, charges and expenses, including allowances for the time and services of any employee of the Mortgagee or other Person appointed for the above purposes, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing;
 - (c) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Property, and a solicitor to examine and report upon the title to the same;
 - (d) the Mortgagee or agent of the Mortgagee may enter into possession of the Property and whether in or out of possession collect the Rents and profits thereof, and make any demise or lease of the Property, or any part thereof, for such terms and periods and at such Rents as the Mortgagee shall think proper; and the power of sale hereunder may be exercised either before or after and subject to any such demise or lease;
 - (e) it shall and may be lawful for and the Mortgagor does hereby grant full power, right and license to the Mortgagee to enter, seize and distrain upon the Property, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the Property or any part thereof, as much of the mortgage moneys as shall from time to time be or remain in arrears and unpaid, together with costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;

- (f) the Mortgagee shall be entitled forthwith to take such proceedings to obtain repayment of the moneys and interest payable to the Mortgagee hereunder and to realize on its security under this Mortgage by foreclosing the same or by whatever other action it may by law be entitled to do, it being acknowledged that nothing herein shall limit such recourse to the Property only;
- (g) subject to applicable law, the Mortgagee shall be entitled to sell and dispose of the Property with or without entering into possession of the same and with or without notice to the Mortgagor or any party interested in the Property; and all remedies competent may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by this Mortgage may be exercised; and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made of the Property hereunder, and the Mortgagee may sell, transfer and convey any part of the Property on such terms of credit, or part cash and part credit, secured by contract or agreement for sale or mortgage, or otherwise, as shall in the opinion of the Mortgagee be most advantageous, and for such price as can reasonably be obtained therefor; and in the event of a sale on credit, or part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable for or charged with any moneys until the same shall be actually received in cash; and the sales may be made from time to time of any portion or portions of the Property to satisfy interest or parts of the principal overdue, leaving the principal or parts thereof to run with interest payable as aforesaid; and the Mortgagee may make stipulations as to the title or evidences or commencement of title or otherwise as the Mortgagee shall deem proper; and the Mortgagee may buy in or rescind or vary any contract for sale of the Property and any resale thereof; and on any sale or release, the Mortgagee shall not be answerable for loss occasioned thereby; and for any of such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary; and in case any sale held by the Mortgagee under and by virtue of the laws of the Province of Ontario under the power of sale herein contained should prove abortive the Mortgagee may take foreclosure proceedings in respect of the Property in accordance with the provisions of the laws of the Province of Ontario; and in the event of any deficiency on account of the moneys secured by this Mortgage remaining due to the Mortgagee after realizing all the Property, then Mortgagor will pay to the Mortgagee on demand the amount of such deficiency with interest at the Interest Rate both before and after judgment; and in the exercise of any of the foregoing powers, the Mortgagor hereby appoints the Mortgagee the attorney of the Mortgagor for the purpose of making any agreements and assurances on behalf of the Mortgagor as the Mortgagee may deem necessary which power of attorney is coupled with an interest; and the proceeds of any sale hereunder shall be applied as above provided for or in payment of moneys payable under this Mortgage and costs on a solicitor and his own client basis, the balance, if any, to be paid to the Mortgagor;
- (h) the whole of the mortgage moneys shall, at the option of the Mortgagee, become due and payable;
- (i) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor.

COVENANTOR MISREPRESENTATION

32. Notwithstanding any other provision in this Mortgage, the Mortgagee may demand repayment of all Loan Indebtedness and exercise all of its rights hereunder, including without limitation pursuant to Sections titled "**Receiver**" and "**Rights of Mortgagee**" if any of the Covenantors, any agent of any of the Covenantors or any officers or director of any of the Covenantors shall have made any material misrepresentation in any of the Loan Documents.

ATTORNEY

33. As further assurance to the rights and remedies granted by the Mortgagor to the Mortgagee herein, the Mortgagor, as the owner of the Property hereby irrevocably appoints the Mortgagee on its own behalf or any receiver or manager or receiver and manager appointed

by the Mortgagee attorney on behalf of the Mortgagor to sell, lease, mortgage, transfer or convey the Property in accordance with the provisions of this Mortgage and to execute all instruments, and do all acts, matters and things that may be necessary for carrying out the powers hereby given and for the recovery of all Rents and Lease Benefits and sums of money that may become or are now due or owing to the Mortgagor in respect of the Property, and for the enforcement of all contracts, covenants or conditions binding on any lessee or occupier of the Property or on any other Person in respect of it, and for the taking and maintaining possession of the Property, and for protecting it from waste, damage, or trespass, in all cases only following an Event of Default which is continuing. Such power of attorney is coupled with an interest.

JUDGMENT

34. The taking of a judgment on any of the covenants or agreements herein contained shall not operate as a merger thereof or affect the Mortgagee's rights to interest to the Maturity Date at the Interest Rate and at the times herein provided. Further, any and all such judgments shall provide for interest thereon to be computed at the Interest Rate and in the same manner as herein provided to the Maturity Date shall have been fully paid and satisfied and, without limiting the generality of the foregoing, the Mortgagee shall be entitled to receive interest at the Interest Rate to the Maturity Date on all moneys payable to the Mortgagee under this Mortgage, after any judgment has been rendered with respect to this Mortgage.

EXPENSES

35. All expenses, fees, charges or payments incurred, expended or paid by the Mortgagee, acting reasonably and without duplication, (whether with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise) with respect to the following matters:
- (a) all reasonable solicitors', inspectors', valuers' and surveyors' fees and expenses for drawing and registering this Mortgage and for examining the Property and the title thereto, and for making or maintaining this Mortgage a good and valid charge and mortgage (subject only to the Prior Permitted Encumbrances);
 - (b) all sums which the Mortgagee may advance for insurance premiums, Taxes, or rates;
 - (c) any unpaid amount due to the Mortgagee for the Lender's Fee, and, if applicable, the Extension Fee, the Regulatory Fees, and the Administration Fee;
 - (d) all sums which the Mortgagee may expend in payment of prior liens, charges, encumbrances or claims charged or to be charged against the Property or on this Mortgage or against the Mortgagee in respect of this Mortgage;
 - (e) all sums which the Mortgagee may expend in maintaining, repairing, restoring or completing the construction on the Property pursuant to the terms of this Mortgage;
 - (f) the cost of inspecting, leasing, managing or improving the Property, including the price or value of any goods of any sort or description supplied for use on the Property pursuant to the terms of this Mortgage;
 - (g) all sums paid to a receiver of the Property;
 - (h) the cost of exercising or enforcing or attempting to exercise or enforce any right, power, remedy or purpose hereunder provided or implied, and including an allowance for the time, work and expenses of the Mortgagee or any agent or employee of the Mortgagee, for any purpose provided for herein; and
 - (i) the Mortgagee's reasonable solicitors' costs as between solicitor and his own client incurred or paid by the Mortgagee as a result of any Event of Default, or of endeavouring to collect (with or without suit) any money payable hereunder, or of taking, recovering or keeping possession of the Property, and generally in any other proceedings, matter or thing taken or done to protect or realize this security or any other security for payment of the Loan Indebtedness and performance of the Loan Obligations;

together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

COVENANTS AND REPRESENTATIONS

36. The Mortgagor:

- (a) further represents and warrants to the Mortgagee that:
 - (i) the Mortgagor:
 - (A) is a corporation incorporated formed and existing under the laws of its jurisdiction of incorporation;
 - (B) has the legal right and all necessary corporate or other power and authority to own its assets, possess a freehold interest in the Property, and carry on its business in all material respects; and
 - (C) is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it conducts business, except where failure to be so qualified, licensed or registered has not and is not reasonably likely to have a Material Adverse Effect;
 - (ii) the Mortgagor has all requisite corporate power and authority to enter into and perform its obligations under this Mortgage and the other Loan Documents, and to do all acts and things and execute and deliver all other documents and instruments as are required hereunder and thereunder to be done, observed or performed by it in accordance with the terms hereof and thereof;
 - (iii) the execution and delivery by the Mortgagor, and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Mortgage and the other Loan Documents will not conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (A) its articles, by-laws, shareholders' agreements or other organizational documents; as the case may be;
 - (B) any applicable laws;
 - (C) any material contracts, material authorizations or material contractual restriction binding on or affecting it or its assets, including without limitation, the Property; or
 - (D) any material judgment, injunction, determination or award which is binding on it in each such case, except to the extent that such breach has not and is not reasonably likely to have a Material Adverse Effect;
 - (iv) the execution and delivery by the Mortgagor of this Mortgage and the other Loan Documents, and the performance by it of its Loan Obligations have been duly authorized by all necessary corporate or other action including, without limitation, the obtaining of all necessary partner, shareholder or other material and relevant consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Authority, or other Person, is or was necessary in connection with the execution, delivery and performance of the Mortgagor's obligations under this Mortgage the other Loan Documents, except where failure to obtain same would not have or be reasonably likely to have a Material Adverse Effect;

- (v) this Mortgage and the other Loan Documents have been duly executed and delivered, as the case may be, by the Mortgagor, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of credit's rights generally), is (or will be immediately upon the execution thereof by such Person) in full force and effect, and the Mortgagor has performed and complied in all material respects with all the terms, provisions, agreements and conditions set forth herein and therein and required to be performed or complied with by the Mortgagor;
- (vi) the Mortgagor is not a non-resident within the meaning of the *Income Tax Act* (Canada);
- (vii) there is not now pending or, to the knowledge of the Mortgagor, threatened in writing, against the Mortgagor, any litigation, action, suit, investigation (to the knowledge of the Mortgagor) or other proceeding by or before any Governmental Authority or before any arbitrator which has had or is reasonably likely to have a Material Adverse Effect;
- (viii) as of the date hereof, the written information heretofore supplied by any of the Covenantors (other than information or reports prepared by third parties) to the Mortgagee is true and accurate in all material respects as at the date thereof;
- (ix) all financial statements delivered to the Mortgagee as of the date hereof pursuant to Section 48 present fairly and in all material respects the financial position of any of the Covenantors as of the date thereof and for the fiscal years or financial quarters, as the case may be, then ended;
- (x) since the later of the date hereof and the date of the most recent financial statements delivered to the Mortgagee, there has been no change regarding the financial condition or operations, of any of the Covenantors as reflected in such financial statements or Personal net worth statements, as applicable which has had or is reasonably likely to have a Material Adverse Effect;
- (xi) there is no Event of Default under this Mortgage, nor has the Mortgagor done or omitted to do anything which constitutes an Event of Default which has not been waived or cured. None of the Covenantors is in default under any agreement, guarantee, indenture or instrument to which it is a party or by which it is bound, the breach of which has had or is reasonably likely to have a Material Adverse Effect;
- (xii) as of the date hereof, there are no outstanding judgments, orders, writs, injunctions or decrees that have not been stayed or of which enforcement has not been suspended, against the Mortgagor or any of its assets, including without limitation the Property, which would reasonably be expected to result in a Material Adverse Effect regarding the financial condition or operations of the Mortgagor;
- (xiii) the Mortgagor is the legal owner of a freehold interest in the Property with good and marketable title thereto, and any other real and personal property of the Mortgagor of any nature which is part of the Property, in each case free and clear of all encumbrances, except Permitted Encumbrances, and no Person has any agreement or right to acquire an interest in the Property except as previously disclosed to the Mortgagee in writing by the Mortgagor or permitted in connection with the Permitted Encumbrances;
- (xiv) the Mortgagor has not received notice of any proposed rezoning of all or any part of the Property which has had or is reasonably likely to have a Material Adverse Effect;
- (xv) the Mortgagor has not received notice of any expropriation of all or any part of the Property;

- (xvi) the Mortgagor has the right to mortgage the Property;
 - (xvii) upon the enforcement of its remedies under this Mortgage the Mortgagee shall have quiet possession of the Property, free from all encumbrances, other than Permitted Encumbrances;
 - (xviii) the Mortgagor, and the operation of its business and assets, including without limitation, the Property, are in compliance in all material respects with all applicable laws (including any environmental laws), except where any non-compliance is not reasonably likely to have a Material Adverse Effect; and
 - (xix) the Mortgagor has filed all tax returns which are required to be filed, other than such tax returns the failure of which to file has had or is reasonably likely to have a Material Adverse Effect, and has paid all Taxes, interest and penalties, if any, which have become due pursuant to such returns or pursuant to any assessment received by it and adequate provision for payment has been made for Taxes not yet due except any such payment of which the concerned party is contesting in good faith by appropriate proceedings and for which appropriate reserves have been provided on its books and as to which no foreclosure, distraint, seizure, attachment, sale or other similar proceedings have been commenced or the non-payment of which would not reasonable be excepted to result in a Material Adverse Effect regarding the financial condition or operations of the Mortgagor;
- (b) to the extent within the control of the Mortgagor, covenants to cause the forgoing representations and warranties to be true and correct in all material respects until the Loan Indebtedness is repaid in full and the Loan Obligations are fully performed;
 - (c) acknowledges and agrees that all representations and warranties of the Mortgagor made in this Mortgage or in any of the other Loan Documents are material, shall survive and shall not merge upon the execution and delivery of this Mortgage and shall continue in full force and effect. The Mortgagee shall be deemed to have relied upon such representations and warranties notwithstanding any investigation made by or on behalf of the Mortgagee at any time;
 - (d) shall not, at any time prior to the repayment in full of the Loan Indebtedness and the performance of all of the Loan Obligations:
 - (i) repay any loans (principal or interest) to;
 - (ii) redeem or purchase any shares or units or partnership interests held by or on behalf of;
 - (iii) pay any compensation, fee or other amount to; or
 - (iv) pay any distributions or dividends or return on partnership or shareholder investment to,
- in each case, any of the Covenantors or any other shareholder, unitholder or partner of any Covenantor, or any other Person not at arms-length to any of the foregoing, save and except for those development, marketing and/or construction fees specifically approved in writing by the Mortgagee;
- (e) acknowledges and agrees that any third party property manager of the Property and each property management agreement will be subject to the prior written approval of the Mortgagee, acting reasonably; and
 - (f) acknowledges and agrees that each new Lease of the Property, including each renewal or extension of an existing Lease (other than any extension or renewal of an existing Lease which is exercised pursuant to, and the terms of which are governed by, such existing Lease), must:

- (i) be a commercially reasonable arm's length transaction made in the ordinary course of business and in accordance with prudent property management and leasing standards and practices; and
- (ii) provide for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions.

EXPROPRIATION

37. Subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, the Mortgagor hereby assigns to the Mortgagee, that portion of any proceeds which may become due and payable to the Mortgagor by an expropriating authority upon an expropriation of the Property or the proceeds of any condemnation, eminent domain or like proceeding or the sale in lieu of or in reasonable anticipation thereof of the whole or any part of the Property or any portion thereof, not to exceed the balance outstanding under the Mortgage, provided that the Mortgagee shall permit the Mortgagor to use such portion of any proceeds as reasonably necessary to pay the cost to repair any damage resulting from such expropriation. The Mortgagor shall forward to the Mortgagee, copies of any documentation relating to an expropriation or a proposed expropriation of the Property or any portion thereof, forthwith upon receipt of the said documentation by it and shall execute and deliver any further or additional documentation which the Mortgagee in its sole discretion deems necessary to effect the above assignment or which is requested by the expropriating authority. Notwithstanding anything to the contrary contained herein, if the Mortgagor or the Mortgagee receives a notice of intention to expropriate in relation to the Property, or any portion thereof, that has had or is reasonably likely to have a Material Adverse Effect, at the option of the Mortgagee, the whole of the outstanding balance secured under this Mortgage at the date of the expropriation, shall immediately become due and payable in like manner and to all intents and purposes as if the time for payment of the said balance had fully come and expired. If any or all of the Property is expropriated, it is agreed that the proceeds from any such expropriation up to the amount outstanding under this Mortgage shall be paid directly to the Mortgagee in priority to the claims of any other party, except such creditors of the Mortgagor and other parties with priority to collect such proceeds pursuant to any Prior Permitted Encumbrances. Service of a copy of this Mortgage on the expropriating authority shall be sufficient authority for the expropriating authority to deliver proceeds to the Mortgagee, in accordance with the terms of the assignment contained herein.

PERMITTED ENCUMBRANCES AND OTHER OBLIGATIONS

38. The Mortgagor hereby covenants to perform and observe and satisfy all the terms, covenants and conditions to be performed and observed by the Mortgagor under the terms of any Prior Permitted Encumbrances and the Leases (hereinafter called the "**Other Obligations**"). It is expressly agreed and understood by the Mortgagor that in the event of default by the Mortgagor under any of the terms of any Other Obligations, beyond any applicable notice or cure periods, then at the option of the Mortgagee an Event of Default shall have occurred hereunder. The Mortgagee may at its option make any payment or cure any default under the any Prior Permitted Encumbrance and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

SEVERABILITY

39. In the event any Section or part thereof or any Section or part thereof is invalid and not enforceable for any reason, then such Section or part thereof or such Section or part thereof shall be severable from this Mortgage and not affect the validity or enforceability of any other part of this Mortgage.

SUCCESSORS AND ASSIGNS

40. When the context makes it possible, the word "**Mortgagee**" wherever it occurs in this Mortgage, shall include the successors and assigns of the Mortgagee, and the word

"Mortgagor" shall include heirs, executors, administrators, successors and permitted assigns of the Mortgagor; and that words in the singular include the plural, and that words in plural include the singular, and words importing the masculine gender include the feminine; and that if there is more than one entity comprising the Mortgagor all covenants herein contained and implied are to be construed as joint and several; and that heirs, executors, administrators, successors and assigns of any party executing this Mortgage are jointly and severally bound by the covenants, provisos and agreements herein contained or implied. The Documents, including without limitation this Mortgage, together with the Loan Indebtedness and the Loan Obligations may be assigned or participated by the Mortgagee (and its successors and assigns), in whole or in part, without the consent of the Mortgagor.

DISCHARGE

41. The Mortgagee shall upon payment and performance of all indebtedness and obligations secured hereby in full deliver an executed discharge of this Mortgage; it being agreed that the Mortgagor's solicitor shall be responsible for preparing the mortgage discharge document for review by the Mortgagee and its counsel at least seven (7) days prior to payment, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all reasonable legal and other expenses and Taxes thereon, if any, for the preparation and execution of such discharge shall be borne by the Mortgagor.

LAW

42. This Mortgage is made pursuant to the *Land Titles Act* (Ontario) and any amendments thereto.

COMMITMENT LETTER

43. The parties agree that the accepted terms and conditions of the Commitment Letter, shall survive the initial advance of monies by the Mortgagee to the Mortgagor as contemplated hereunder and continue to be in full force and effect after said initial advance. In the event there is a direct conflict between the terms and conditions of this Mortgage and the Commitment Letter, then the Commitment Letter shall prevail to the extent necessary to resolve the conflict. In the event there is a direct conflict between the terms and conditions of this Mortgage and any other Loan Document (other than the Commitment Letter), the terms and conditions of this Mortgage shall prevail to the extent necessary to resolve the conflict.

HAZARDOUS MATERIALS

44. The Mortgagor,
- (a) has not nor, to the best knowledge of the Mortgagor, has any other Person ever caused or permitted any hazardous materials to be placed, held, located or disposed of on, under or at the Property and that its business and assets are operated in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and that no enforcement actions in respect thereof are threatened or pending.
 - (b) covenants and agrees that it will at all times during the continuance of this Mortgage, operate the Property in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and shall, subject to the rights of tenants under the Leases, permit the Mortgagee to conduct inspections and appraisals of all or any of its records, business and assets at any time or from time to time upon reasonable prior notice to ensure such compliance.
 - (c) in addition to the representations and warranties contained in Section 36, hereby represents, warrants and agrees that,
 - (i) to the best of the knowledge of the Mortgagor, the condition and use of the Property is, and will continue to be in compliance with all applicable environmental laws and standards; all necessary licenses and permits

relating to the release of contaminants, production of dangerous materials and carrying on of hazardous activities have been obtained and are being complied with; there are no outstanding orders against the Mortgagor from any Governmental Authority responsible for protecting the environment;

- (ii) to the best of the knowledge of the Mortgagor, the Property is not being subjected to environmental damage or contamination and to the best of the Mortgagor's knowledge, the Property incurred no such damage or contamination prior to the Mortgagor's control;
- (iii) the Mortgagor will use commercially reasonable efforts to use the Property and conduct its business thereon so as not to cause environmental damage and that the use of the Property will not change without the Mortgagee's approval, acting reasonably;
- (iv) to the best of the knowledge of the Mortgagor, the terms of any past credit arrangement have not been altered, cancelled or not renewed due to environmental risk considerations;
- (v) all legally required remedial action will be taken with respect to violations of environmental laws, and spills or other contaminations;
- (vi) the Mortgagor will give notice to the Mortgagee of any contamination of which the Mortgagor has or acquires knowledge of, or any pending or threatened government enforcement action or civil suit arising out of alleged environmental damage of which the Mortgagor has or acquires knowledge of;
- (vii) in accordance with Section 13 above, the Mortgagor will permit the Mortgagee and its agents to enter onto the Property at any time to conduct an environmental inspection and to permit the Mortgagee to take such action as it deems reasonably necessary to remedy any environmental damage or breach of law which the Mortgagor fails to take, subject to the rights of tenants under the Leases;
- (viii) the Mortgagor will provide copies of its own internal/external environmental audits to the Mortgagee upon request;
- (ix) subject to the terms of the existing Leases, the Mortgagor will use commercially reasonable efforts to cause any other occupants or Persons in control of the Property to comply with the foregoing covenants;
- (x) the Mortgagor will defend and indemnify the Mortgagee, its directors, officers, employees and agents against all costs, etc., arising out of any environmental damage caused by the Mortgagor's activities or by contamination of or from the Property (unless caused by the Mortgagee or those for whom in law it is responsible); and
- (xi) if the Mortgagor fails to perform any of the foregoing covenants beyond any applicable notice or cure periods, the Mortgagee may do so and any money expended by the Mortgagee shall be paid by the Mortgagor out of any funds coming into the Mortgagee's possession in priority to the Loan.

DUE ON SALE

45. The Loan Indebtedness shall, at the election of the Mortgagee, immediately become due and payable in full without notice by nor demand from the Mortgagee if the Property or any part thereof or interest therein is, without the prior consent in writing of the Mortgagee sold, transferred, conveyed, foreclosed, exchanged, assigned, mortgaged, or otherwise disposed of, or if the Mortgagor enters into an agreement to effect any of the foregoing whether by registered or unregistered instrument and whether for valuable or nominal consideration (and if the Mortgagor is a corporation, any change in Control of the Mortgagor or any other Covenantor shall constitute a default under this Section 45), in all cases except as specifically permitted in this Mortgage or in the Commitment Letter; provided however that nothing herein shall be construed as permitting the Mortgagor to

prepay this Mortgage in whole or in part except in accordance with Section 8 hereof; and provided further that the acceptance by the Mortgagee of any instalment payment or other payment under this Mortgage from any entity other than the Mortgagor shall not constitute a waiver by the Mortgagee of its rights under this Section 45, nor a consent by the Mortgagee of any such sale or disposal of the Property as above described.

SUBSEQUENT FINANCING

46. The Loan Indebtedness shall, at the election of the Mortgagee, become due and payable in full if the Property or any part thereof or interest therein is, without the prior consent in writing of the Mortgagee acting reasonably, mortgaged or similarly charged, except as may be specifically permitted in this Mortgage, the Commitment Letter or under a Permitted Encumbrance; provided however that nothing herein shall be construed as permitting the Mortgagor to repay this Mortgage in whole or in part except in accordance with Section 8 hereof.

PROHIBITED BUSINESSES

47. The Mortgagor agrees not to operate, nor allow any tenant to operate a business on the Property that:
- (a) is sexually exploitive or that is inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services; or
 - (b) are engaged in or associated with illegal activities.

FINANCIAL STATEMENTS AND REPORTS

48. The Mortgagor shall deliver or cause to be delivered the following documentation to the Mortgagee:
- (a) any and all insurance certificate renewals and/or amendments within ten (10) business days of the issuance thereof. In the event of any change to the insurance held by the Mortgagor, the Mortgagee may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Mortgagor's expense;
 - (b) property tax statements supported by proof of payment on an annual basis or as otherwise requested by the Mortgagee from time to time;
 - (c) each year, or more often if requested by the Mortgagee, within one hundred twenty (120) days of the Mortgagor's fiscal year end, accountant prepared financial statements of the Mortgagor and of any corporate Covenantor, 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, in the case of any personal Covenantor, certified and current-dated net worth statements in lieu of financial statements with supporting documentation of asset values;
 - (d) at the request of the Mortgagee from time to time any other relevant updates regarding the Property.

BENEFIT OF EASEMENTS

49. As additional security for the indebtedness and other obligations secured hereunder and interest thereon and the due performance of the Mortgagor's obligations hereunder and under any collateral security the Mortgagor hereby assigns, transfers, mortgages, charges and sets over to and in favour of the Mortgagee as and by way of a specific assignment, mortgage and charge all of the right, title and interest of the Mortgagor in and with respect to any and all easements, restrictive covenants, rights of way, party wall agreements and encroachment agreements benefiting the Property (the "**Title Agreements**") and all of the benefit, power and advantage of the Mortgagor to be derived therefrom (including without limitation the benefit of any positive covenants) and otherwise to enforce the rights of the Mortgagor under the Title Agreements in the name of the Mortgagor. Nothing herein contained shall render the Mortgagee liable to any Person for the fulfilment or non-fulfilment of the obligations covered in any of the Title Agreements, including, but not

limited to, the payment of any moneys thereunder or in respect thereto and the Mortgagor hereby indemnifies and agrees to save and hold harmless the Mortgagee from and against any and all claims, demands, actions, causes of action, losses, suits, damages and costs whatsoever arising directly or indirectly from or out of any of the Title Agreements. The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor shall not surrender, alter, amend or modify any of the Title Agreements or any of the terms or conditions thereof except with the prior written consent of the Mortgagee or as required to complete the project, if applicable, as determined by the Mortgagor, acting as a prudent owner.

INDEMNITY

50. The Mortgagor shall indemnify and save harmless the Mortgagee 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 in connection with any breach or default by the Mortgagor under this Mortgage and any of the other Loan Documents.

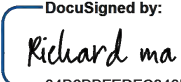
GENERAL

51. This Mortgage shall be construed in accordance with and governed under the laws of the Province of Ontario and the federal laws of Canada applicable therein.
52. The Mortgagor agrees with the Mortgagee as follows:
- (a) to comply with the terms and conditions of this Mortgage and the other Loan Documents at all times;
 - (b) to maintain the Property in a sound state of repair at all times as would other prudent owners of similar property;
 - (c) to allow the Mortgagee and its appointees to have access to the property at all reasonable times upon reasonable prior notice, subject to the rights of tenants at the Property; and
 - (d) at the Mortgagee's request, acting reasonably, to promptly deliver or cause to be delivered to the Mortgagee promptly such information about the financial condition and operation with respect to the Property as the Mortgagee may request from time to time.
53. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Commitment Letter.
54. This Mortgage may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this Mortgage to produce or account for more than one such counterpart. Transmission of executed or electronically executed copies of this Mortgage whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.
55. Notwithstanding anything in this Mortgage, in dealing with enforcing and realizing on this Mortgage, the Mortgagee shall not claim hereunder any greater amount in the aggregate than the amounts advanced by the Mortgagee that remain unpaid, together with all accrued and unpaid interest, and any other amounts unpaid hereunder.

-- signatures follow on next page --

IN WITNESS WHEREOF the Mortgagor has duly executed this Mortgage this 15th day of June, 2022.

VANDYK – THE RAVINE LIMITED

Per: 
Name: _____
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

SCHEDULE "A"
DESCRIPTION OF THE LANDS

PIN 13214-0871 (LT)

LOT 1, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0872 (LT)

LOT 2, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0873 (LT)

LOT 3, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0874 (LT)

LOT 4, PLAN 43M2113; SUBJECT TO AN EASEMENT IN GROSS OVER PART 4,
43R40043 AS IN PR3908805; CITY OF MISSISSAUGA

PIN 13214-0875 (LT)

LOT 5, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0876 (LT)

LOT 6, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0877 (LT)

LOT 7, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0878 (LT)

LOT 8, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0879 (LT)

LOT 9, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0880 (LT)

LOT 10, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0881 (LT)

LOT 11, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0882 (LT)

LOT 12, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0883 (LT)

LOT 13, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0884 (LT)

LOT 14, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0885 (LT)

LOT 15, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0886 (LT)

LOT 16, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0887 (LT)

LOT 17, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0888 (LT)

LOT 18, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0889 (LT)

LOT 19, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0890 (LT)

LOT 20, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0891 (LT)

LOT 21, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0892 (LT)

LOT 22, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0893 (LT)

LOT 23, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0894 (LT)

LOT 24, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0895 (LT)

LOT 25, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0896 (LT)

LOT 26, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0897 (LT)

LOT 27, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0898 (LT)

LOT 28, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0899 (LT)

LOT 29, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0900 (LT)

LOT 30, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0901 (LT)

LOT 31, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0902 (LT)

LOT 32, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0903 (LT)

LOT 33, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0904 (LT)

LOT 34, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0905 (LT)

LOT 35, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0906 (LT)

LOT 36, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0907 (LT)

LOT 37, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0908 (LT)

LOT 38, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0909 (LT)

LOT 39, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0910 (LT)

LOT 40, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0911 (LT)

LOT 41, PLAN 43M2113; CITY OF MISSISSAUGA

Properties

PIN 13214 - 0890 LT *Interest/Estate* Fee Simple
Description LOT 20, PLAN 43M2113; CITY OF MISSISSAUGA
Address MISSISSAUGA

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 VANDYK - THE RAVINE LIMITED
Address for Service 1944 Fowler Drive
 Mississauga, ON L5K 0A1

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

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

Statements

Schedule: See Schedules

Provisions

Principal \$68,750,000.00 *Currency* CDN
Calculation Period See Schedule
Balance Due Date See Schedule
Interest Rate See Schedule
Payments
Interest Adjustment Date
Payment Date See Schedule
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full insurable value
Guarantor

Signed By

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2023 07 28
 Toronto
 M5X 1A4
 Chargee(s)

Tel 416-863-1200

Fax 416-863-1716

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

Submitted By

BENNETT JONES LLP 3400-1 First Canadian Place 2023 07 28
 Toronto
 M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

Fees/Taxes/Payment

Statutory Registration Fee \$69.00
Total Paid \$69.00

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

File Number

Chargee Client File Number : 59445.93 (JVG/MOG/MW/NC)

MORTGAGE

VANDYK – THE RAVINE LIMITED having an office at 1944 Fowler Drive, Mississauga, Ontario L5K 0A1 (hereinafter referred to as the "**Mortgagor**") being registered as owner of an estate in fee simple in possession of the Property;

IN CONSIDERATION of the sum of \$68,750,000.00 of lawful money of Canada, (the "**Principal Amount**"), or any portion thereof, lent to the Mortgagor by **KINGSETT MORTGAGE CORPORATION**, having an office at Scotia Plaza, 40 King Street West, Suite 3700, Toronto, Ontario M5H 3Y2 (hereinafter referred to as the "**Mortgagee**"), the Mortgagor **HEREBY COVENANTS WITH** the Mortgagee as follows:

DEFINITIONS

1. The terms defined below shall have the indicated meanings unless the context expressly or by necessary implication requires otherwise:
 - (a) "**Assessments**" has the meaning ascribed thereto in Section 12(b);
 - (b) "**Borrower**" means, collectively, Vandyk-Uptowns Limited and 2366885 Ontario Inc.;
 - (c) "**Commitment Letter**" means the commitment letter dated as of May 6, 2022 between, *inter alios*, the Borrower and the Servicer, as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time;
 - (d) "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise;
 - (e) "**Covenantors**" means, collectively, the Mortgagor or any joint debtor or any obligor to the Mortgagee in connection with repayment of the Loan Indebtedness or the performance of the Loan Obligations;
 - (f) "**Event of Default**" has the meaning ascribed thereto in Section 29;
 - (g) "**Extension Fee**" means a fee of 0.30% of the then outstanding Loan Indebtedness;
 - (h) "**Final Discharge Fee**" has the meaning ascribed thereto in Section 22;
 - (i) "**Governmental Authority**" means the government of Canada or any other nation, or of any political subdivision thereof, whether state/provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency;
 - (j) "**Hazardous Substance**" means any radioactive materials, asbestos materials, urea formaldehyde, underground or aboveground tanks, pollutants, contaminants, liquid waste, industrial waste, hauled liquid waste, deleterious substances, corrosive or toxic substances, hazardous wastes, hazardous materials, hazardous substances, special waste or waste of any kind or any other substance, the storage, manufacture, disposal, treatment, generation, use, transport, remediation or release into the environment of which is now or hereafter prohibited, controlled or regulated under any applicable environmental law;
 - (k) "**Heart Lake Lands**" means the properties municipally known as 10302 and 10194 Heart Lake Road, Brampton, Ontario;
 - (l) "**Heart Lake Project**" means:
 - (i) the development of 342 stacked townhouses with a total 379,842 square feet of gross floor area located at 10302 Heart Lake Road, Brampton, Ontario, and all landscaping, all plants, machinery, improvements and equipment

and all other property whether free-standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto ("**Uptowns**"); and

- (ii) a development site approved for 200 townhouses located at 10194 Heart Lake Road, Brampton, Ontario, and all landscaping, all plants, machinery, improvements and equipment and all other property whether free-standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto ("**Jordan**");
- (m) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (n) "**Interest Adjustment Date**" means the first day of the calendar month following the calendar month in which the initial advance of all or any portion of the Loan Indebtedness is made, unless such initial advance takes place on the first day of a calendar month, in which case the interest adjustment date shall be the date of such initial advance;
- (o) "**Interest Rate**" means the greater of: (i) the RBC Prime Rate plus 7.95% per annum; and (ii) 11.15% per annum, calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement with respect to the Loan Indebtedness;
- (p) "**Lands**" means those lands and premises more particularly described in Schedule "A" attached hereto;
- (q) "**Lease Benefits**" means, collectively, the benefit of all covenants and obligations of lessees, tenants, licensees, or occupants as well as all other rights, privileges, advantages and benefits contained in any of the Leases, including without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the Mortgagor's rights under any Lease, and generally any collateral advantage or benefit to be derived from the Leases or any of them;
- (r) "**Leases**" means, collectively, all present and future leases, subleases, licenses, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Mortgagor or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Property, and including all agreements collateral thereto;
- (s) "**Lien**" means, collectively, any: (i) lien, charge, mortgage, pledge, security interest or conditional sale agreement; (ii) assignment, lease, consignment, trust or deemed trust that secures payment or performance of an obligation; (iii) garnishment; (iv) other encumbrance of any kind; and (v) any commitment or agreement to enter into or grant any of the foregoing;
- (t) "**Loan Documents**" means, collectively, the Commitment Letter, this Mortgage, the Security Documents and all certificates, instruments, agreements and other documents delivered, or to be delivered, to the Mortgagee under, pursuant to or in connection with this Mortgage or any of the other Loan Documents, each as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time and, when used in relation to any Person, the term "**Loan Documents**" means the Loan Documents executed and delivered by such Person;
- (u) "**Loan Indebtedness**" means any Indebtedness from time to time of the Mortgagor or any of the other Covenantors to the Mortgagee arising under any of the Loan Documents;
- (v) "**Loan Obligations**" means the obligations from time to time of the Mortgagor or any of the other Covenantors arising under the Loan Documents;

- (w) **"Material Adverse Effect"** means a material adverse effect on:
- (i) the Property or the economic viability thereof;
 - (ii) the business, operations, property or financial condition of any of the Covenantors which would materially impact the ability of the Covenantors, taken as a whole, to repay the Loan Indebtedness and to perform and discharge the Loan Obligations;
 - (iii) the validity or enforceability of this Mortgage or any of the other Loan Documents; or
 - (iv) the Mortgagee's ability to enforce its rights or remedies under this Mortgage or any of the other Loan Documents, including with respect to the Mortgagee's security position;
- (x) **"Maturity Date"** means twenty-four (24) months after the Interest Adjustment Date as may be extended in accordance with the Commitment Letter;
- (y) **"Maximum Loan Amount"** means, notwithstanding the Principal Amount, the amount of \$55,000,000.00;
- (z) **"Mortgaged Premises"** means every building, structure, improvement and fixture (including those more fully set out in Section 18 hereof), including replacements therefor, on or which may hereafter be erected or placed on the Lands, including all plate glass, plant, equipment, apparatus and machinery of every kind now or hereafter located therein, thereon or used in connection therewith, and all personal property including, contents thereof to the extent that they are the property of the Mortgagor;
- (aa) **"Mortgagee"** means KingSett Mortgage Corporation;
- (bb) **"Mortgagor"** means Vandyk – The Ravine Limited;
- (cc) **"Other Obligations"** has the meaning ascribed thereto in Section 38;
- (dd) **"Partial Discharge Fee"** has the meaning ascribed thereto in Section 22;
- (ee) **"Permitted Encumbrances"** mean, collectively:
- (i) any Lien in respect of any property or assets of the Mortgagor created by or arising pursuant to any applicable legislation in favour of any Person (such as but not limited to a Governmental Authority), including a Lien for the purpose of securing the Mortgagor's obligation to deduct and remit employee source deductions and goods and services tax pursuant to the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan* (Canada), the *Employment Insurance Act* (Canada) and any legislation in any jurisdiction similar to or enacted in replacement of the foregoing from time to time (each individually a "**Statutory Lien**") in respect of any amount which is not at the time due;
 - (ii) any Statutory Lien in respect of any amount which may be due but the validity of which is being contested in good faith and in respect of which reserves have been established as reasonably required by the Mortgagee;
 - (iii) in respect of the Property: (A) any registered agreement (or unregistered agreement that is required in connection with the further development of the Property) with any Governmental Authority and any public utilities or private suppliers of services, including site plan agreements, subdivision agreements, development agreements, engineering, grading or landscaping agreements and similar agreements, which has not and is not reasonably likely to have a Material Adverse Effect, provided the same is complied with in all material respects; (B) any registered easement for the supply of utilities or telephone services to the Property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services and all licences, easements, rights-of-way, rights in the

nature of easements and agreements with respect thereto not registered on title to the Property, including agreements, easements, licences, rights-of-way and interests in the nature of easements for sidewalks, public ways, sewers, drains, utilities, gas, steam and water mains or electric light and power, or telephone telegraphic conduits, poles, wires and cables, which has not and is not reasonably likely to have a Material Adverse Effect; (C) any registered easement or right-of-way for the passage, ingress and egress of Persons and vehicles over parts of the Lands, which has not and is not reasonably likely to have a Material Adverse Effect; (D) any registered or unregistered easement, rights-of-way, agreement or other unregistered interest or claims not disclosed by registered title which has not and is not reasonably likely to have a Material Adverse Effect; (E) any zoning, land use and building restriction, bylaw, regulation and ordinance of any Governmental Authority, including municipal by-laws and regulations and airport zoning regulations, which has not and is not reasonably likely to have a Material Adverse Effect; (F) any obligation with respect to any permit required in connection with the construction and use of the Property provided such permit is in good standing and has not and is not reasonably likely to have a Material Adverse Effect; and (G) any minor defect in title which has not and is not reasonably likely to have a Material Adverse Effect;

- (iv) any reservation, limitation, proviso, condition, restriction and exception (including royalties, reservation of mines, mineral rights, access to navigable waters and similar rights) expressed in the letters patent or grant from the Crown, as varied by statute, of the lands of which the Lands form a part and any statutory limitation, exception, reservation and qualification, provided same has been complied with in all material respects;
- (v) any Lien incurred or deposit made or pledged to secure any obligation under workers' compensation legislation or similar legislation, or in connection with contracts, bids, tenders or expropriation proceedings, or surety, performance or appeal bonds in connection with construction of the further development of the Property;
- (vi) security given to a public utility or any Governmental Authority to secure obligations incurred to such utility, Governmental Authority or other authority in the ordinary course of business and not at the time overdue;
- (vii) any inchoate Lien (statutory or otherwise) arising in connection with the construction or improvement of the Property or arising out of the furnishing of materials or supplies therefor, provided that such Lien secures moneys not at the time overdue (or if overdue, the validity of which is being contested in good faith and in respect of which and reserves have been established as reasonably required by the Mortgagee), notice of such Lien has not been given to the Mortgagee and such Lien has not been registered against title to the Property;
- (viii) purchase-money security interests incurred or assumed in connection with the purchase, leasing or acquisition of capital equipment in the ordinary course of business, provided that the aggregate amount of the Mortgagor's liability thereunder is not at any time greater than one million (\$1,000,000.00) dollars;
- (ix) any present and future lease, offer to lease, sublease, concession, licence or other contract or agreement by which the use, enjoyment or occupancy of the Property or any portion thereof is granted which has not and is not reasonably likely to have a Material Adverse Effect;
- (x) this Mortgage and the other Security Documents;
- (xi) the Prior Permitted Encumbrances; and
- (xii) any Subsequent Encumbrances with the express prior written consent of the Mortgagee in its sole, absolute and unfettered discretion;

- (ff) "**Person**" means, and includes, natural persons, corporations, limited liability companies, limited partnerships, limited liability partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and governments and agencies and political subdivisions thereof and their respective permitted successors and assigns (or in the case of a governmental person, the successor functional equivalent of such Person);
- (gg) "**Principal Amount**" has the meaning ascribed thereto in the preamble to this Mortgage;
- (hh) "**Prior Permitted Encumbrances**" means those encumbrances registered against title to the Property in priority to this Mortgage on the date of the registration of this Mortgage against title to the Lands and which the Mortgagee has agreed to accept in its sole, absolute and unfettered discretion, including for greater certainty, a first mortgage, in an amount not to exceed \$25,000,000.00 provided by the Mortgagee on terms and conditions acceptable to the Mortgagee (the "**First Mortgage**") and a second mortgage, in an amount not to exceed \$37,000,000.00 provided by the Mortgagee on terms and conditions acceptable to the Mortgagee (the "**Second Mortgage**");
- (ii) "**Project**" means development of an infill serviced lot development site approved for 39 detached units and 6 semi-detached units located at the Lands;
- (jj) "**Property**" means, collectively, the Lands and the Mortgaged Premises;
- (kk) "**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;
- (ll) "**Rents**" means, collectively, all rents, issues and profits now due or to become due under or derived from the Leases and/or the Property;
- (mm) "**Royal York Lands**" means the property municipally known as 327 Royal York, Etobicoke, Ontario;
- (nn) "**Royal York Project**" means the mixed-use land site to be developed with a two-tower project comprised of 692 residential condominium units, approximately 5,726 square feet of ground floor retail, approximately 75,000 square feet of office space, and approximately 16,416 square feet of Metrolinx station spaced located at the Royal York Lands;
- (oo) "**Security Documents**" means, collectively, the Loan Documents creating Liens on the undertaking, property and assets of the Covenantors in favour of the Mortgagee, and all other instruments, agreements and documents which have been or may hereafter from time to time be executed in connection therewith, in each case as the same may be hereafter amended, modified, supplemented or restated in accordance with the terms thereof;
- (pp) "**Servicer**" means Dorr Capital Corporation;
- (qq) "**Statutory Lien**" has the meaning ascribed thereto in Section 1(ee)(i);
- (rr) "**Subsequent Encumbrances**" means, collectively, encumbrances registered against title to the Lands subsequent in priority to this Mortgage with the prior consent of the Mortgagee, which consent shall be granted in the Mortgagee's sole, absolute and unfettered discretion;
- (ss) "**Taxes**" means all present or future taxes, rates, liens, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto; and

(tt) **"Title Agreements"** has the meaning ascribed thereto in Section 49;

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise: (i) any definition of or reference to any agreement, instrument or other document herein (including this Mortgage) shall be construed as referring to such agreement, instrument or other document amended, varied, supplemented, restated, renewed or replaced at any time and from time to time (subject to any restrictions on such amendments, variations, supplements, restatements, renewals or replacements set forth herein); (ii) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns; (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Mortgage in its entirety and not to any particular provision hereof; (iv) unless otherwise expressly stated, all references in this Mortgage to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Mortgage, and references to a Section, means such Section or an enumerated sub-Section thereof, as applicable; (v) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time; and (vii) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

PROMISE TO PAY AND FULFIL OBLIGATIONS

2. The Mortgagor will pay or cause to be paid to the Mortgagee, on demand, in lawful money of Canada the full amount of the Loan Indebtedness in the manner of payment provided by this Mortgage before as well as after maturity, both before and after default, and both before and after judgment on this Mortgage, without any deduction or abatement, and shall do, observe, perform, fulfil and keep all of the Loan Obligations.

PAYMENTS

3. The Loan Indebtedness shall be repaid as follows:
- (a) interest on the Loan Indebtedness advanced and remaining unpaid from time to time at the fixed rate per annum equal at all times to the Interest Rate, calculated daily not in advance, before as well as after maturity, default and judgment, on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and compounded monthly not in advance and computed from and including the respective dates of such advances;
 - (b) subject to Section 3(d)(iii), interest, at the Interest Rate, shall become due and be paid on the Interest Adjustment Date and thereafter in monthly instalments on the first business day of the month which is one month after the Interest Adjustment Date and continuing on the first business day of each and every month which is one month after the date of each such payment, and in addition, at the option of the Mortgagee, may be deducted from advances of moneys under this Mortgage, and the balance, if any, of the aforesaid interest on advances shall become due and be paid at the same time as is hereinafter provided for payment in full of the Loan Indebtedness;
 - (c) the Loan Indebtedness shall become due and be paid in full on the earlier of:
 - (i) the Mortgagee demanding repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time; and
 - (ii) the Maturity Date;
 - (d) it is acknowledged and agreed that:

- (i) notwithstanding the Principal Amount, the maximum amount to be advanced by the Mortgagee from time to time in respect of the Loan Indebtedness shall not exceed the Maximum Loan Amount;
- (ii) an initial and subsequent advances of Loan Indebtedness representing advances from time to time of the Loan may be made by the Mortgagee, subject to and in accordance with the Commitment Letter and the conditions precedent and other provisions set out therein;
- (iii) beginning on the Interest Adjustment Date, the amount of monthly interest, up to a maximum of \$230,000.00 per month, at the Interest Rate, shall, provided no Event of Default has occurred hereunder which is continuing, be capitalized monthly to the Loan Indebtedness advanced hereunder until the earlier of:
 - A. such capitalized interest, at the Interest Rate, reaching in the aggregate the amount of \$5,500,000.00;
 - B. the sum of such capitalized interest and all other amounts advanced hereunder reaching, in the aggregate, the Maximum Loan Amount;
 - C. repayment of all amounts outstanding hereunder;
 - D. any Event of Default or a default by any of the Covenantors under any of the Loan Documents; and
- (e) in the event that amounts are no longer available in accordance with the provisions of Section 3(d)(iii), any additional interest payments shall not be capitalized and shall be required to be paid by the Mortgagor from sources other than subsequent advances of moneys under this Mortgage.

CHARGE

4. **THE MORTGAGOR HEREBY** grants, mortgages and charges to and in favour of the Mortgagee all right, title and interest of the Mortgagor in and to the Property as security for the payment of the Loan Indebtedness and performance of the Loan Obligations by the Borrower arising pursuant to the guarantee dated as of the date hereof granted by, *inter alios*, the Mortgagor to and in favour of the Mortgagee.

COMPOUND INTEREST

5. It is hereby agreed that in case default shall be made in payment of any sum to become due for interest, at the Interest Rate, at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, before as well as after maturity, shall bear interest, at the Interest Rate, and in case the interest and compound interest are not paid within the next thirty (30) days, compound interest, at the Interest Rate, shall be payable on the aggregate amount then due of outstanding interest and compound interest, before as well as after maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Property.

INTEREST RATE

6. Notwithstanding the provisions hereof in no event shall the aggregate "**interest**" (as that term is defined in Section 347 of the *Criminal Code* (Canada)) exceed the effective annual rate of interest on the "**credit advanced**" (as defined therein) lawfully permitted under that section. The effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles from the date of the initial advance of the Loan Indebtedness until the Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Mortgagee will be conclusive for the purposes of such determination. If any provision of the Mortgage would obligate the Mortgagor to make any payment of interest or other amount payable to the Mortgagee in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Mortgagee of interest at a criminal rate, then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect

to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the Mortgagee of interest at a criminal rate, the adjustment to be effected, to the extent necessary, as follows:

- (a) first, by reducing the amount or rate of interest required to be paid to the Mortgagee under this Mortgage; and
- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Mortgagee which would constitute "**interest**" (as that term is defined in Section 347 of the *Criminal Code* (Canada)).

RENEWALS AND NON-REVOLVING NATURE OF LOAN

7. That:

- (a) in the event that this Mortgage shall be renewed or extended pursuant to Section 7(b) or by written agreement executed by the Mortgagor and the Mortgagee, such renewal or extension (and the rate of interest, term, instalment and other stipulations of such renewal or extension) shall be binding upon Subsequent Encumbrances, the Mortgagor and the Mortgagee, its successors in title and assigns, and all Subsequent Encumbrances, and shall take full priority over all Subsequent Encumbrances, whether or not the said renewal, extension or notice thereof is registered, filed or recorded by caveat at the applicable Land Titles Office and whether or not the rate of interest payable or payment amortization period applicable during the renewal or extension term is greater than or less than the rate or amortization stipulated in this Mortgage. The Mortgagor shall, forthwith on request therefor by the Mortgagee, provide to the Mortgagee, at the Mortgagor's expense, all such postponements and other assurances as the Mortgagee may require to ensure the foregoing binding effect and priority. All renewals (if any) shall be done at the Mortgagor's expense (including without limitation payment of the Mortgagee's reasonable legal expenses on a solicitor and his own client basis). In the event the within Mortgagor is a corporation, no such renewal or extension, even if made by a successor in title to the Mortgagor named herein and whether or not the Mortgagor shall consent thereto, shall in any way release or abrogate or render unenforceable the covenants or obligations of the Mortgagor named herein, which shall continue notwithstanding such renewal or extension and shall apply to this Mortgage as renewed or extended;
- (b) the Mortgagor has the option, subject to the prior consent of the Mortgagee, in its sole, absolute and unfettered discretion, to extend the Maturity Date by up to two (2) extensions with each extension being for a period of three (3) months on the terms and conditions set out in the Commitment Letter, and provided that in connection with each extension option:
 - (i) the Mortgagor pays to the Mortgagee an Extension Fee, which shall be deemed earned by the Mortgagee upon receipt of notice requesting an extension of the Maturity Date, and payable on or before the date which is ten (10) days prior to the Maturity Date, provided that if such extension is not granted by the Mortgagee, the Mortgagee will return such amount to the Mortgagor;
 - (ii) the Mortgagor or any other Covenantor delivering at least sixty (60) days' (but not more than ninety (90) days) written notice prior to the Maturity Date to the Mortgagee requesting each extension; and
 - (iii) no Event of Default has occurred which is continuing;
- (c) other than the extension right set forth in Section 7(b), there are no further rights to renew or extend this Mortgage; and
- (d) no amount that is borrowed or advanced hereunder may, if repaid or prepaid, be reborrowed at any time, it being acknowledged and agreed that this Mortgage creates a non-revolving loan.

PREPAYMENT

8. This Mortgage is closed and may not be prepaid in whole or in part, save and except for each prepayment of net sales proceeds for either the Uptowns portion of the Heart Lake Project or the Project on the terms and conditions set out in the Commitment Letter.

TAXES

9. Subject as hereinafter in this Section 9 provided, the Mortgagor will pay when and as the same fall due all Taxes; provided that in respect of municipal taxes, school taxes, local improvements charges and all taxes and levies made or assessed in lieu of real property taxes, the Mortgagor shall provide the Mortgagee with a paid receipted tax bill within fifteen (15) days after the payment deadline of each such tax bill, and in the event the Mortgagor should default in payment of same and such default continues for more than three (3) business days following written notice to the Mortgagor, the Mortgagee shall have the right to implement any of the following:
- (a) the Mortgagee may deduct from time to time, from advances of moneys under this Mortgage, amounts sufficient to pay the Taxes which have become due and payable or will have become due and payable and are unpaid from time to time as advances are made;
 - (b) the Mortgagor shall in each year during the currency hereof at the request of the Mortgagee pay to the Mortgagee in equal monthly instalments, such amounts as the Mortgagee may estimate as being the annual Taxes next becoming due and payable, the said monthly instalments to be paid in addition to the payments required under Section 2, and the Mortgagor shall also pay to the Mortgagee before the due date of the current annual Taxes such additional sums as may be requisite to enable the Mortgagee to pay out of such monthly instalments and additional payments, the whole amount of the annual Taxes on or before the due date thereof, provided, however, that the exercise of the foregoing right shall be subject to the rights and obligations of the Mortgagor and the Mortgagee under all Permitted Encumbrances;
 - (c) so long as there is not an Event of Default that has occurred and is continuing, the Mortgagee shall apply such deduction and payments on the Taxes as they become due, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of Taxes more often than yearly, nor to pay the same in advance of the due date for payment of the same. Provided however, that if (before any sum or sums so paid to the Mortgagee shall have been so applied) an Event of Default shall have occurred which is continuing, the Mortgagee may, at its option, apply such sum or sums in or towards payment of the Loan Indebtedness;
 - (d) in the event that there is default in the payment by the Mortgagor of moneys for Taxes as aforesaid, then the Mortgagee may pay such Taxes and, in addition, upon providing the Mortgagor with ten (10) days' prior written notice, the Mortgagee may pay any and all liens, charges and encumbrances which may be charged against the Property which are not otherwise first paid by the Mortgagor. All moneys expended by the Mortgagee for any of such purposes together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
 - (e) if the Property or any part thereof becomes subject to sale or forfeiture for non-payment of Taxes while any Loan Indebtedness remains outstanding, then, subject to all applicable laws, the Mortgagee may acquire title and rights of the purchaser at any sale, or the rights of any other Person or corporation becoming entitled on or under any such forfeiture, or the Mortgagee may pay, either in its own name or in the Mortgagor's name or on the Mortgagor's behalf, any and all sums necessary to be paid to redeem the Property so sold or forfeited, and to re-vest the Property in the Mortgagor, and the Mortgagor hereby nominates and appoints the Mortgagee agent of the Mortgagor to pay such moneys on the Mortgagor's behalf and in the Mortgagor's name, and any moneys so expended by the Mortgagee together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby

secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default, or, in the alternative, the Mortgagee shall have the right to bid on and purchase the Property at any tax sale of the same and shall thereupon become the absolute owner thereof; and

- (f) the Mortgagor shall transmit to the Mortgagee evidence, satisfactory to the Mortgagee acting reasonably, of the payment of all Taxes affecting the Property to the Mortgagee at least quarterly or as otherwise reasonably requested by the Mortgagee from time to time, and the Mortgagor authorizes the Mortgagee to obtain any tax or assessment information concerning the Property directly from the municipal taxing authority having jurisdiction over the Property.

INSURANCE

10. That:

- (a) the Mortgagor will, at the Mortgagor's expense, forthwith insure or cause to be insured, and during the continuance of this security keep insured in favour of the Mortgagee, the Property on an all risks basis, or as otherwise allowed by the Mortgagee, including coverage for course of construction, earthquake, flood and such other risks or perils as the Mortgagee may require or consider expedient and satisfactory to the Mortgagee, acting reasonably, including and pursuant to the following coverages, provisions and conditions:
- (i) the Mortgagee must be shown as a named insured, or an additional named insured, and mortgagee and loss payee as the Mortgagee's interest may appear;
 - (ii) the limit of insurance shall not be less than one hundred (100%) percent of new replacement cost including recurring soft costs and costs of foundations and all parts below ground level including confirmation that the "same or adjacent site" clause has been deleted from the replacement cost wording;
 - (iii) any co-insurance clause contained in the policy shall be a stated amount co-insurance clause;
 - (iv) the policy shall include an Insurance Bureau of Canada standard mortgage clause or its equivalent;
 - (v) losses shall be made payable to the Mortgagee according to its interest;
 - (vi) rental income coverage on an "all risks" basis sufficient to cover one hundred (100%) percent of the gross annual revenues, including Rents and if leases are on a net-net basis, the equivalent gross revenues, including rentals for a period of not less than twelve (12) months; or if the property is owner-occupied, business interruption coverage;
- (b) the Mortgagor will maintain liability insurance coverage, including without limitation earthquake, flood and sewer back-up insurance at least equivalent in scope to a Commercial General Liability form, such insurance to be in the minimum amount of five million (\$5,000,000.00) dollars per occurrence, to include all required extensions of liability and naming the Mortgagee as co-insured;
- (c) the Mortgagor will cause its contractors to maintain contractors liability insurance coverage, and wrap-up liability insurance coverage, in each instance to be in the minimum amount of five million (\$5,000,000.00) dollars per occurrence, to include all required extensions of liability and naming the Mortgagor as an additional named insured, but only with respect to claims arising out of the operations of the named insured;
- (d) as applicable, the Mortgagor will maintain builders "all risks" or "broad form" insurance, subject to the latest CCDC policy wording and will include:

- (i) coverage sufficient to cover one hundred (100%) percent of the projected hard costs and not less than twenty-five (25%) percent of the projected recurring soft costs;
 - (ii) a "permission to occupy" clause, "delayed rental income / soft costs" insurance to cover the anticipated loss of revenue for one (1) year, which may be incurred in the event of an insured loss, during construction;
 - (iii) coverage for the installation, testing and commissioning, of machinery and equipment; and
 - (iv) the Mortgagee as loss payee and as mortgagee as its interest appears, pursuant to a standard mortgage clause satisfactory to the Mortgagee;
- (e) the Mortgagor will maintain boiler and machinery insurance covering all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical and mechanical breakdown;
- (f) promptly upon written request, the Mortgagor will deliver to the Mortgagee and directly to its insurance consultants all policy binders of insurance together with all applicable certificates of insurance or such other evidence of insurance as the Mortgagee may reasonably require, and, prior to their due date, proof of payment of the premiums and renewal premiums therefor;
- (g) all policies shall be with insurers and subject to terms and conditions reasonably satisfactory to the Mortgagee. Any deviation from these requirements shall be approved in writing by the Mortgagee acting reasonably. The policies must provide for thirty (30) days' written notice to the Mortgagee of material alteration, if available, and cancellation and must be signed by the insurer(s) or their authorized representative(s);
- (h) if the Mortgagor shall neglect to keep the Property insured as aforesaid, or to deliver all policy binders of insurance together with all applicable certificates of insurance or such other evidence of insurance as the Mortgagee may reasonably require and evidence proving payment of premiums or renewal premiums when reasonably requested by the Mortgagee, or to produce to the Mortgagee at least forty-five (45) days' before the termination of such insurance evidence of the renewal thereof, the Mortgagee shall, without reference to the Mortgagor, be entitled (but shall not be obliged) to insure the Property, or any part thereof, as set forth above, and the amount of any premiums paid by the Mortgagee together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
- (i) promptly upon the occurrence of any loss or damage, the Mortgagor at its own expense will furnish all necessary proof and do all necessary acts to enable the Mortgagee to obtain payment of the insurance moneys, subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances;
- (j) subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, if any cheque issued by an insurer in complete or partial settlement of an insurance claim pursuant to the coverages above, other than the coverage for general public liability insurance, is given, sent or delivered to the Mortgagor or the solicitor or agent of the Mortgagor, then the Mortgagor shall cause such cheque to be delivered to the Mortgagee forthwith and if any such cheque is made payable to the Mortgagor alone or jointly to the Mortgagor and another or others, then the Mortgagor shall forthwith endorse and deliver such cheque over to the Mortgagee, and the Mortgagor does hereby constitute the Mortgagee as the Mortgagor's true and lawful attorney to receive and endorse any such cheque for an on behalf of the Mortgagor; and
- (k) subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, all monies received by virtue of such policy or policies

of insurance may at the option of the Mortgagee either be applied in or towards substantially rebuilding, reinstating or repairing the Property or towards the payment of the Loan Indebtedness, interest and other amounts secured hereby, whether or not the same are then due, in such manner as the Mortgagee shall from time to time determine, or may be paid in full or in part to the Mortgagor or its assigns, or may be applied or paid partly in one way and partly in another, as the Mortgagee may determine.

PAYMENT METHOD

11. The Mortgagor shall from time to time as required by the Servicer, provide a signed pre-authorized withdrawal form/or forms directed to the bank or financial institution at which the Mortgagor regularly keeps a chequing account, in such form and manner so as to enable the Servicer to receive payments from time to time of the monthly instalments payable hereunder and/or the Servicer's estimate of the monthly instalment for property Taxes, if applicable, from the Mortgagor's account with such bank or financial institution. Any payments received by the Servicer which are payable on a non-business day in the Province of Ontario or are received after 1 p.m. (Toronto time) on any business day in the Province of Ontario on or after receipt thereof, shall be credited to the mortgage account on the next business day thereafter.

CONDOMINIUM

12. That in the event the Property is or becomes a Condominium within the *Condominium Act* (Ontario), the Mortgagor further covenants with the Mortgagee that:
- (a) the Mortgagor will comply with, observe and perform all provisions of the *Condominium Act* (Ontario), its regulations and the bylaws, rules and regulations of the condominium corporation from time to time in force;
 - (b) the Mortgagor shall pay on or before the due dates thereof, each and every assessment, contribution, charge, fine or levy made by or on behalf of the condominium corporation in respect of the unit charged hereunder (hereinafter collectively called "**Assessments**"). If the Mortgagor fails to pay the Assessments, on or before their due date, such failure shall constitute default hereunder and shall entitle the Mortgagee to exercise any and all remedies available to the Mortgagee upon the occurrence of an Event of Default. Upon default under this Section 12 and notwithstanding any other right or action of the condominium corporation or the Mortgagee, the Mortgagee may pay the Assessments, and any Assessments so paid and all costs, charges, expenses and outlays of the Mortgagee thereby incurred together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
 - (c) the Mortgagor hereby irrevocably authorizes the Mortgagee to apply at any time and from time to time to the condominium corporation for certification of the amount and manner in which any Assessment is payable and the extent to which such Assessment has been paid;
 - (d) subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, the Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the Mortgagor's rights which now exist or may hereafter come into existence to vote at meetings of the condominium corporation:
 - (i) in all cases in which a unanimous resolution is required by the *Condominium Act* (Ontario), as amended, the bylaws of the condominium corporation or any agreement with the condominium corporation; and
 - (ii) in all other cases other than as referred to in (i) of this Section 12(d), provided that, if the Mortgagee is not present in Person or by proxy, or if present does not wish to vote, then the Mortgagor may exercise his voting right without further authority;

- (e) if for any reason whatsoever the Mortgagor has the right to vote at any meeting of the condominium corporation it shall, if directed by the Mortgagee, vote in such manner as the Mortgagee directs with respect to each and every matter to be voted on and the Mortgagor covenants to execute any documents requested by the Mortgagee, including, proxies if required, in order to give effect to the foregoing assignment of voting rights;
- (f) if requested by the Mortgagee, at least five (5) days prior to each and every general meeting of the condominium corporation, the Mortgagor shall deliver to the Mortgagee written notice of each such meeting specifying the place, date, hour and purpose of the meeting and in addition, immediately upon receipt of the same shall deliver to the Mortgagee true copies of the bylaws, rules and regulations of the condominium corporation from time to time in force, all notices, minutes, resolutions, accounts, financial statements and other documents relating to the financial statements and to the affairs of the condominium corporation as the Mortgagor may from time to time receive;
- (g) if requested by the Mortgagee (which the Mortgagee shall only make if it, acting reasonably, believes that the occurrence of an Event of Default or Material Adverse Effect is imminent or an event having a Material Adverse Effect is reasonably likely to occur), the Mortgagor shall deliver to the Mortgagee a further charge of the Property (in substantially the same form as this Mortgage) with respect to all units and the pro-rata share of common elements, which replacement charge shall be registered after the date of registration the declaration pursuant to and in accordance with the *Condominium Act* (Ontario) creating the Condominium;
- (h) upon the occurrence of an Event of Default which is continuing and notwithstanding any other right or action of the condominium corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessment, contribution, charge, fine or levy in respect of a unit and paid by it and such distraint shall not result in the Mortgagee being a Mortgagee in possession; and
- (i) as individual units are sold, the net sales proceeds for the Project shall be applied pursuant to the terms and conditions set out in the Commitment Letter.

INSPECTION

13. The Mortgagee, at such time or times as it may deem necessary, acting reasonably, and without the concurrence of any other Person but upon reasonable prior notice except, upon and during the continuance of an Event of Default when no notice shall be required, and in all cases subject to the rights of tenants at the Property, may send its inspector or agent to report upon the value, state and condition of the Property and, upon the occurrence of an Event of Default which is continuing, make arrangements for the improving, repairing, finishing and putting in order of the Property which may be reasonably required, and for leasing, collecting the Rents of and managing generally the Property, and may expend money, for any and all the purposes aforesaid, as it may deem expedient, and all moneys reasonably expended, costs, charges and out-of-pocket expenses together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

RESTRICTION ON TRANSFER, ENCUMBRANCES ETC.

14. The Mortgagor shall not convey, transfer, mortgage, alienate, or otherwise encumber all or any part of the Property or any direct or indirect interest therein (including as a result of a direct or indirect change in Control of the Mortgagor) nor allow all or any part of the Property or any direct or indirect interest therein to be encumbered without the prior written consent of the Mortgagee, in its absolute discretion, provided that, notwithstanding the foregoing, the Permitted Encumbrances shall be permitted to encumber the Property and that the Mortgagee shall act reasonably in providing its consent to any non-arm's length transfer. In the event that the Mortgagor breaches this Section 14 and has not first or contemporaneously prepaid the loan secured hereby in full in compliance with Section 8

hereof, then the entire Loan Indebtedness (but with interest at the Interest Rate calculated and compounded to the Maturity Date), shall immediately be due and payable.

ADVANCES

15. Neither the execution nor the registration nor the acceptance of this Mortgage, nor the advance of part of the Loan Indebtedness, shall bind the Mortgagee to make an advance of moneys under this Mortgage or any unadvanced portion thereof notwithstanding the provisions of the Commitment Letter, this Mortgage or any of the other Loan Documents, but nevertheless this Mortgage shall take effect forthwith on the execution of these presents, and if any Loan Indebtedness shall not be advanced at the date hereof, the Mortgagee may advance the same in one or more sums to or on behalf of the Mortgagor at any future date or dates, and the amount of such advances then so made together with interest at the Interest Rate shall be secured hereby.

SUBROGATION

16. In the event that the moneys advanced hereunder or any part thereof are applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights and stand in the position of and be entitled to all the equities of the party so paid off whether such charge or encumbrance has or has not been discharged; and the decision of the Mortgagee as to the validity or amount of any advance or disbursement made under this Mortgage or of any claim so paid off, shall be final and binding on the Mortgagor.

WASTE

17. Subject to the provisions of Section 19, the Mortgagor will not commit any act of waste on the Property or do any other thing by which the value of the Property shall, in the opinion of the Mortgagee, be diminished and will at all times remain in actual possession of the said Property. The Mortgagor will take good and reasonable care of the Property and without cost and expense to the Mortgagee manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures, machinery, facilities and equipment that belong to or are used in connection with the Property, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements beyond the extent to which they would ordinarily be repaired by a prudent owner. If, in the opinion of the Mortgagee, acting reasonably, the Property is not at any time in a proper state of repair, the Mortgagee may serve notice upon the Mortgagor to make such repairs or replacements as the Mortgagee, acting reasonably, deems proper within a period of thirty (30) days and in the event of the Mortgagor not having complied or not being in the process of diligently complying with such requisition, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors and they may enter upon the Property for the purpose of doing such work with or without the Mortgagor's concurrence, but in all cases subject to the rights of tenants at the Property, and the cost thereof, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid, shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

FIXTURES

18. All erections, buildings, fences, improvements, machinery, plant, furnaces, boilers, electric light fixtures, plumbing and heating equipment, aerials, incinerators, radiators and covers, fixed mirrors, fitted blinds and drapes, window screens, doors, storm windows and storm doors, shutters and awnings, floor coverings, air conditioning, ventilating, water heating equipment, partitions, elevators, and all component parts of any of the foregoing, fixed or otherwise now on or in or hereafter put on or in the Property (and also in all cases where the Mortgaged Premises are units rented in whole or in part, all refrigeration equipment, gas and electric stoves, ovens, washers, dryers, garburators, garbage compactors, microwave ovens and dishwashers whether affixed or not, and provided that same are

owned by the Mortgagor) are and shall in addition to other fixtures thereon be and become fixtures and form part of the realty and of the security and are included in the expression the "Mortgaged Premises", and that the Mortgagor will not commit any act of waste thereon, and that the Mortgagor will at all times during the continuance of the security granted by this Mortgage, repair, maintain, restore, amend, keep, make good, finish, add to and put in order, the Property and in the event of any loss or damage thereto or destruction thereof which has had or is reasonably likely to have a Material Adverse Effect, the Mortgagee may give notice to the Mortgagor to repair, rebuild, or reinstate the same, and upon the Mortgagor failing so to repair, rebuild, or reinstate within such time such failure shall constitute a breach of covenant hereunder and thereupon the Loan Indebtedness shall, at the sole option of the Mortgagee, become immediately due and payable and without any demand by the Mortgagee upon the Mortgagor, provided that the Mortgagee may (but shall not be obligated to) repair, rebuild or reinstate the Property and the cost thereof, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid, shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing. This provision shall be in addition to any statutory covenants implied in this Mortgage.

ALTERATIONS

19. The Mortgagor shall not make or permit to be made, any additions or alterations to the Property without the prior written consent of the Mortgagee acting reasonably and except as may be permitted or required under the Permitted Encumbrances (including any leases which are Permitted Encumbrances), and the Mortgagor shall not use the Property nor permit the Property to be used, without the written consent of the Mortgagee, for a purpose not approved by the Mortgagee acting reasonably. Notwithstanding the forgoing:
- (a) the Mortgagor, its agents, employees and parties authorized by it may conduct building operations, construction and development on the Property including, without limitation, grading and excavation operations, installation of services and all other acts incidental to the development of the Property without the same being deemed acts of waste or requiring the prior written consent of the Mortgagee in accordance with this Section 19; and
 - (b) the Mortgagee shall, upon reasonable notice, promptly execute:
 - (i) such plans, agreements, documents, easements, rights-of-way and consents as may be required to facilitate the development of the Property;
 - (ii) such partial discharges as may be required to convey to any Governmental Authority such portion of interest in the Property as may be required for municipal or governmental purposes and for which the Mortgagor receives no financial compensation, provided that in each case the Mortgagee's security is not adversely affected thereby (as determined by the Mortgagee, acting reasonably); and
 - (iii) applications, documents and plans for rezoning, development review, site plan approval, land titles registration, subdivision plan registration, severance consents and other related development matters required by the Mortgagor,

provided that the Mortgagee's reasonable legal fees and disbursements and out-of-pocket expenses in connection with the review and execution of the forgoing together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing. In addition to the forgoing, the Mortgagor hereby indemnifies and agrees to hold the Mortgagee harmless with respect to the payment of any such reasonable legal fees and disbursements and out-of-pocket expenses in connection with the review and execution of the forgoing.

PLACE OF PAYMENT

20. All moneys reflecting Loan Indebtedness shall be payable, in lawful money of Canada, to the Servicer at 41 Scarsdale Road, Unit 6, Toronto, Ontario M3B 2R2, or such other place as may be designated by the Servicer from time to time.

CROSS-DEFAULT

21. The occurrence of an Event of Default hereunder shall constitute default under the other Security Documents and the Commitment Letter and default, beyond any applicable cure or notice periods, under any of the other Security Documents or the Commitment Letter shall constitute an Event of Default hereunder. The Mortgagee may, upon and during the continuance of an Event of Default or a default under the other Security Documents, pursue its remedies separately under any of the Security Documents, including without limitation, this Mortgage, or jointly all together, or jointly one with any one or more of the Security Documents, without any of the rights and remedies of the Mortgagee not so pursued merging therewith or with any action or judgment with respect thereto.

RELEASE OF SECURITY

22. Subject to the provisions in Section 41, the Mortgagee may (but shall have no obligation to) at any time release any part or parts of the Property or any of the Covenantors from any of the Security Documents, or may release the Mortgagor or any other Covenantor from any covenant or other liability to pay any of the Loan Indebtedness or perform any of the Loan Obligations, either with or without any consideration therefor, without being accountable for the value of any such consideration or for any moneys except those actually received by the Mortgagee, and without thereby releasing any other part of the Property or any of the other Covenantors from any of the Security Documents, it being specifically agreed that notwithstanding any such release, the Property, securities and covenants remaining unreleased shall stand charged with the whole of the Loan Indebtedness, and no Person shall have the right to require that any of the Loan Indebtedness be apportioned. Notwithstanding the foregoing, upon the closing of the sale of each unit in the Project as contemplated in the Commitment Letter, and provided that (i) no Event of Default has occurred that is continuing, (ii) the Mortgagor has performed and observed the terms and conditions contained in the partial discharge provisions of the Commitment Letter (which terms and conditions are subject to change in the Mortgagee's sole and unfettered discretion), and (iii) the Mortgagor pays a fee (the "**Partial Discharge Fee**") equal to \$500.00 to the Mortgagee, the Mortgagee shall provide a partial discharge of this Mortgage from title to such unit to be sold upon closing. The Partial Discharge Fee is applicable to each and every partial discharge of a unit. The Mortgagor's solicitor shall prepare the mortgage discharge document for review by the Mortgagee and the Mortgagee's solicitor. All legal fees, disbursements and HST related to the discharge of this Mortgage and any other Security from title to a unit in the Project to be sold at the closing shall be paid by the Mortgagor. For greater certainty, the Mortgagor acknowledges and agrees that a final discharge fee equal to \$150,000.00, as may be reduced pursuant to the terms and conditions of the Commitment Letter (the "**Final Discharge Fee**"), shall be paid to the Mortgagee prior to the final discharge of this Mortgage and any other Security from title to the Project.

WAIVER

23. No extension of time, waiver, or other indulgence given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor, any guarantor, or any other Person liable for payment of the moneys hereby secured.

USE OF MONEY

24. The Mortgagee shall not be charged with any moneys receivable or collectible out of the Property or otherwise, except those actually received; and all revenue of the Property received or collected by the Mortgagee from any source other than payment by the Mortgagor may, provided an Event of Default has occurred which is continuing, at the option of the Mortgagee, be used in maintaining or insuring or improving the Property, or in payment of Taxes or other charges against the Property, or applied on the mortgage account, and the Mortgagee may (at its option) retain such moneys received or collected,

in suspense account; and the Mortgagee shall not, by reason of the collection of any moneys receivable or collectible out of the Property, be deemed to be a mortgagee in possession.

LIABILITY OF MORTGAGOR

25. No sale or other dealings by the Mortgagee or any receiver with the Property or any part thereof, shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the moneys hereby secured.

ATTORNMENT

26. For better securing the punctual payment of the said mortgage moneys, the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the Property at a monthly rental equivalent to the monthly instalments secured hereby, the same to be paid on such day appointed for the payment of instalments; and if any judgment, execution or attachment shall be issued against any of the goods or lands of the Mortgagor or if the Mortgagor shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act of Canada* as amended, or shall take the benefit of any statute relating to bankruptcy or insolvent debtors, then such rental shall, if not already payable, be payable immediately thereafter. The legal relation of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor, but neither this Section 26 nor anything done by virtue hereof, shall render the Mortgagee a mortgagee in possession or accountable for any moneys except those actually received. The Mortgagee may at any time after default hereunder enter upon the Property, or any part thereof, and determine the tenancy hereby created without giving the Mortgagor any notice to quit.

RECORDS

27. The Mortgagor will maintain full and correct books and records showing in detail the earnings and expenses of the Property, and will permit the Mortgagee and its representatives to examine the said books and records and all supporting vouchers and data at any time and from time to time upon reasonable prior request by the Mortgagee, and at any time and from time to time will furnish the Mortgagee at its request within thirty (30) days of such request, a statement showing in detail reasonably satisfactory to the Mortgagee all such earnings and expenses since the last such statement, certified by an officer of the Mortgagor.

ASSIGNMENT OF LEASE RIGHTS AND BENEFITS

28. The Mortgagor:
- (a) hereby assigns, transfers and sets over unto the Mortgagee, all of the Mortgagor's right, title and interest, both at law and in equity, in and to the Leases, the Rents and the Lease Benefits, to hold and receive the same unto the Mortgagee with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and to enforce payment of the same and enforce performance of obligations under the Leases, including without limitation, the Lease Benefits, assigned in accordance with and subject to the terms of this Mortgage, to have and to hold unto the Mortgagee until payment in full of the Loan Indebtedness and performance of all of the Loan Obligations, provided that the Mortgagor may, subject to any other terms contained in any of the other Security Documents which restrict the Mortgagor's ability to deal with the Leases, collect the Rents and deal with the Leases from time to time as would a prudent landlord so long as an Event of Default does not exist, and upon the occurrence of an Event of Default which is continuing, the Mortgagee shall be entitled to:
 - (i) demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Mortgagor, any proceeding which may be, in the opinion of the Mortgagee or its counsel, expedient for the purpose of collecting Rents or for securing the payment thereof or for enforcing any of the Mortgagor's rights under the Leases, and the Mortgagor hereby grants to the Mortgagee irrevocable authority to join the Mortgagor in any such proceedings or actions, whether judicial or extra-judicial;

- (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent, and any settlement arrived at shall be binding upon the Mortgagor;
 - (iii) to enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and to manage, operate and maintain its interest in the Property including without limitation, the making of repairs or replacements to maintain the Mortgaged Premises;
 - (iv) to receive, enjoy or otherwise avail itself of the Lease Benefits;
 - (v) to appoint and dismiss such agents or employees as may be necessary or desirable for exercise of the Mortgagee's rights hereunder;
 - (vi) to alter, modify, amend or change the terms of Leases; to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
 - (vii) to send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and to employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
 - (viii) to appoint a receiver or a receiver and manager in accordance with the provisions of the Mortgage which are hereby incorporated by reference into this Agreement; and
 - (ix) to generally perform all such acts as may in the reasonable opinion of the Mortgagee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Mortgagor, or in the name of the Mortgagee;
- (b) whenever any and all Events of Default have been cured after the exercise by the Mortgagee of its rights under this Section 28, may resume collection of the rentals until a further Event of Default has occurred, whereupon the Mortgagee may re-exercise its rights hereunder, and thereafter at any time any Event of Default occurs;
- (c) shall not at any time during the existence of this Mortgage assign, pledge or hypothecate any of the Leases or the Rents or revenues due or to become due thereunder, or any part thereof, other than to the Mortgagee or pursuant to a Permitted Encumbrance nor shall the Mortgagor grant any general assignment of book debts which would cover such rentals, except pursuant to a Permitted Encumbrance;
- (d) shall not collect more than two (2) month's rental in advance;
- (e) acknowledges and agrees that neither the taking of this assignment nor anything done in pursuance hereof shall make the Mortgagee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations and liabilities under the Leases or any of them; and
- (f) acknowledges and agrees that the exercise of this Section 28 or of any collateral security with respect to Rents shall not entitle the Mortgagor to redeem this mortgage.

EVENT OF DEFAULT

29. Notwithstanding the Mortgagee's rights to demand repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time in the Mortgagee's sole, absolute and unfettered discretion, any one or more of the following events shall constitute an event of default under the provisions of this Mortgage (an "**Event of Default**"), whether such Event of Default shall be voluntary or involuntary or be effected by operation of law

or pursuant to or in compliance with any judgment, decree or order of any court or other rule or regulation of any Governmental Authority:

- (a) any of the Covenantors fail to pay on the date upon which the same is due and payable any monies payable hereunder or under any of the other Loan Documents with respect to principal secured hereunder;
- (b) any of the Covenantors fail to pay on the date upon which the same is due and payable any monies payable hereunder or under any of the other Loan Documents (other than on account of principal), and such failure is not remedied within three (3) business days written notice to the Mortgagor;
- (c) any of the Covenantors fail to perform or observe any of the terms and conditions contained in this Mortgage or any of the other Loan Documents, and such failure is not remedied within thirty (30) days of written notice to the Mortgagor (but for greater certainty, there shall be no grace or cure period in respect of any Event of Default expressly enumerated hereunder, except as otherwise provided in respect of such Event of Default);
- (d) any funds secured under this Mortgage are used for any purpose other than as set forth in the Commitment Letter;
- (e) the breach or failure to perform or observe the terms and conditions contained in the Commitment Letter with respect to the Mortgagee's right of first refusal to finance or arrange financing for any subsequent phases of the Project, and such failure is not remedied within five (5) days of written notice to the Mortgagor (but for greater certainty, there shall be no grace or cure period in respect of any Event of Default expressly enumerated hereunder, except as otherwise provided in respect of such Event of Default);
- (f) any representation or warranty by any of the Covenantors that is contained in this Mortgage or any of the other Loan Documents furnished to the Mortgagee in connection herewith or therewith shall prove at any time to be untrue or incorrect as of the date made in any material respect;
- (g) a resolution is passed or an order is made for the dissolution, liquidation or winding-up of any of the Covenantors or other cancellation or suspension of its incorporation or termination of its existence or if a petition is filed for the winding-up of the any of the Covenantors;
- (h) any of the Covenantors is found to be insolvent or bankrupt by a court of competent jurisdiction or makes an authorized assignment or bulk sale of its assets or a compromise or arrangement for the benefit of its creditors, makes a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada), seeks relief under the *Companies Creditors Arrangement Act* (Canada), or any other bankruptcy, insolvency or analogous law, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian or other Person with similar powers over all or any substantial portion of its assets, files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditor's rights or consents to, or acquiesces in, the filing of such a petition; or if a petition in bankruptcy is filed or presented against any of the Covenantors;
- (i) an encumbrancer takes possession of the property of any of the Covenantors which has had or is reasonably likely to have a Material Adverse Effect, or any distress or analogous process is levied upon any of the Covenantors provided that this Section 29(i) shall not apply to any judgment, court order for the payment of money, execution, sequestration, extant or other process that is being contested in good faith if reserves deemed by the Mortgagee to be adequate therefor have been set aside with the Mortgagee or insurance coverage acceptable to the Mortgagee is held, as the case may be, and if there is no Material Adverse Effect regarding the Mortgagee's security position;

- (j) any of the Covenantors permit any sum which has been admitted as due or which is not disputed to be due and which forms or is capable of forming a charge, Lien the Property in priority to or *pari passu* with the charge or security interest created by this Mortgage and any of the other Security Documents, to remain unpaid after proceedings have been taken to enforce the same as a Lien upon the Property has been vacated or discharged within ten (10) business days of such proceedings having been taken, provided that the occurrence of an event of default under either the First Mortgage or the Second Mortgage beyond all applicable notice and cure periods shall be an Event of Default hereunder;
- (k) the occurrence of a default under: (i) any other security or agreement (including any Permitted Encumbrance) made or assumed by any of the Covenantors (or by which it is bound) in favour of any Person in connection with the Property, to the extent such default has had or is reasonably likely to have a Material Adverse Effect; and (ii) any other security or agreement made or assumed by any of the Covenantors (or by which it is bound) in favour of the Mortgagee or the Servicer whether or not such security or agreement is in connection with the Property; and in each case if not remedied within the applicable cure or notice period provided for in such security or agreement;
- (l) the Mortgagor does not comply within a reasonable period with any work order issued by a municipal or provincial authority;
- (m) a receiver, receiver-manager or receiver and manager of the any of the Covenantors of any material part of its properties, assets or undertakings is appointed, or if a monitor is appointed in respect of any of the Covenantors;
- (n) any writ of execution, distress, attachment or other similar process is issued or levied against any of the Covenantors or all or any part of its assets, or attachment or other similar process is issued or levied against any of the Covenantors by a court of competent jurisdiction and, in the opinion of the Mortgagee, such judgement or order would materially and adversely affect the ability of any of the Covenantors to fulfil its obligations to the Mortgagee hereunder or under any of the other Loan Documents;
- (o) any part of the Property is condemned or expropriated and, in the opinion of the Mortgagee in respect of any expropriation, such expropriation materially impairs the value of the Property, the validity, enforceability or priority of the security of this Mortgage, or the ability of the Mortgagor to pay the Loan Indebtedness or to perform any of the Loan Obligations;
- (p) any direct or indirect change (i) in the ownership of (A) the Property; or (B) any Covenantor; or (ii) any change of Control of any of the Covenantors, in each case without the consent of the Mortgagee in its sole, absolute and unfettered discretion;
- (q) if a Material Adverse Effect occurs; or
- (r) the occurrence of a cross-default pursuant to Section 21.

RECEIVER

30. Upon the occurrence of an Event of Default which is continuing, the Mortgagee may at such time and from time to time and with or without entry into possession of the Property or any part thereof, appoint a receiver (which term includes a receiver or a manager or a receiver and manager) of the Property or any part thereof and of the Rents and profits thereof and with or without security, and may from time to time remove any receiver and appoint another in his stead and that, in making any such appointment or removal, the Mortgagee shall be deemed to be acting as the agent or attorney for the Mortgagor and not of the Mortgagee. Such appointment may be made at any time either before or after the Mortgagee shall have entered into or taken possession of the Property or any part thereof. Upon the appointment of any such receiver or receivers from time to time, the following provisions shall apply, subject to compliance with applicable laws:

- (a) the statutory declaration of an officer of the Mortgagee as to the Event of Default under the provisions of this Mortgage, shall be conclusive evidence thereof;

- (b) every such receiver shall be the irrevocable agent or attorney of the Mortgagor for the collection of all Rents falling due in respect of the Property or any part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;
- (c) every such receiver may, in the discretion of the Mortgagee and by writing under its corporate seal, be vested with all or any of the powers and discretions of the Mortgagee;
- (d) the Mortgagee may from time to time, by such writing fix the remuneration of every such receiver who shall be entitled to deduct the same out of the Rents from the Property or from the proceeds of the judicial sale of the Property;
- (e) every such receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee, and the Mortgagee shall not in any way be responsible for any acts or omissions (including negligence, misconduct or misfeasance) on the part of any such receiver;
- (f) the appointment of every such receiver by the Mortgagee shall not create any liability on the part of the Mortgagee 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 Mortgagee a mortgagee in possession in respect of the Property or any part thereof;
- (g) every such receiver shall from time to time have the power to rent any portion of the Property which may become vacant, for such term and subject to such provisions as he may deem advisable or expedient, and in so doing every such receiver shall act as the attorney or agent of the Mortgagor and he shall have authority to execute under seal any lease of such portion of the Property in the name of and on behalf of the Mortgagor, and the Mortgagor undertakes to ratify and confirm whatever any such receiver may do in respect of the Property;
- (h) every such receiver shall have full power to complete any unfinished construction upon the Property with the intent that the Mortgaged Premises when so completed shall be a complete structure;
- (i) every such receiver shall have full power to manage, operate, amend, repair, alter or extend the Property or any part thereof in the name of the Mortgagor for the purpose of securing the payment of rental from the Property or any part thereof;
- (j) no such receiver shall be liable to the Mortgagor to account for moneys or damages other than cash received by him in respect of the Property or any part thereof, and out of such cash so received every such receiver shall, subject to the approval of the Mortgagee, in the following order, pay:
 - (i) his remuneration aforesaid;
 - (ii) all payments including, without limitation, costs as between solicitor and his own client made or incurred by him in connection with the management, operation, amendment, repair, alteration or extension of the Property or any part thereof;
 - (iii) interest, principal and other moneys which may from time to time, be or become charged upon the Property in priority to these presents, and all Taxes, insurance premiums and every other proper expenditure made or incurred by him in respect to the Property or any part thereof;
 - (iv) to the Mortgagee, all interest due or falling due under these presents and the balance to be applied upon principal due and payable and secured by these presents;

- (v) into a reserve account in the name of the receiver, an appropriate sum of money as a reserve fund for unusual, emergency or lump sum payments or expenses with respect to the Property; and
- (vi) any surplus thereafter remaining in the hands of every such receiver after payments made as aforesaid, to the Mortgagor;
- (k) save as to claims for an accounting under Section 30(j) above, the Mortgagor hereby releases and discharges every such receiver from every claim of every nature which may arise or accrue to the Mortgagor or any Person claiming through or under the Mortgagor by reason or as a result of anything done by any such receiver under the provisions of this Section 30, unless such claim by the direct and proximate result of gross negligence or wilful misconduct;
- (l) the power of sale, foreclosure and any other remedies of the Mortgagee may be exercised either before, concurrent with, during, or after the appointment of any receiver hereunder.

RIGHTS OF MORTGAGEE

31. The Mortgagor further covenants and agrees with the Mortgagee upon the occurrence of an Event of Default which is continuing:
- (a) the Mortgagee may and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenants, agreements, provisos or stipulations and the costs incurred by the Mortgagee in connection therewith, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing;
 - (b) the Mortgagee may at such time or times as the Mortgagee may deem necessary and without the concurrency of any Person, enter upon the Property and may make such arrangements for completing the construction, repairing or putting in order of the Mortgaged Premises, or for inspecting, taking care of, leasing, collecting the Rents of and managing generally the Property as the Mortgagee may deem expedient; all reasonable costs, charges and expenses, including allowances for the time and services of any employee of the Mortgagee or other Person appointed for the above purposes, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing;
 - (c) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Property, and a solicitor to examine and report upon the title to the same;
 - (d) the Mortgagee or agent of the Mortgagee may enter into possession of the Property and whether in or out of possession collect the Rents and profits thereof, and make any demise or lease of the Property, or any part thereof, for such terms and periods and at such Rents as the Mortgagee shall think proper; and the power of sale hereunder may be exercised either before or after and subject to any such demise or lease;
 - (e) it shall and may be lawful for and the Mortgagor does hereby grant full power, right and license to the Mortgagee to enter, seize and distrain upon the Property, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the Property or any part thereof, as much of the mortgage moneys as shall from time to time be or remain in arrears and unpaid, together with costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;

- (f) the Mortgagee shall be entitled forthwith to take such proceedings to obtain repayment of the moneys and interest payable to the Mortgagee hereunder and to realize on its security under this Mortgage by foreclosing the same or by whatever other action it may by law be entitled to do, it being acknowledged that nothing herein shall limit such recourse to the Property only;
- (g) subject to applicable law, the Mortgagee shall be entitled to sell and dispose of the Property with or without entering into possession of the same and with or without notice to the Mortgagor or any party interested in the Property; and all remedies competent may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by this Mortgage may be exercised; and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made of the Property hereunder, and the Mortgagee may sell, transfer and convey any part of the Property on such terms of credit, or part cash and part credit, secured by contract or agreement for sale or mortgage, or otherwise, as shall in the opinion of the Mortgagee be most advantageous, and for such price as can reasonably be obtained therefor; and in the event of a sale on credit, or part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable for or charged with any moneys until the same shall be actually received in cash; and the sales may be made from time to time of any portion or portions of the Property to satisfy interest or parts of the principal overdue, leaving the principal or parts thereof to run with interest payable as aforesaid; and the Mortgagee may make stipulations as to the title or evidences or commencement of title or otherwise as the Mortgagee shall deem proper; and the Mortgagee may buy in or rescind or vary any contract for sale of the Property and any resale thereof; and on any sale or release, the Mortgagee shall not be answerable for loss occasioned thereby; and for any of such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary; and in case any sale held by the Mortgagee under and by virtue of the laws of the Province of Ontario under the power of sale herein contained should prove abortive the Mortgagee may take foreclosure proceedings in respect of the Property in accordance with the provisions of the laws of the Province of Ontario; and in the event of any deficiency on account of the moneys secured by this Mortgage remaining due to the Mortgagee after realizing all the Property, then Mortgagor will pay to the Mortgagee on demand the amount of such deficiency with interest at the Interest Rate both before and after judgment; and in the exercise of any of the foregoing powers, the Mortgagor hereby appoints the Mortgagee the attorney of the Mortgagor for the purpose of making any agreements and assurances on behalf of the Mortgagor as the Mortgagee may deem necessary which power of attorney is coupled with an interest; and the proceeds of any sale hereunder shall be applied as above provided for or in payment of moneys payable under this Mortgage and costs on a solicitor and his own client basis, the balance, if any, to be paid to the Mortgagor;
- (h) the whole of the mortgage moneys shall, at the option of the Mortgagee, become due and payable;
- (i) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor.

COVENANTOR MISREPRESENTATION

32. Notwithstanding any other provision in this Mortgage, the Mortgagee may demand repayment of all Loan Indebtedness and exercise all of its rights hereunder, including without limitation pursuant to Sections titled "**Receiver**" and "**Rights of Mortgagee**" if any of the Covenantors, any agent of any of the Covenantors or any officers or director of any of the Covenantors shall have made any material misrepresentation in any of the Loan Documents.

ATTORNEY

33. As further assurance to the rights and remedies granted by the Mortgagor to the Mortgagee herein, the Mortgagor, as the owner of the Property hereby irrevocably appoints the Mortgagee on its own behalf or any receiver or manager or receiver and manager appointed

by the Mortgagee attorney on behalf of the Mortgagor to sell, lease, mortgage, transfer or convey the Property in accordance with the provisions of this Mortgage and to execute all instruments, and do all acts, matters and things that may be necessary for carrying out the powers hereby given and for the recovery of all Rents and Lease Benefits and sums of money that may become or are now due or owing to the Mortgagor in respect of the Property, and for the enforcement of all contracts, covenants or conditions binding on any lessee or occupier of the Property or on any other Person in respect of it, and for the taking and maintaining possession of the Property, and for protecting it from waste, damage, or trespass, in all cases only following an Event of Default which is continuing. Such power of attorney is coupled with an interest.

JUDGMENT

34. The taking of a judgment on any of the covenants or agreements herein contained shall not operate as a merger thereof or affect the Mortgagee's rights to interest to the Maturity Date at the Interest Rate and at the times herein provided. Further, any and all such judgments shall provide for interest thereon to be computed at the Interest Rate and in the same manner as herein provided to the Maturity Date shall have been fully paid and satisfied and, without limiting the generality of the foregoing, the Mortgagee shall be entitled to receive interest at the Interest Rate to the Maturity Date on all moneys payable to the Mortgagee under this Mortgage, after any judgment has been rendered with respect to this Mortgage.

EXPENSES

35. All expenses, fees, charges or payments incurred, expended or paid by the Mortgagee, acting reasonably and without duplication, (whether with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise) with respect to the following matters:
- (a) all reasonable solicitors', inspectors', valuers' and surveyors' fees and expenses for drawing and registering this Mortgage and for examining the Property and the title thereto, and for making or maintaining this Mortgage a good and valid charge and mortgage (subject only to the Prior Permitted Encumbrances);
 - (b) all sums which the Mortgagee may advance for insurance premiums, Taxes, or rates;
 - (c) any unpaid amount due to the Mortgagee for the Lender's Fee, and, if applicable, the Extension Fee, the Regulatory Fees, and the Administration Fee;
 - (d) all sums which the Mortgagee may expend in payment of prior liens, charges, encumbrances or claims charged or to be charged against the Property or on this Mortgage or against the Mortgagee in respect of this Mortgage;
 - (e) all sums which the Mortgagee may expend in maintaining, repairing, restoring or completing the construction on the Property pursuant to the terms of this Mortgage;
 - (f) the cost of inspecting, leasing, managing or improving the Property, including the price or value of any goods of any sort or description supplied for use on the Property pursuant to the terms of this Mortgage;
 - (g) all sums paid to a receiver of the Property;
 - (h) the cost of exercising or enforcing or attempting to exercise or enforce any right, power, remedy or purpose hereunder provided or implied, and including an allowance for the time, work and expenses of the Mortgagee or any agent or employee of the Mortgagee, for any purpose provided for herein; and
 - (i) the Mortgagee's reasonable solicitors' costs as between solicitor and his own client incurred or paid by the Mortgagee as a result of any Event of Default, or of endeavouring to collect (with or without suit) any money payable hereunder, or of taking, recovering or keeping possession of the Property, and generally in any other proceedings, matter or thing taken or done to protect or realize this security or any other security for payment of the Loan Indebtedness and performance of the Loan Obligations;

together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

COVENANTS AND REPRESENTATIONS

36. The Mortgagor:

- (a) further represents and warrants to the Mortgagee that:
 - (i) the Mortgagor:
 - (A) is a corporation incorporated formed and existing under the laws of its jurisdiction of incorporation;
 - (B) has the legal right and all necessary corporate or other power and authority to own its assets, possess a freehold interest in the Property, and carry on its business in all material respects; and
 - (C) is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it conducts business, except where failure to be so qualified, licensed or registered has not and is not reasonably likely to have a Material Adverse Effect;
 - (ii) the Mortgagor has all requisite corporate power and authority to enter into and perform its obligations under this Mortgage and the other Loan Documents, and to do all acts and things and execute and deliver all other documents and instruments as are required hereunder and thereunder to be done, observed or performed by it in accordance with the terms hereof and thereof;
 - (iii) the execution and delivery by the Mortgagor, and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Mortgage and the other Loan Documents will not conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (A) its articles, by-laws, shareholders' agreements or other organizational documents; as the case may be;
 - (B) any applicable laws;
 - (C) any material contracts, material authorizations or material contractual restriction binding on or affecting it or its assets, including without limitation, the Property; or
 - (D) any material judgment, injunction, determination or award which is binding on it in each such case, except to the extent that such breach has not and is not reasonably likely to have a Material Adverse Effect;
 - (iv) the execution and delivery by the Mortgagor of this Mortgage and the other Loan Documents, and the performance by it of its Loan Obligations have been duly authorized by all necessary corporate or other action including, without limitation, the obtaining of all necessary partner, shareholder or other material and relevant consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Authority, or other Person, is or was necessary in connection with the execution, delivery and performance of the Mortgagor's obligations under this Mortgage the other Loan Documents, except where failure to obtain same would not have or be reasonably likely to have a Material Adverse Effect;

- (v) this Mortgage and the other Loan Documents have been duly executed and delivered, as the case may be, by the Mortgagor, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of credit's rights generally), is (or will be immediately upon the execution thereof by such Person) in full force and effect, and the Mortgagor has performed and complied in all material respects with all the terms, provisions, agreements and conditions set forth herein and therein and required to be performed or complied with by the Mortgagor;
- (vi) the Mortgagor is not a non-resident within the meaning of the *Income Tax Act* (Canada);
- (vii) there is not now pending or, to the knowledge of the Mortgagor, threatened in writing, against the Mortgagor, any litigation, action, suit, investigation (to the knowledge of the Mortgagor) or other proceeding by or before any Governmental Authority or before any arbitrator which has had or is reasonably likely to have a Material Adverse Effect;
- (viii) as of the date hereof, the written information heretofore supplied by any of the Covenantors (other than information or reports prepared by third parties) to the Mortgagee is true and accurate in all material respects as at the date thereof;
- (ix) all financial statements delivered to the Mortgagee as of the date hereof pursuant to Section 48 present fairly and in all material respects the financial position of any of the Covenantors as of the date thereof and for the fiscal years or financial quarters, as the case may be, then ended;
- (x) since the later of the date hereof and the date of the most recent financial statements delivered to the Mortgagee, there has been no change regarding the financial condition or operations, of any of the Covenantors as reflected in such financial statements or Personal net worth statements, as applicable which has had or is reasonably likely to have a Material Adverse Effect;
- (xi) there is no Event of Default under this Mortgage, nor has the Mortgagor done or omitted to do anything which constitutes an Event of Default which has not been waived or cured. None of the Covenantors is in default under any agreement, guarantee, indenture or instrument to which it is a party or by which it is bound, the breach of which has had or is reasonably likely to have a Material Adverse Effect;
- (xii) as of the date hereof, there are no outstanding judgments, orders, writs, injunctions or decrees that have not been stayed or of which enforcement has not been suspended, against the Mortgagor or any of its assets, including without limitation the Property, which would reasonably be expected to result in a Material Adverse Effect regarding the financial condition or operations of the Mortgagor;
- (xiii) the Mortgagor is the legal owner of a freehold interest in the Property with good and marketable title thereto, and any other real and personal property of the Mortgagor of any nature which is part of the Property, in each case free and clear of all encumbrances, except Permitted Encumbrances, and no Person has any agreement or right to acquire an interest in the Property except as previously disclosed to the Mortgagee in writing by the Mortgagor or permitted in connection with the Permitted Encumbrances;
- (xiv) the Mortgagor has not received notice of any proposed rezoning of all or any part of the Property which has had or is reasonably likely to have a Material Adverse Effect;
- (xv) the Mortgagor has not received notice of any expropriation of all or any part of the Property;

- (xvi) the Mortgagor has the right to mortgage the Property;
 - (xvii) upon the enforcement of its remedies under this Mortgage the Mortgagee shall have quiet possession of the Property, free from all encumbrances, other than Permitted Encumbrances;
 - (xviii) the Mortgagor, and the operation of its business and assets, including without limitation, the Property, are in compliance in all material respects with all applicable laws (including any environmental laws), except where any non-compliance is not reasonably likely to have a Material Adverse Effect; and
 - (xix) the Mortgagor has filed all tax returns which are required to be filed, other than such tax returns the failure of which to file has had or is reasonably likely to have a Material Adverse Effect, and has paid all Taxes, interest and penalties, if any, which have become due pursuant to such returns or pursuant to any assessment received by it and adequate provision for payment has been made for Taxes not yet due except any such payment of which the concerned party is contesting in good faith by appropriate proceedings and for which appropriate reserves have been provided on its books and as to which no foreclosure, distraint, seizure, attachment, sale or other similar proceedings have been commenced or the non-payment of which would not reasonable be excepted to result in a Material Adverse Effect regarding the financial condition or operations of the Mortgagor;
- (b) to the extent within the control of the Mortgagor, covenants to cause the forgoing representations and warranties to be true and correct in all material respects until the Loan Indebtedness is repaid in full and the Loan Obligations are fully performed;
 - (c) acknowledges and agrees that all representations and warranties of the Mortgagor made in this Mortgage or in any of the other Loan Documents are material, shall survive and shall not merge upon the execution and delivery of this Mortgage and shall continue in full force and effect. The Mortgagee shall be deemed to have relied upon such representations and warranties notwithstanding any investigation made by or on behalf of the Mortgagee at any time;
 - (d) shall not, at any time prior to the repayment in full of the Loan Indebtedness and the performance of all of the Loan Obligations:
 - (i) repay any loans (principal or interest) to;
 - (ii) redeem or purchase any shares or units or partnership interests held by or on behalf of;
 - (iii) pay any compensation, fee or other amount to; or
 - (iv) pay any distributions or dividends or return on partnership or shareholder investment to,

in each case, any of the Covenantors or any other shareholder, unitholder or partner of any Covenantor, or any other Person not at arms-length to any of the foregoing, save and except for those development, marketing and/or construction fees specifically approved in writing by the Mortgagee;
 - (e) acknowledges and agrees that any third party property manager of the Property and each property management agreement will be subject to the prior written approval of the Mortgagee, acting reasonably; and
 - (f) acknowledges and agrees that each new Lease of the Property, including each renewal or extension of an existing Lease (other than any extension or renewal of an existing Lease which is exercised pursuant to, and the terms of which are governed by, such existing Lease), must:

- (i) be a commercially reasonable arm's length transaction made in the ordinary course of business and in accordance with prudent property management and leasing standards and practices; and
- (ii) provide for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions.

EXPROPRIATION

37. Subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, the Mortgagor hereby assigns to the Mortgagee, that portion of any proceeds which may become due and payable to the Mortgagor by an expropriating authority upon an expropriation of the Property or the proceeds of any condemnation, eminent domain or like proceeding or the sale in lieu of or in reasonable anticipation thereof of the whole or any part of the Property or any portion thereof, not to exceed the balance outstanding under the Mortgage, provided that the Mortgagee shall permit the Mortgagor to use such portion of any proceeds as reasonably necessary to pay the cost to repair any damage resulting from such expropriation. The Mortgagor shall forward to the Mortgagee, copies of any documentation relating to an expropriation or a proposed expropriation of the Property or any portion thereof, forthwith upon receipt of the said documentation by it and shall execute and deliver any further or additional documentation which the Mortgagee in its sole discretion deems necessary to effect the above assignment or which is requested by the expropriating authority. Notwithstanding anything to the contrary contained herein, if the Mortgagor or the Mortgagee receives a notice of intention to expropriate in relation to the Property, or any portion thereof, that has had or is reasonably likely to have a Material Adverse Effect, at the option of the Mortgagee, the whole of the outstanding balance secured under this Mortgage at the date of the expropriation, shall immediately become due and payable in like manner and to all intents and purposes as if the time for payment of the said balance had fully come and expired. If any or all of the Property is expropriated, it is agreed that the proceeds from any such expropriation up to the amount outstanding under this Mortgage shall be paid directly to the Mortgagee in priority to the claims of any other party, except such creditors of the Mortgagor and other parties with priority to collect such proceeds pursuant to any Prior Permitted Encumbrances. Service of a copy of this Mortgage on the expropriating authority shall be sufficient authority for the expropriating authority to deliver proceeds to the Mortgagee, in accordance with the terms of the assignment contained herein.

PERMITTED ENCUMBRANCES AND OTHER OBLIGATIONS

38. The Mortgagor hereby covenants to perform and observe and satisfy all the terms, covenants and conditions to be performed and observed by the Mortgagor under the terms of any Prior Permitted Encumbrances and the Leases (hereinafter called the "**Other Obligations**"). It is expressly agreed and understood by the Mortgagor that in the event of default by the Mortgagor under any of the terms of any Other Obligations, beyond any applicable notice or cure periods, then at the option of the Mortgagee an Event of Default shall have occurred hereunder. The Mortgagee may at its option make any payment or cure any default under the any Prior Permitted Encumbrance and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

SEVERABILITY

39. In the event any Section or part thereof or any Section or part thereof is invalid and not enforceable for any reason, then such Section or part thereof or such Section or part thereof shall be severable from this Mortgage and not affect the validity or enforceability of any other part of this Mortgage.

SUCCESSORS AND ASSIGNS

40. When the context makes it possible, the word "**Mortgagee**" wherever it occurs in this Mortgage, shall include the successors and assigns of the Mortgagee, and the word

"Mortgagor" shall include heirs, executors, administrators, successors and permitted assigns of the Mortgagor; and that words in the singular include the plural, and that words in plural include the singular, and words importing the masculine gender include the feminine; and that if there is more than one entity comprising the Mortgagor all covenants herein contained and implied are to be construed as joint and several; and that heirs, executors, administrators, successors and assigns of any party executing this Mortgage are jointly and severally bound by the covenants, provisos and agreements herein contained or implied. The Documents, including without limitation this Mortgage, together with the Loan Indebtedness and the Loan Obligations may be assigned or participated by the Mortgagee (and its successors and assigns), in whole or in part, without the consent of the Mortgagor.

DISCHARGE

41. The Mortgagee shall upon payment and performance of all indebtedness and obligations secured hereby in full deliver an executed discharge of this Mortgage; it being agreed that the Mortgagor's solicitor shall be responsible for preparing the mortgage discharge document for review by the Mortgagee and its counsel at least seven (7) days prior to payment, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all reasonable legal and other expenses and Taxes thereon, if any, for the preparation and execution of such discharge shall be borne by the Mortgagor.

LAW

42. This Mortgage is made pursuant to the *Land Titles Act* (Ontario) and any amendments thereto.

COMMITMENT LETTER

43. The parties agree that the accepted terms and conditions of the Commitment Letter, shall survive the initial advance of monies by the Mortgagee to the Mortgagor as contemplated hereunder and continue to be in full force and effect after said initial advance. In the event there is a direct conflict between the terms and conditions of this Mortgage and the Commitment Letter, then the Commitment Letter shall prevail to the extent necessary to resolve the conflict. In the event there is a direct conflict between the terms and conditions of this Mortgage and any other Loan Document (other than the Commitment Letter), the terms and conditions of this Mortgage shall prevail to the extent necessary to resolve the conflict.

HAZARDOUS MATERIALS

44. The Mortgagor,
- (a) has not nor, to the best knowledge of the Mortgagor, has any other Person ever caused or permitted any hazardous materials to be placed, held, located or disposed of on, under or at the Property and that its business and assets are operated in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and that no enforcement actions in respect thereof are threatened or pending.
 - (b) covenants and agrees that it will at all times during the continuance of this Mortgage, operate the Property in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and shall, subject to the rights of tenants under the Leases, permit the Mortgagee to conduct inspections and appraisals of all or any of its records, business and assets at any time or from time to time upon reasonable prior notice to ensure such compliance.
 - (c) in addition to the representations and warranties contained in Section 36, hereby represents, warrants and agrees that,
 - (i) to the best of the knowledge of the Mortgagor, the condition and use of the Property is, and will continue to be in compliance with all applicable environmental laws and standards; all necessary licenses and permits

relating to the release of contaminants, production of dangerous materials and carrying on of hazardous activities have been obtained and are being complied with; there are no outstanding orders against the Mortgagor from any Governmental Authority responsible for protecting the environment;

- (ii) to the best of the knowledge of the Mortgagor, the Property is not being subjected to environmental damage or contamination and to the best of the Mortgagor's knowledge, the Property incurred no such damage or contamination prior to the Mortgagor's control;
- (iii) the Mortgagor will use commercially reasonable efforts to use the Property and conduct its business thereon so as not to cause environmental damage and that the use of the Property will not change without the Mortgagee's approval, acting reasonably;
- (iv) to the best of the knowledge of the Mortgagor, the terms of any past credit arrangement have not been altered, cancelled or not renewed due to environmental risk considerations;
- (v) all legally required remedial action will be taken with respect to violations of environmental laws, and spills or other contaminations;
- (vi) the Mortgagor will give notice to the Mortgagee of any contamination of which the Mortgagor has or acquires knowledge of, or any pending or threatened government enforcement action or civil suit arising out of alleged environmental damage of which the Mortgagor has or acquires knowledge of;
- (vii) in accordance with Section 13 above, the Mortgagor will permit the Mortgagee and its agents to enter onto the Property at any time to conduct an environmental inspection and to permit the Mortgagee to take such action as it deems reasonably necessary to remedy any environmental damage or breach of law which the Mortgagor fails to take, subject to the rights of tenants under the Leases;
- (viii) the Mortgagor will provide copies of its own internal/external environmental audits to the Mortgagee upon request;
- (ix) subject to the terms of the existing Leases, the Mortgagor will use commercially reasonable efforts to cause any other occupants or Persons in control of the Property to comply with the foregoing covenants;
- (x) the Mortgagor will defend and indemnify the Mortgagee, its directors, officers, employees and agents against all costs, etc., arising out of any environmental damage caused by the Mortgagor's activities or by contamination of or from the Property (unless caused by the Mortgagee or those for whom in law it is responsible); and
- (xi) if the Mortgagor fails to perform any of the foregoing covenants beyond any applicable notice or cure periods, the Mortgagee may do so and any money expended by the Mortgagee shall be paid by the Mortgagor out of any funds coming into the Mortgagee's possession in priority to the Loan.

DUE ON SALE

45. The Loan Indebtedness shall, at the election of the Mortgagee, immediately become due and payable in full without notice by nor demand from the Mortgagee if the Property or any part thereof or interest therein is, without the prior consent in writing of the Mortgagee sold, transferred, conveyed, foreclosed, exchanged, assigned, mortgaged, or otherwise disposed of, or if the Mortgagor enters into an agreement to effect any of the foregoing whether by registered or unregistered instrument and whether for valuable or nominal consideration (and if the Mortgagor is a corporation, any change in Control of the Mortgagor or any other Covenantor shall constitute a default under this Section 45), in all cases except as specifically permitted in this Mortgage or in the Commitment Letter; provided however that nothing herein shall be construed as permitting the Mortgagor to

prepay this Mortgage in whole or in part except in accordance with Section 8 hereof; and provided further that the acceptance by the Mortgagee of any instalment payment or other payment under this Mortgage from any entity other than the Mortgagor shall not constitute a waiver by the Mortgagee of its rights under this Section 45, nor a consent by the Mortgagee of any such sale or disposal of the Property as above described.

SUBSEQUENT FINANCING

46. The Loan Indebtedness shall, at the election of the Mortgagee, become due and payable in full if the Property or any part thereof or interest therein is, without the prior consent in writing of the Mortgagee acting reasonably, mortgaged or similarly charged, except as may be specifically permitted in this Mortgage, the Commitment Letter or under a Permitted Encumbrance; provided however that nothing herein shall be construed as permitting the Mortgagor to repay this Mortgage in whole or in part except in accordance with Section 8 hereof.

PROHIBITED BUSINESSES

47. The Mortgagor agrees not to operate, nor allow any tenant to operate a business on the Property that:
- (a) is sexually exploitive or that is inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services; or
 - (b) are engaged in or associated with illegal activities.

FINANCIAL STATEMENTS AND REPORTS

48. The Mortgagor shall deliver or cause to be delivered the following documentation to the Mortgagee:
- (a) any and all insurance certificate renewals and/or amendments within ten (10) business days of the issuance thereof. In the event of any change to the insurance held by the Mortgagor, the Mortgagee may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Mortgagor's expense;
 - (b) property tax statements supported by proof of payment on an annual basis or as otherwise requested by the Mortgagee from time to time;
 - (c) each year, or more often if requested by the Mortgagee, within one hundred twenty (120) days of the Mortgagor's fiscal year end, accountant prepared financial statements of the Mortgagor and of any corporate Covenantor, 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, in the case of any personal Covenantor, certified and current-dated net worth statements in lieu of financial statements with supporting documentation of asset values;
 - (d) at the request of the Mortgagee from time to time any other relevant updates regarding the Property.

BENEFIT OF EASEMENTS

49. As additional security for the indebtedness and other obligations secured hereunder and interest thereon and the due performance of the Mortgagor's obligations hereunder and under any collateral security the Mortgagor hereby assigns, transfers, mortgages, charges and sets over to and in favour of the Mortgagee as and by way of a specific assignment, mortgage and charge all of the right, title and interest of the Mortgagor in and with respect to any and all easements, restrictive covenants, rights of way, party wall agreements and encroachment agreements benefiting the Property (the "**Title Agreements**") and all of the benefit, power and advantage of the Mortgagor to be derived therefrom (including without limitation the benefit of any positive covenants) and otherwise to enforce the rights of the Mortgagor under the Title Agreements in the name of the Mortgagor. Nothing herein contained shall render the Mortgagee liable to any Person for the fulfilment or non-fulfilment of the obligations covered in any of the Title Agreements, including, but not

limited to, the payment of any moneys thereunder or in respect thereto and the Mortgagor hereby indemnifies and agrees to save and hold harmless the Mortgagee from and against any and all claims, demands, actions, causes of action, losses, suits, damages and costs whatsoever arising directly or indirectly from or out of any of the Title Agreements. The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor shall not surrender, alter, amend or modify any of the Title Agreements or any of the terms or conditions thereof except with the prior written consent of the Mortgagee or as required to complete the project, if applicable, as determined by the Mortgagor, acting as a prudent owner.

INDEMNITY

50. The Mortgagor shall indemnify and save harmless the Mortgagee 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 in connection with any breach or default by the Mortgagor under this Mortgage and any of the other Loan Documents.

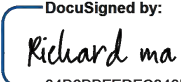
GENERAL

51. This Mortgage shall be construed in accordance with and governed under the laws of the Province of Ontario and the federal laws of Canada applicable therein.
52. The Mortgagor agrees with the Mortgagee as follows:
- (a) to comply with the terms and conditions of this Mortgage and the other Loan Documents at all times;
 - (b) to maintain the Property in a sound state of repair at all times as would other prudent owners of similar property;
 - (c) to allow the Mortgagee and its appointees to have access to the property at all reasonable times upon reasonable prior notice, subject to the rights of tenants at the Property; and
 - (d) at the Mortgagee's request, acting reasonably, to promptly deliver or cause to be delivered to the Mortgagee promptly such information about the financial condition and operation with respect to the Property as the Mortgagee may request from time to time.
53. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Commitment Letter.
54. This Mortgage may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this Mortgage to produce or account for more than one such counterpart. Transmission of executed or electronically executed copies of this Mortgage whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.
55. Notwithstanding anything in this Mortgage, in dealing with enforcing and realizing on this Mortgage, the Mortgagee shall not claim hereunder any greater amount in the aggregate than the amounts advanced by the Mortgagee that remain unpaid, together with all accrued and unpaid interest, and any other amounts unpaid hereunder.

-- signatures follow on next page --

IN WITNESS WHEREOF the Mortgagor has duly executed this Mortgage this 15th day of June, 2022.

VANDYK – THE RAVINE LIMITED

Per: 
Name: _____
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

SCHEDULE "A"
DESCRIPTION OF THE LANDS

PIN 13214-0871 (LT)

LOT 1, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0872 (LT)

LOT 2, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0873 (LT)

LOT 3, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0874 (LT)

LOT 4, PLAN 43M2113; SUBJECT TO AN EASEMENT IN GROSS OVER PART 4,
43R40043 AS IN PR3908805; CITY OF MISSISSAUGA

PIN 13214-0875 (LT)

LOT 5, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0876 (LT)

LOT 6, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0877 (LT)

LOT 7, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0878 (LT)

LOT 8, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0879 (LT)

LOT 9, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0880 (LT)

LOT 10, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0881 (LT)

LOT 11, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0882 (LT)

LOT 12, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0883 (LT)

LOT 13, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0884 (LT)

LOT 14, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0885 (LT)

LOT 15, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0886 (LT)

LOT 16, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0887 (LT)

LOT 17, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0888 (LT)

LOT 18, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0889 (LT)

LOT 19, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0890 (LT)

LOT 20, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0891 (LT)

LOT 21, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0892 (LT)

LOT 22, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0893 (LT)

LOT 23, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0894 (LT)

LOT 24, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0895 (LT)

LOT 25, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0896 (LT)

LOT 26, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0897 (LT)

LOT 27, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0898 (LT)

LOT 28, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0899 (LT)

LOT 29, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0900 (LT)

LOT 30, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0901 (LT)

LOT 31, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0902 (LT)

LOT 32, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0903 (LT)

LOT 33, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0904 (LT)

LOT 34, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0905 (LT)

LOT 35, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0906 (LT)

LOT 36, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0907 (LT)

LOT 37, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0908 (LT)

LOT 38, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0909 (LT)

LOT 39, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0910 (LT)

LOT 40, PLAN 43M2113; CITY OF MISSISSAUGA

PIN 13214-0911 (LT)

LOT 41, PLAN 43M2113; CITY OF MISSISSAUGA

TAB G

THIS IS **EXHIBIT "G"** REFERRED TO IN THE AFFIDAVIT
OF DANIEL POLLACK, SWORN BEFORE ME THIS
7TH DAY OF NOVEMBER, 2023.

Joshua Foster

Joshua Foster

A Commissioner for taking Affidavits
(or as may be)

Properties

PIN 07617 - 0889 LT
Description LOTS 159, 160 & 161 PLAN 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2 66R28185; ETOBICOKE; TOGETHER WITH AN EASEMENT OVER PART LOTS 160 & 160 PLAN 164, PART 2 66R28185 AS IN AT4215394; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4264438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; SUBJECT TO AN EASEMENT AS IN AT3989173; CITY OF TORONTO
Address TORONTO

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name 2402871 ONTARIO INC.
Address for Service 1944 Fowler Drive
 Mississauga, Ontario L5K 0A1

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 Scotia Plaza, 40 King Street West, Suite 3700
 Toronto, Ontario M5H 3Y2

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, AT6108074 registered on 2022/06/16 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2022 06 15
 Toronto Applicant(s)
 M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

I have the authority to sign and register the document on behalf of all parties to the document.

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2022 06 15
 Toronto Party To(s)
 M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

BENNETT JONES LLP 3400-1 First Canadian Place 2022 06 16
 Toronto
 M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

Fees/Taxes/Payment

Statutory Registration Fee \$66.30

Total Paid \$66.30

File Number

Party To Client File Number : 59445.93 (JVJ/MOG/MW/NA)

GENERAL ASSIGNMENT OF LEASES AND RENTS

THIS AGREEMENT made as of the 15th day of June, 2022.

B E T W E E N:

2402871 ONTARIO INC.

(the "**Assignor**")

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Assignee**")

OF THE SECOND PART

WHEREAS the Assignor, as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Assignee, as mortgagee, of the lands and premises charged therein (the "**Property**"), notice of which was registered on the date hereof in the Land Registry Office for the Land Titles Division of Toronto (No. 80) to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

AND WHEREAS as a condition for receiving the Loan Indebtedness, the Assignor agreed to assign to the Assignee, its successors and assigns, as a further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations, in all of the Assignor's right, title and interest in and to:

- (a) all present and future leases, subleases, licenses, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Assignor or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Property, and including all agreements collateral thereto (collectively, the "**Leases**");
- (b) all rents, issues, profits and other monies now due or accruing due or to become due and payable under or derived from the Leases or receivable by the Assignor pursuant to the Leases or the Property (collectively, the "**Rents**"); and
- (c) the benefit of all covenants and obligations of lessees, tenants, licensees, or occupants as well as all other rights, privileges, advantages and benefits contained in any of the Leases, including without limitation, all rights and benefits of any present and future guarantees or indemnities thereof, with full power and authority to demand, sue for, collect, recover and receive all Rents, to enforce the Assignor's rights under any Lease, and generally any collateral advantage or benefit to be

derived from the Leases or any of them together with the full benefit of all security in support of any guarantees or indemnities (collectively, the "**Lease Benefits**" and together with the Leases and the Rents, collectively, the "**Assigned Rights and Benefits**").

NOW THEREFORE IN CONSIDERATION of the recitals, the Assignee extending the Loan Indebtedness and for such other good and valuable consideration received by the Assignor, the receipt and adequacy of which is acknowledged by the Assignor, the Assignor agrees with the Assignee as follows:

ARTICLE 1 **DEFINITIONS, INTERPRETATION**

1.1 Definitions

Capitalized terms that are not defined herein have the meanings set out in the Mortgage. Otherwise, in this Agreement:

- (a) "**Excluded Lease**" has the meaning ascribed to it in Section 2.3;
- (b) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (c) "**Loan Indebtedness**" means any Indebtedness from time to time of the Assignor or any of the other Covenantors to the Assignee arising under any of the Loan Documents;
- (d) "**Loan Obligations**" means the obligations of the Assignor or any of the other Covenantors arising under the Loan Documents;
- (e) "**Other Parties**" has the meaning ascribed to it in Section 2.13(a); and
- (f) "**Receiver**" has the meaning ascribed to it in Section 2.12(a).

1.2 Interpretation

For the purposes of this Agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

1.3 Headings

In this Agreement, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Agreement.

ARTICLE 2 **AGREEMENT**

2.1 Assignment

As continuing collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations, the Assignor hereby assigns, transfers and sets over unto the Assignee and grants to the Assignee a security interest in all of the Assignor's right, title, estate, interest and benefit, both at law and in equity, in and to the Assigned Rights and Benefits, to hold and receive the same unto the Assignee with full power and authority to demand, sue for, collect, recover and receive and give receipts for the Rents and to enforce the payment of the Rents and the payment and performance of all Assigned Rights and Benefits, assigned in accordance with and subject to the terms of this Agreement.

2.2 Last Day of Term

This Agreement shall not extend or apply to the last day of the term, or the last day of any extended or renewed term, of any of the Leases provided that if this Agreement is enforced by the Assignee, the Assignor shall stand possessed of each such last day and shall hold same in trust and if this Agreement is enforced by the Assignee, to assign at the direction of the Assignee or any Person who may acquire any such term or renewal term or who in the course of enforcement hereof may be entitled to so direct.

2.3 Excluded Leases

Nothing in this Agreement shall constitute an assignment or attempted assignment of any of the right, title, estate, interest and benefit of the Assignor in any Assigned Rights and Benefits which require the consent of a third party to assignment unless such consent has been obtained (an "**Excluded Lease**"). The Assignor shall, upon request, obtain the required consent of any third party to the assignment of any Excluded Lease under this Agreement and to its further assignment by the Assignee to any third party as a result of the exercise by the Assignee of its remedies hereunder after an Event of Default. Upon consent being obtained, this Agreement shall apply to the applicable Excluded Lease without regard to this Section and without the necessity of any further assurance to effect assignment under this Agreement. Until consent to assignment is obtained, the Assignor shall, to the extent it may do so at law or pursuant to the provisions of the Excluded Lease and without giving rise to any default or penalty under the Excluded Lease, hold all right, title, estate, interest and benefit to be derived from the Excluded Lease in trust for the Assignee as additional security for the payment of the Loan Indebtedness and performance of the Loan Obligations as if this Agreement applied.

2.4 Representations and Warranties

The Assignor represents and warrants to and in favour of the Assignee that:

- (a) each of the Leases is in existence, and is in full force and effect, and there is currently no default by any party to any Lease under any term, condition or covenant required to be performed by it under the Assigned Rights and Benefits and there exists no event or circumstance, which would with the passage of time or the giving of notice or both constitute a default or an event of default under any of the Assigned Rights and Benefits;
- (b) there is no outstanding dispute under any Lease by any of the parties to it and no lessee under any Lease is entitled to any set off or defense against the payment of Rent under the Lease; and
- (c) the Assignor has good right, full power and absolute authority to assign the Assigned Rights and Benefits in the manner aforesaid, and has not performed any act or executed any other instrument which might prevent the Assignee from operating under the terms and conditions of this Agreement or which would limit the Assignee in such operation.

2.5 Covenants

The Assignor hereby covenants with the Assignee:

- (a) that it will at all times perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases as would a prudent landlord (except to the extent that the same have been expressly waived by the Other Parties to the Leases);
- (b) to maintain or cause to be maintained the Leases in good standing and not to do, permit to be done or omit to do, anything which may impair the enforceability of the Leases;
- (c) that in respect of all of the Leases, save for the deposits for the first and last month rentals, not to accept Rents more than one month in advance of the dates when Rents fall due;
- (d) except as provided for in Section 2.7 below, all offers to lease and all tenancy agreements, leases or subleases entered into with lessees of the Property shall be on the standard forms previously approved by the Assignee to be used in connection with the Property, amended as deemed appropriate in the circumstances by the Assignor, acting reasonably, to give effect to the arrangements made with each lessee or, if not on a pre-approved standard form, then in all cases in form and substance acceptable to the Assignee acting reasonably;

- (e) upon and during the continuance of an Event of Default, to facilitate in all ways the Assignee's exercise of its rights hereunder, including without limitation, upon request of the Assignee:
 - (i) to deliver to the Assignee up-to-date rent rolls and true copies of all then outstanding Leases and any other document giving rise to any of the Lease Benefits;
 - (ii) to permit access by the Assignee or its agent during regular business hours, upon reasonable notice to the Assignor, to all records pertaining to the Property, wherever held; and
 - (iii) to provide written notices to the lessees or any Other Parties, directing them to make payment of Rents to the Assignee or as it may direct; and
- (f) to obtain estoppel certificates from the lessees under the Leases (provided that the lessees are obliged to do so pursuant to their Lease) when and as reasonably required by the Assignee, or if any of such estoppel certificate is not forthcoming, to furnish a certificate of a senior officer of the Assignor in lieu thereof attesting (to the extent within the Assignor's knowledge and without Personal liability) to the information which would have been provided in such estoppel certificate.

2.6 Right to Deal

Until the occurrence of an Event of Default which is continuing, and subject to Section 2.5, the Assignor is permitted to enjoy the benefits of and deal with the Assigned Rights and Benefits, and may demand, receive, collect and enjoy the Rents, but only as the same fall due and payable according to the terms of each of the Leases and any of the documents giving rise to any of the Lease Benefits, and not more than one month in advance (except for prepayment of the last month of the term if so provided in the Lease) as would a prudent landlord. Upon the occurrence of an Event of Default which is continuing, the Assignee may, in addition to any other rights and remedies it may have, deliver a written notice to any lessee or any Other Party directing it to deal with the Assignee and to pay the Rents payable under its Lease to the Assignee, and such notice shall be good and sufficient authority for so doing.

2.7 No Dealings with Leases

The Assignor shall not, without the prior written consent of the Assignee:

- (a) do any act or thing or omit to do any act or thing that would materially adversely change the obligations of the Assignor under that Lease, other than as permitted by the Mortgage (except where the provisions of the Lease require the landlord to do so); or
- (b) enter into any Lease, including each renewal or extension of an existing Lease (other than any extension or renewal of an existing Lease which is exercised pursuant to, and the terms of which are governed by, such existing Lease), unless:

- 6 -

- (i) it is a commercially reasonable arm's length transaction made in the ordinary course of business and in accordance with prudent property management and leasing standards and practices;
 - (ii) it provides for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions;
 - (iii) the Assignor has notified the Assignee of the proposed Lease and provided a copy of it to the Assignee; and
- (c) upon the Assignee delivering a written notice to the Assignor notifying the Assignor that the Assignee has elected to exercise its rights under this Agreement, enter into any Lease unless the Assignee has approved, acting reasonably, the form and content thereof.

Whenever the Assignee's consent is required hereunder, the Assignee shall act in a commercially reasonable manner as would a prudent owner of similar real estate and the Assignee shall communicate its consent or non-consent within ten (10) Business Days of any written request (unless otherwise indicated herein), failing which the Assignee shall be deemed to have given its consent.

The Assignor covenants to specifically assign any future Lease to the Assignee upon the Assignee's request in a form satisfactory to the Assignee. In such event, the Assignor further covenants that it will use its commercially reasonable efforts to have the lessee of all such future Leases, covenant to attorn to the Assignee on request.

2.8 Assigned Rights and Benefits Not Impaired

The within assignment to the Assignee of the Assigned Rights and Benefits shall remain in full force and effect without regard to, and the obligations of the lessees under the Leases shall not be affected or impaired by:

- (a) any amendment, modification, renewal or replacement of or addition or supplement to any of the other Loan Documents or the loan secured by the Security Documents; or
- (b) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement or any of the other Security Documents; or
- (c) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement or any of the other Security Documents; or
- (d) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor or any of the lessees under any of the Leases.

2.9 Power of Attorney

So long as the Loan Indebtedness and the Loan Obligations, or any portion thereof, remains outstanding:

- (a) the Assignor hereby irrevocably appoints the Assignee, or any Receiver appointed by the Assignee as provided for in this Agreement, to be the attorney of the Assignor with full power of substitution, and with full authority in the place of the Assignor and in the name of the Assignor or otherwise, from time to time in the Assignee's discretion, to do all acts, matters and things that may be necessary for, incidental to, or advisable for, carrying out the powers given to the Assignee under this Agreement and the Mortgage upon the occurrence of any Event of Default which is continuing (but the Assignee is not obligated to take such action and will have no liability to the Assignor or any third party for failure to take any action). This power of attorney is given for valuable consideration, is coupled with an interest, and is irrevocable until registration of a complete discharge of the Mortgage; and
- (b) in the event any action is brought by the Assignee to enforce any rights under the Assigned Rights and Benefits, the Assignor agrees to cooperate fully with and assist the Assignee in the prosecution thereof.

2.10 Acceleration

Upon the occurrence of an Event of Default which is continuing all of the Loan Indebtedness shall, at the Assignee's option and without notice to the Assignor, become immediately due and payable and the Assignee may, in its sole, absolute and unfettered discretion, exercise its rights in respect of the Assigned Rights and Benefits in addition to all other rights and remedies afforded by applicable law, in equity or otherwise. The Assignee shall have the right to enforce one or more remedies successively or concurrently in accordance with applicable law and the Assignee expressly retains all rights and remedies not inconsistent with the provisions in this Agreement including any rights it may have under the PPSA. The provisions of this clause do not and are not intended to affect in any way any rights of the Assignee with respect to any Loan Obligations or any Loan Indebtedness which may now or hereafter be payable on demand.

2.11 Enforcement

Upon the occurrence of and during the continuance of an Event of Default, the security hereby constituted will, at the option of the Assignee, immediately become enforceable.

2.12 Assignee's Rights and Remedies

In addition to the Assignee's rights under the Mortgage, the Assignee may, at its option and without any obligation or liability therefor and in addition to any other remedy in respect of the Assigned Rights and Benefits to which it is entitled under any of the Loan Documents, upon the occurrence of any Event of Default which is continuing and to the extent permitted by applicable law, enforce and realize on the security constituted by this

Agreement and take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Assignee may do the following:

- (a) appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Assignee or not, to be a receiver or receivers, or may institute proceedings in any court of competent jurisdiction for the appointment of a receiver (the "**Receiver**", which term includes a receiver or a manager or a receiver and manager) of the Assigned Rights and Benefits and may remove any appointed Receiver and appoint a replacement. Any Receiver shall, so far as concerns responsibility for its acts, be deemed the agent of the Assignor and not of the Assignee, and the Assignee shall not in any way be responsible for any misconduct, negligence, or nonfeasance on the part of any Receiver, the Receiver's servants, agents or employees. Subject to the provisions of the instrument appointing it, any Receiver shall be vested with all or any of the rights, powers and discretions of the Assignee. Except as may be otherwise directed by the Assignee all monies received from time to time by the Receiver in carrying out its appointment shall be received in trust for and paid over to the Assignee for the benefit of the Assignee;
- (b) compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rents or any other matter relating to the Assigned Rights and Benefits, and any settlement arrived at shall be binding upon the Assignor and any Other Parties;
- (c) at its option and without notice to the Assignor, take possession of or enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and any and all amounts which may be or become due or payable or remain unpaid at any time to the Assignor pursuant to the Assigned Rights and Benefits and give acquittances for them and to manage, operate and maintain its interest in the Property including without limitation, the making of repairs or replacements to maintain the Property;
- (d) receive, enjoy or otherwise avail itself of the Lease Benefits;
- (e) appoint and dismiss such agents or employees as may be necessary or desirable to exercise the Assignee's rights hereunder;
- (f) alter, modify, amend or change the terms of Leases; enter into new Leases; give consents, concessions or waivers of any rights or provisions of Leases; accept surrenders of Leases; give consents to assignment of or subletting under Leases;
- (g) send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
- (h) in the Assignor's name, perform, at the Assignor's expense, any and all of the Assignor's obligations or covenants relating to the Assigned Rights and Benefits

and enforce performance by any Other Parties of their obligations in relation to the Assigned Rights and Benefits and settle any disputes with Other Parties upon terms that the Assignee deems appropriate, in its discretion;

- (i) make payment of or cure any default under any Permitted Encumbrance or any Liens or other claims that may exist or be threatened against the Assigned Rights and Benefits, and any amount so paid together with costs, charges and expenses incurred together with interest at the Interest Rate shall be added to the Loan Indebtedness;
- (j) if the proceeds of realization are insufficient to pay all of the Loan Indebtedness, the Assignor shall forthwith pay or cause to be paid to the Assignee any deficiency and the Assignee may sue the Assignor to collect the amount of such deficiency;
- (k) subject to applicable law, seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Assigned Rights and Benefits in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Assignee advisable and without notice to the Assignor. The Assignee may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Assigned Rights and Benefits and may add all such sums to the Loan Indebtedness;
- (l) perform all such acts as may in the reasonable opinion of the Assignee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Assignor or in the name of the Assignee and the Assignor hereby grants to the Assignee irrevocable authority to join the Assignor in any proceedings or actions relating to the Assigned Rights and Benefits whether judicial or extra-judicial; and
- (m) waive any Event of Default, and any waiver of an Event of Default shall not extend to any subsequent Event of Default, nor shall the Assignee be bound to serve any notice on any lessees or any Other Parties on the happening of any Event of Default.

2.13 Assignee's Dealings with Other Parties

The Assignor and the Assignee hereby covenant and agree that:

- (a) the Assignee may at any time upon the occurrence of an Event of Default which is continuing, with respect to any and all Assigned Rights and Benefits, give to any lessee or other Person from whom the Assignor would have been entitled to receive or claim any benefit under the Assigned Rights and Benefits in question (the "**Other Parties**" or "**Other Party**") upon written notice to it by the Assignee to pay the Rents directly to the Assignee and such notice shall be good and sufficient notice for doing so. Without limiting the foregoing the Assignee may, after giving

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such notice, deal with the Other Party or Other Parties in respect of the Assigned Rights and Benefits without reference to or consent of the Assignor while the Event of Default is continuing;

- (b) this Agreement constitutes an irrevocable direction and authorization of the Assignor to any Other Party to pay Rents to the Assignee and otherwise honour the rights of the Assignee under this Agreement;
- (c) any Other Party may rely upon any notice given by the Assignee or on its behalf and the Assignor hereby waives as against any Other Party any claims they might otherwise have by reason of the Other Party acting on such notice;
- (d) in the event all Events of Defaults are subsequently cured, the Assignee shall upon request of the Assignor, and at the Assignor's expense, execute and deliver to the Assignor directions and authorizations to any Other Party who received notice of this Agreement in connection with the Events of Default so cured as aforesaid, authorizing and directing such Other Party to resume payment of Rents to the Assignor until such time as a further written notice is delivered by the Assignee pursuant to the terms of this Agreement;
- (e) all receipts given by the Assignee to any lessee under the Leases after delivery of a written notice pursuant to Section 2.13(a) and prior to the delivery of a notice pursuant to Section 2.13(d) on account of any Rents paid to the Assignee in accordance with the terms of this Agreement shall constitute a good and valid discharge therefor to each such lessee; and
- (f) the Assignee shall not be required or obligated in any manner to make any demand or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or take any other action to collect or enforce the payment of any amounts which may have been assigned to the Assignee or to which the Assignee may be entitled hereunder at any time or times.

2.14 Assignee's Obligations and Limitation on Liabilities

It is expressly acknowledged and agreed by the Assignor and the Assignee that:

- (a) nothing herein contained shall oblige the Assignee to assume or perform any obligation of the Assignor to any Other Party in respect of or arising out of the Assigned Rights and Benefits or any of them. The Assignee may, however, after the occurrence of an Event of Default which is continuing, at its option assume or perform any such obligations as the Assignee considers necessary or desirable to obtain the benefit of the Assigned Rights and Benefits free of any set-off, deduction or abatement, and any money expended by the Assignee in this regard shall form part of and be deemed to form part of the Loan Indebtedness and bear interest at the maximum rate stipulated in the Mortgage;
- (b) the Assignee shall only be liable to account for such moneys as shall actually be received by the Assignee by virtue of this Agreement at the address provided

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herein, less reasonable collection charges and costs (including, without limitation, legal costs on a solicitor and client basis) and other reasonable expenses to which the Assignee may be put, and the Assignee shall not be responsible for any act or default of any agent employed by the Assignee for the collection of any such amounts. Such moneys when so received by the Assignee shall be applied in accordance with the provisions of the Mortgage and the Assignee shall not be responsible for diligence in the collection of any monies as contemplated herein. No credit shall be given for any Rent received by the Assignee after it obtains ownership of the Property under court order or by operation of law;

- (c) exercise by the Assignee of its rights under this Agreement or the assumption of certain obligations of the Assignor upon the occurrence of an Event Default as referred to in Section 2.14(a) shall not constitute or have the effect of making the Assignee a mortgagee in possession nor shall the entering into of this Agreement or anything done in pursuance of it make the Assignee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations and liabilities under any of the Leases;
- (d) care, control and management of the Property shall remain and be deemed to be with the Assignor, in the absence of clear and unequivocal action by the Assignee depriving the Assignor of such care, control and management and the assumption thereof by the Assignee;
- (e) the Assignee's obligations as to any Rents or other amounts actually collected (including, without limitation, those arising from the Lease Benefits) shall be discharged by application of such Rents or other amounts (including, without limitation, those arising from the Lease Benefits) against the Loan Indebtedness or for any of the other purposes described in this Agreement; and
- (f) the Assignee shall not be:
 - (i) liable for and no credit shall be given in respect of any uncollected Rents or other uncollected amounts;
 - (ii) liable to any lessee for the return of any security deposit made under any Lease unless the Assignee shall have actually received such security deposit; and
 - (iii) by reason of this Agreement or the exercise of any right granted herein, responsible for any act committed by the Assignor or any breach or failure to perform by the Assignor with respect to any of the Assigned Rights and Benefits.

2.15 Continuing Security

Notwithstanding any variation of the terms of the Mortgage or any of the other Security Documents, or any extension of time for payment or any release of any security, this Agreement shall continue as general and collateral security for the Loan Indebtedness and

observance and performance of all of the Loan Obligations. This Agreement and the assignments granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Assignee and this Agreement will remain in full force and effect until registration of a complete discharge of the Mortgage by the Assignee, which discharge shall be deemed to be a reassignment of this Agreement and the Assigned Rights and Benefits in favour of the Assignor. On the complete discharge of the Mortgage, the Assignee will, at the request and at the sole cost and expense of the Assignor, execute and deliver to the Assignor such instruments in registrable form as may be necessary to evidence the termination of this Agreement and the reassignment to the Assignor of the Assigned Rights and Benefits.

2.16 Reassignment/Discharge

The Assignee may, at any time and whether or not an Event of Default has occurred, without further request or agreement by the Assignor, reassign to the Assignor, its successors and assigns, the Assigned Rights and Benefits or any part or parts thereof, by an instrument of reassignment in writing executed by the Assignee delivered to the Assignor, its successors and assigns, at the address for notice herein provided. Such instrument upon delivery shall constitute a good and sufficient reassignment of all of the Assignee's right, title and interest in and benefit of the Assigned Rights and Benefits to which it pertains and a good and valid release and termination of obligations (if any) of the Assignee with respect thereto. Such reassignment shall not expressly or impliedly constitute any representation or warranty by the Assignee to the Assignor as to the Assigned Rights and Benefits or anything related thereto.

ARTICLE 3 MISCELLANEOUS

3.1 Payments

All payments required to be made by the Assignor to the Assignee under this Agreement will be made at the address of the Assignee set out in Section 3.9 (or at any other place specified by the Assignee by written notice to the Assignor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

3.2 Failure of Indulgence Not Waiver

No extension of time, waiver, or other indulgence given by the Assignee to the Assignor, or anyone claiming under the Assignor, shall in any way affect or prejudice the rights of the Assignee against the Assignor or any Covenantor unless explicitly set forth in writing and signed by the waiving party. No failure to exercise or delay in exercising any right, remedy, power or privilege arising from this Agreement will operate or be construed as a waiver thereof, nor will any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Each power and right under this Agreement is cumulative and is in addition to and not in substitution for any other rights and remedies at law, or in equity or otherwise.

3.3 Modification

No modification or waiver of this Agreement is binding on the Assignee unless made in writing and signed by a duly authorized officer of the Assignee.

3.4 Entire Agreement

On execution and delivery by the Assignor, this Agreement is deemed to be finally executed and delivered by the Assignor to the Assignee and is not subject to or affected by any condition as to the receipt by the Assignee of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Assignee of any other Loan Documents, nor by any promise or condition affecting the liability of the Assignor. No agreement, promise, representation or statement by the Assignee or any of its officers, employees or agents unless in this Agreement forms part of this Agreement, has induced the making of it or affects the liability of the Assignor or any Covenantor under it.

3.5 Severability

If any Section or part thereof of this Agreement is invalid or unenforceable for any reason, then such Section or part thereof will be severable from this Agreement and will not affect the validity or enforceability of any other part of this Agreement.

3.6 Non-Merger

The giving of this Agreement is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this Agreement, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Assignee.

3.7 Paramountcy

The provisions of any agreement between the Assignor and the Assignee in connection with the Loan Indebtedness, including but not limited to any loan application in respect thereof, the Mortgage and all of the other Loan Documents, shall form part of this Agreement except where inconsistent with the provisions hereof. In the case of any inconsistency between this Agreement and the Mortgage, the provisions of the Mortgage, as the case may be, shall prevail.

3.8 Assignability

The Assignor hereby consents to the Assignee assigning, transferring or selling all or any portion of its interest under this Agreement in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Assignee may enter into participation, contending or syndication agreements with other lenders in connection with this

Agreement, the Loan Indebtedness and the Loan Obligations. The Assignee may provide information of a financial or other nature to any prospective assignee or transferee or other lenders concerning the Assignor, this Agreement, the Loan Indebtedness and the Loan Obligations.

3.9 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Agreement shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party, addressed:

(a) to the Assignor:

1944 Fowler Drive
Mississauga, Ontario
L5K 0A1

Attention: John Vandyk
Email: jvandyk@vandyk.com
Facsimile: 905-823-4014

with a copy to the Assignor's solicitors at

Schneider Ruggiero Spencer Milburn LLP
120 Adelaide Street West, Suite 1000
Toronto, Ontario
M5H 3V1

Attention: Bruce Milburn
Email: bmilburn@srlawpractice.com
Facsimile: 416-363-0645

(b) to the Assignee:

Scotia Plaza
40 King Street West, Suite 3700
Toronto, Ontario
M5H 3Y2

Attention: Scott Coates
Email: SCoates@kingsettcapital.com
Facsimile: 416-687-6701

with a copy to the Servicer at:

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41 Scarsdale Road, Unit 6
Toronto, Ontario
M3B 2R2

Attention: Judy Wong
Email: JWong@DorrCapital.com

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3rd) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

3.10 Expenses, Fees and Indemnity

The Assignor will pay to the Assignee all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Assignee in connection with the collection of any amount payable under this Agreement by the Assignor to the Assignee. The Assignor shall indemnify the Assignee against all claims, loss or damages arising out of or in connection with any breach or default by the Assignor under this Agreement.

3.11 Applicable Law

This Agreement and the rights and obligations of the Assignor and the Assignee under it are governed by and construed according to the laws of the jurisdiction in which the Property is situate and the laws of Canada applicable therein.

3.12 Time of the Essence

Time is of the essence of this Agreement.

3.13 Execution by the Assignee

This Agreement need not be executed by the Assignee to be binding on and to enure to the benefit of the Assignee.

3.14 Counterparts

This Agreement may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same

instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of executed or electronically executed copies of this Agreement whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.

3.15 Further Assurances

The Assignor will promptly do all further acts and execute and deliver such further documents as the Assignee considers necessary or advisable to carry out the terms or intent of this Agreement.

3.16 Successors and Assigns

This Agreement is binding on and enures to the benefit of the Assignee and the Assignor, and their respective executors, administrators, successors and assigns and to any Person to whom the Assignee may grant any participation in this Agreement, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Assignee under this Agreement or any of the Assignee's interest herein or in the Loan Indebtedness and the Loan Obligations.

3.17 Multiple Parties

If the Assignor consists of more than one party, this Agreement will be read with all necessary grammatical changes and each reference to the Assignor includes each and every such Person individually. All covenants and agreements herein of the Assignor are the joint and several covenants and agreements of each such Person or corporation. If the Assignee consists of more than one party, this Agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Assignee under this Agreement.

-- signatures follow on next page --

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

2402871 ONTARIO INC.

Per: DocuSigned by:
Richard ma
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

I/We have authority to bind the Corporation

Properties

PIN 13482 - 0071 LT
Description LTS 1, 2, 3, 22, 23 & 24, PL H23 ; EXCEPT PT 1 43R16245 & PT 1 43R21276 ;
 MISSISSAUGA
Address 1345 LAKESHORE RD E
 MISSISSAUGA

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name VANDYK-LAKEVIEW-DXE-WEST LIMITED
Address for Service 1944 Fowler Drive
 Mississauga, ON L5K 0A1

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 Scotia Plaza, 40 King Street West, Suite 3700
 Toronto, Ontario M5H 3Y2

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, PR4229977 registered on 2023/07/28 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2023 07 28
 Toronto
 M5X 1A4 Applicant(s)

Tel 416-863-1200

Fax 416-863-1716

I have the authority to sign and register the document on behalf of all parties to the document.

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2023 07 28
 Toronto
 M5X 1A4 Party To(s)

Tel 416-863-1200

Fax 416-863-1716

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

BENNETT JONES LLP 3400-1 First Canadian Place 2023 07 28
 Toronto
 M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

Fees/Taxes/Payment

Statutory Registration Fee \$69.00

Total Paid \$69.00

File Number

Party To Client File Number : 59445.93 (JVG/MOG/MW/NC)

GENERAL ASSIGNMENT OF LEASES AND RENTS

THIS AGREEMENT made as of the 28th day of July, 2023.

B E T W E E N:

VANDYK – LAKEVIEW-DXE-WEST LIMITED

(the "Assignor")

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "Assignee")

OF THE SECOND PART

WHEREAS the Assignor, as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Assignee, as mortgagee, of the lands and premises charged therein (the "**Property**"), notice of which was registered on the date hereof in the Land Registry Office for the Land Titles Division of Peel (No. 43) to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

AND WHEREAS as a condition for receiving the Loan Indebtedness, the Assignor agreed to assign to the Assignee, its successors and assigns, as a further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations, in all of the Assignor's right, title and interest in and to:

- (a) all present and future leases, subleases, licenses, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Assignor or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Property, and including all agreements collateral thereto (collectively, the "**Leases**");
- (b) all rents, issues, profits and other monies now due or accruing due or to become due and payable under or derived from the Leases or receivable by the Assignor pursuant to the Leases or the Property (collectively, the "**Rents**"); and
- (c) the benefit of all covenants and obligations of lessees, tenants, licensees, or occupants as well as all other rights, privileges, advantages and benefits contained in any of the Leases, including without limitation, all rights and benefits of any present and future guarantees or indemnities thereof, with full power and authority to demand, sue for, collect, recover and receive all Rents, to enforce the Assignor's rights under any Lease, and generally any collateral advantage or benefit to be

derived from the Leases or any of them together with the full benefit of all security in support of any guarantees or indemnities (collectively, the "**Lease Benefits**" and together with the Leases and the Rents, collectively, the "**Assigned Rights and Benefits**").

NOW THEREFORE IN CONSIDERATION of the recitals, the Assignee extending the Loan Indebtedness and for such other good and valuable consideration received by the Assignor, the receipt and adequacy of which is acknowledged by the Assignor, the Assignor agrees with the Assignee as follows:

ARTICLE 1 **DEFINITIONS, INTERPRETATION**

1.1 Definitions

Capitalized terms that are not defined herein have the meanings set out in the Mortgage. Otherwise, in this Agreement:

- (a) "**Excluded Lease**" has the meaning ascribed to it in Section 2.3;
- (b) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (c) "**Loan Indebtedness**" means any Indebtedness from time to time of the Assignor or any of the other Covenantors to the Assignee arising under any of the Loan Documents;
- (d) "**Loan Obligations**" means the obligations of the Assignor or any of the other Covenantors arising under the Loan Documents;
- (e) "**Other Parties**" has the meaning ascribed to it in Section 2.13(a); and
- (f) "**Receiver**" has the meaning ascribed to it in Section 2.12(a).

1.2 Interpretation

For the purposes of this Agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

1.3 Headings

In this Agreement, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Agreement.

ARTICLE 2 **AGREEMENT**

2.1 Assignment

As continuing collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations, the Assignor hereby assigns, transfers and sets over unto the Assignee and grants to the Assignee a security interest in all of the Assignor's right, title, estate, interest and benefit, both at law and in equity, in and to the Assigned Rights and Benefits, to hold and receive the same unto the Assignee with full power and authority to demand, sue for, collect, recover and receive and give receipts for the Rents and to enforce the payment of the Rents and the payment and performance of all Assigned Rights and Benefits, assigned in accordance with and subject to the terms of this Agreement.

2.2 Last Day of Term

This Agreement shall not extend or apply to the last day of the term, or the last day of any extended or renewed term, of any of the Leases provided that if this Agreement is enforced by the Assignee, the Assignor shall stand possessed of each such last day and shall hold same in trust and if this Agreement is enforced by the Assignee, to assign at the direction of the Assignee or any Person who may acquire any such term or renewal term or who in the course of enforcement hereof may be entitled to so direct.

2.3 Excluded Leases

Nothing in this Agreement shall constitute an assignment or attempted assignment of any of the right, title, estate, interest and benefit of the Assignor in any Assigned Rights and Benefits which require the consent of a third party to assignment unless such consent has been obtained (an "**Excluded Lease**"). The Assignor shall, upon request, obtain the required consent of any third party to the assignment of any Excluded Lease under this Agreement and to its further assignment by the Assignee to any third party as a result of the exercise by the Assignee of its remedies hereunder after an Event of Default. Upon consent being obtained, this Agreement shall apply to the applicable Excluded Lease without regard to this Section and without the necessity of any further assurance to effect assignment under this Agreement. Until consent to assignment is obtained, the Assignor shall, to the extent it may do so at law or pursuant to the provisions of the Excluded Lease and without giving rise to any default or penalty under the Excluded Lease, hold all right, title, estate, interest and benefit to be derived from the Excluded Lease in trust for the Assignee as additional security for the payment of the Loan Indebtedness and performance of the Loan Obligations as if this Agreement applied.

2.4 Representations and Warranties

The Assignor represents and warrants to and in favour of the Assignee that:

- (a) each of the Leases is in existence, and is in full force and effect, and there is currently no default by any party to any Lease under any term, condition or covenant required to be performed by it under the Assigned Rights and Benefits and there exists no event or circumstance, which would with the passage of time or the giving of notice or both constitute a default or an event of default under any of the Assigned Rights and Benefits;
- (b) there is no outstanding dispute under any Lease by any of the parties to it and no lessee under any Lease is entitled to any set off or defense against the payment of Rent under the Lease; and
- (c) the Assignor has good right, full power and absolute authority to assign the Assigned Rights and Benefits in the manner aforesaid, and has not performed any act or executed any other instrument which might prevent the Assignee from operating under the terms and conditions of this Agreement or which would limit the Assignee in such operation.

2.5 Covenants

The Assignor hereby covenants with the Assignee:

- (a) that it will at all times perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases as would a prudent landlord (except to the extent that the same have been expressly waived by the Other Parties to the Leases);
- (b) to maintain or cause to be maintained the Leases in good standing and not to do, permit to be done or omit to do, anything which may impair the enforceability of the Leases;
- (c) that in respect of all of the Leases, save for the deposits for the first and last month rentals, not to accept Rents more than one month in advance of the dates when Rents fall due;
- (d) except as provided for in Section 2.7 below, all offers to lease and all tenancy agreements, leases or subleases entered into with lessees of the Property shall be on the standard forms previously approved by the Assignee to be used in connection with the Property, amended as deemed appropriate in the circumstances by the Assignor, acting reasonably, to give effect to the arrangements made with each lessee or, if not on a pre-approved standard form, then in all cases in form and substance acceptable to the Assignee acting reasonably;
- (e) it shall operate the Property in compliance with all applicable laws, including for greater certainty the *Residential Tenancies Act* (Ontario), pertaining to residential

leases and shall administer the Leases in a commercially reasonable manner that is consistent with prudent industry practice for the management of residential leases;

- (f) upon and during the continuance of an Event of Default, to facilitate in all ways the Assignee's exercise of its rights hereunder, including without limitation, upon request of the Assignee:
 - (i) to deliver to the Assignee up-to-date rent rolls and true copies of all then outstanding Leases and any other document giving rise to any of the Lease Benefits;
 - (ii) to permit access by the Assignee or its agent during regular business hours, upon reasonable notice to the Assignor, to all records pertaining to the Property, wherever held; and
 - (iii) to provide written notices to the lessees or any Other Parties, directing them to make payment of Rents to the Assignee or as it may direct; and
- (g) to obtain estoppel certificates from the lessees under the Leases (provided that the lessees are obliged to do so pursuant to their Lease) when and as reasonably required by the Assignee, or if any of such estoppel certificate is not forthcoming, to furnish a certificate of a senior officer of the Assignor in lieu thereof attesting (to the extent within the Assignor's knowledge and without Personal liability) to the information which would have been provided in such estoppel certificate.

2.6 Right to Deal

Until the occurrence of an Event of Default which is continuing, and subject to Section 2.5, the Assignor is permitted to enjoy the benefits of and deal with the Assigned Rights and Benefits, and may demand, receive, collect and enjoy the Rents, but only as the same fall due and payable according to the terms of each of the Leases and any of the documents giving rise to any of the Lease Benefits, and not more than one month in advance (except for prepayment of the last month of the term if so provided in the Lease) as would a prudent landlord. Upon the occurrence of an Event of Default which is continuing, the Assignee may, in addition to any other rights and remedies it may have, deliver a written notice to any lessee or any Other Party directing it to deal with the Assignee and to pay the Rents payable under its Lease to the Assignee, and such notice shall be good and sufficient authority for so doing.

2.7 No Dealings with Leases

The Assignor shall not, without the prior written consent of the Assignee:

- (a) do any act or thing or omit to do any act or thing that would materially adversely change the obligations of the Assignor under that Lease, other than as permitted by the Mortgage (except where the provisions of the Lease require the landlord to do so); or

- (b) enter into any Lease, including each renewal or extension of an existing Lease (other than any extension or renewal of an existing Lease which is exercised pursuant to, and the terms of which are governed by, such existing Lease), unless:
 - (i) it is a commercially reasonable arm's length transaction made in the ordinary course of business and in accordance with prudent property management and leasing standards and practices;
 - (ii) it provides for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions;
 - (iii) the Assignor has notified the Assignee of the proposed Lease and provided a copy of it to the Assignee; and
- (c) upon the Assignee delivering a written notice to the Assignor notifying the Assignor that the Assignee has elected to exercise its rights under this Agreement, enter into any Lease unless the Assignee has approved, acting reasonably, the form and content thereof.

Whenever the Assignee's consent is required hereunder, the Assignee shall act in a commercially reasonable manner as would a prudent owner of similar real estate and the Assignee shall communicate its consent or non-consent within ten (10) Business Days of any written request (unless otherwise indicated herein), failing which the Assignee shall be deemed to have given its consent.

The Assignor covenants to specifically assign any future Lease to the Assignee upon the Assignee's request in a form satisfactory to the Assignee. In such event, the Assignor further covenants that it will use its commercially reasonable efforts to have the lessee of all such future Leases, covenant to attorn to the Assignee on request.

2.8 Assigned Rights and Benefits Not Impaired

The within assignment to the Assignee of the Assigned Rights and Benefits shall remain in full force and effect without regard to, and the obligations of the lessees under the Leases shall not be affected or impaired by:

- (a) any amendment, modification, renewal or replacement of or addition or supplement to any of the other Loan Documents or the loan secured by the Security Documents; or
- (b) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement or any of the other Security Documents; or
- (c) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement or any of the other Security Documents; or

- (d) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor or any of the lessees under any of the Leases.

2.9 Power of Attorney

So long as the Loan Indebtedness and the Loan Obligations, or any portion thereof, remains outstanding:

- (a) the Assignor hereby irrevocably appoints the Assignee, or any Receiver appointed by the Assignee as provided for in this Agreement, to be the attorney of the Assignor with full power of substitution, and with full authority in the place of the Assignor and in the name of the Assignor or otherwise, from time to time in the Assignee's discretion, to do all acts, matters and things that may be necessary for, incidental to, or advisable for, carrying out the powers given to the Assignee under this Agreement and the Mortgage upon the occurrence of any Event of Default which is continuing (but the Assignee is not obligated to take such action and will have no liability to the Assignor or any third party for failure to take any action). This power of attorney is given for valuable consideration, is coupled with an interest, and is irrevocable until registration of a complete discharge of the Mortgage; and
- (b) in the event any action is brought by the Assignee to enforce any rights under the Assigned Rights and Benefits, the Assignor agrees to cooperate fully with and assist the Assignee in the prosecution thereof.

2.10 Acceleration

Upon the occurrence of an Event of Default which is continuing all of the Loan Indebtedness shall, at the Assignee's option and without notice to the Assignor, become immediately due and payable and the Assignee may, in its sole, absolute and unfettered discretion, exercise its rights in respect of the Assigned Rights and Benefits in addition to all other rights and remedies afforded by applicable law, in equity or otherwise. The Assignee shall have the right to enforce one or more remedies successively or concurrently in accordance with applicable law and the Assignee expressly retains all rights and remedies not inconsistent with the provisions in this Agreement including any rights it may have under the PPSA. The provisions of this clause do not and are not intended to affect in any way any rights of the Assignee with respect to any Loan Obligations or any Loan Indebtedness which may now or hereafter be payable on demand.

2.11 Enforcement

Upon the occurrence of and during the continuance of an Event of Default, the security hereby constituted will, at the option of the Assignee, immediately become enforceable.

2.12 Assignee's Rights and Remedies

In addition to the Assignee's rights under the Mortgage, the Assignee may, at its option and without any obligation or liability therefor and in addition to any other remedy in respect of the Assigned Rights and Benefits to which it is entitled under any of the Loan Documents, upon the occurrence of any Event of Default which is continuing and to the extent permitted by applicable law, enforce and realize on the security constituted by this Agreement and take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Assignee may do the following:

- (a) appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Assignee or not, to be a receiver or receivers, or may institute proceedings in any court of competent jurisdiction for the appointment of a receiver (the "**Receiver**", which term includes a receiver or a manager or a receiver and manager) of the Assigned Rights and Benefits and may remove any appointed Receiver and appoint a replacement. Any Receiver shall, so far as concerns responsibility for its acts, be deemed the agent of the Assignor and not of the Assignee, and the Assignee shall not in any way be responsible for any misconduct, negligence, or nonfeasance on the part of any Receiver, the Receiver's servants, agents or employees. Subject to the provisions of the instrument appointing it, any Receiver shall be vested with all or any of the rights, powers and discretions of the Assignee. Except as may be otherwise directed by the Assignee all monies received from time to time by the Receiver in carrying out its appointment shall be received in trust for and paid over to the Assignee for the benefit of the Assignee;
- (b) compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rents or any other matter relating to the Assigned Rights and Benefits, and any settlement arrived at shall be binding upon the Assignor and any Other Parties;
- (c) at its option and without notice to the Assignor, take possession of or enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and any and all amounts which may be or become due or payable or remain unpaid at any time to the Assignor pursuant to the Assigned Rights and Benefits and give acquittances for them and to manage, operate and maintain its interest in the Property including without limitation, the making of repairs or replacements to maintain the Property;
- (d) receive, enjoy or otherwise avail itself of the Lease Benefits;
- (e) appoint and dismiss such agents or employees as may be necessary or desirable to exercise the Assignee's rights hereunder;

- (f) alter, modify, amend or change the terms of Leases; enter into new Leases; give consents, concessions or waivers of any rights or provisions of Leases; accept surrenders of Leases; give consents to assignment of or subletting under Leases;
- (g) send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
- (h) in the Assignor's name, perform, at the Assignor's expense, any and all of the Assignor's obligations or covenants relating to the Assigned Rights and Benefits and enforce performance by any Other Parties of their obligations in relation to the Assigned Rights and Benefits and settle any disputes with Other Parties upon terms that the Assignee deems appropriate, in its discretion;
- (i) make payment of or cure any default under any Permitted Encumbrance or any Liens or other claims that may exist or be threatened against the Assigned Rights and Benefits, and any amount so paid together with costs, charges and expenses incurred together with interest at the Interest Rate shall be added to the Loan Indebtedness;
- (j) if the proceeds of realization are insufficient to pay all of the Loan Indebtedness, the Assignor shall forthwith pay or cause to be paid to the Assignee any deficiency and the Assignee may sue the Assignor to collect the amount of such deficiency;
- (k) subject to applicable law, seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Assigned Rights and Benefits in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Assignee advisable and without notice to the Assignor. The Assignee may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Assigned Rights and Benefits and may add all such sums to the Loan Indebtedness;
- (l) perform all such acts as may in the reasonable opinion of the Assignee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Assignor or in the name of the Assignee and the Assignor hereby grants to the Assignee irrevocable authority to join the Assignor in any proceedings or actions relating to the Assigned Rights and Benefits whether judicial or extra-judicial; and
- (m) waive any Event of Default, and any waiver of an Event of Default shall not extend to any subsequent Event of Default, nor shall the Assignee be bound to serve any notice on any lessees or any Other Parties on the happening of any Event of Default.

2.13 Assignee's Dealings with Other Parties

The Assignor and the Assignee hereby covenant and agree that:

- (a) the Assignee may at any time upon the occurrence of an Event of Default which is continuing, with respect to any and all Assigned Rights and Benefits, give to any lessee or other Person from whom the Assignor would have been entitled to receive or claim any benefit under the Assigned Rights and Benefits in question (the "**Other Parties**" or "**Other Party**") upon written notice to it by the Assignee to pay the Rents directly to the Assignee and such notice shall be good and sufficient notice for doing so. Without limiting the foregoing the Assignee may, after giving such notice, deal with the Other Party or Other Parties in respect of the Assigned Rights and Benefits without reference to or consent of the Assignor while the Event of Default is continuing;
- (b) this Agreement constitutes an irrevocable direction and authorization of the Assignor to any Other Party to pay Rents to the Assignee and otherwise honour the rights of the Assignee under this Agreement;
- (c) any Other Party may rely upon any notice given by the Assignee or on its behalf and the Assignor hereby waives as against any Other Party any claims they might otherwise have by reason of the Other Party acting on such notice;
- (d) in the event all Events of Defaults are subsequently cured, the Assignee shall upon request of the Assignor, and at the Assignor's expense, execute and deliver to the Assignor directions and authorizations to any Other Party who received notice of this Agreement in connection with the Events of Default so cured as aforesaid, authorizing and directing such Other Party to resume payment of Rents to the Assignor until such time as a further written notice is delivered by the Assignee pursuant to the terms of this Agreement;
- (e) all receipts given by the Assignee to any lessee under the Leases after delivery of a written notice pursuant to Section 2.13(a) and prior to the delivery of a notice pursuant to Section 2.13(d) on account of any Rents paid to the Assignee in accordance with the terms of this Agreement shall constitute a good and valid discharge therefor to each such lessee; and
- (f) the Assignee shall not be required or obligated in any manner to make any demand or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or take any other action to collect or enforce the payment of any amounts which may have been assigned to the Assignee or to which the Assignee may be entitled hereunder at any time or times.

2.14 Assignee's Obligations and Limitation on Liabilities

It is expressly acknowledged and agreed by the Assignor and the Assignee that:

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- (a) nothing herein contained shall oblige the Assignee to assume or perform any obligation of the Assignor to any Other Party in respect of or arising out of the Assigned Rights and Benefits or any of them. The Assignee may, however, after the occurrence of an Event of Default which is continuing, at its option assume or perform any such obligations as the Assignee considers necessary or desirable to obtain the benefit of the Assigned Rights and Benefits free of any set-off, deduction or abatement, and any money expended by the Assignee in this regard shall form part of and be deemed to form part of the Loan Indebtedness and bear interest at the maximum rate stipulated in the Mortgage;
- (b) the Assignee shall only be liable to account for such moneys as shall actually be received by the Assignee by virtue of this Agreement at the address provided herein, less reasonable collection charges and costs (including, without limitation, legal costs on a solicitor and client basis) and other reasonable expenses to which the Assignee may be put, and the Assignee shall not be responsible for any act or default of any agent employed by the Assignee for the collection of any such amounts. Such moneys when so received by the Assignee shall be applied in accordance with the provisions of the Mortgage and the Assignee shall not be responsible for diligence in the collection of any monies as contemplated herein. No credit shall be given for any Rent received by the Assignee after it obtains ownership of the Property under court order or by operation of law;
- (c) exercise by the Assignee of its rights under this Agreement or the assumption of certain obligations of the Assignor upon the occurrence of an Event Default as referred to in Section 2.14(a) shall not constitute or have the effect of making the Assignee a mortgagee in possession nor shall the entering into of this Agreement or anything done in pursuance of it make the Assignee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations and liabilities under any of the Leases;
- (d) care, control and management of the Property shall remain and be deemed to be with the Assignor, in the absence of clear and unequivocal action by the Assignee depriving the Assignor of such care, control and management and the assumption thereof by the Assignee;
- (e) the Assignee's obligations as to any Rents or other amounts actually collected (including, without limitation, those arising from the Lease Benefits) shall be discharged by application of such Rents or other amounts (including, without limitation, those arising from the Lease Benefits) against the Loan Indebtedness or for any of the other purposes described in this Agreement; and
- (f) the Assignee shall not be:
 - (i) liable for and no credit shall be given in respect of any uncollected Rents or other uncollected amounts;

- (ii) liable to any lessee for the return of any security deposit made under any Lease unless the Assignee shall have actually received such security deposit; and
- (iii) by reason of this Agreement or the exercise of any right granted herein, responsible for any act committed by the Assignor or any breach or failure to perform by the Assignor with respect to any of the Assigned Rights and Benefits.

2.15 Continuing Security

Notwithstanding any variation of the terms of the Mortgage or any of the other Security Documents, or any extension of time for payment or any release of any security, this Agreement shall continue as general and collateral security for the Loan Indebtedness and observance and performance of all of the Loan Obligations. This Agreement and the assignments granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Assignee and this Agreement will remain in full force and effect until registration of a complete discharge of the Mortgage by the Assignee, which discharge shall be deemed to be a reassignment of this Agreement and the Assigned Rights and Benefits in favour of the Assignor. On the complete discharge of the Mortgage, the Assignee will, at the request and at the sole cost and expense of the Assignor, execute and deliver to the Assignor such instruments in registrable form as may be necessary to evidence the termination of this Agreement and the reassignment to the Assignor of the Assigned Rights and Benefits.

2.16 Reassignment/Discharge

The Assignee may, at any time and whether or not an Event of Default has occurred, without further request or agreement by the Assignor, reassign to the Assignor, its successors and assigns, the Assigned Rights and Benefits or any part or parts thereof, by an instrument of reassignment in writing executed by the Assignee delivered to the Assignor, its successors and assigns, at the address for notice herein provided. Such instrument upon delivery shall constitute a good and sufficient reassignment of all of the Assignee's right, title and interest in and benefit of the Assigned Rights and Benefits to which it pertains and a good and valid release and termination of obligations (if any) of the Assignee with respect thereto. Such reassignment shall not expressly or impliedly constitute any representation or warranty by the Assignee to the Assignor as to the Assigned Rights and Benefits or anything related thereto.

ARTICLE 3 MISCELLANEOUS

3.1 Payments

All payments required to be made by the Assignor to the Assignee under this Agreement will be made at the address of the Assignee set out in Section 3.9 (or at any other place specified by the Assignee by written notice to the Assignor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

3.2 Failure of Indulgence Not Waiver

No extension of time, waiver, or other indulgence given by the Assignee to the Assignor, or anyone claiming under the Assignor, shall in any way affect or prejudice the rights of the Assignee against the Assignor or any Covenantor unless explicitly set forth in writing and signed by the waiving party. No failure to exercise or delay in exercising any right, remedy, power or privilege arising from this Agreement will operate or be construed as a waiver thereof, nor will any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Each power and right under this Agreement is cumulative and is in addition to and not in substitution for any other rights and remedies at law, or in equity or otherwise.

3.3 Modification

No modification or waiver of this Agreement is binding on the Assignee unless made in writing and signed by a duly authorized officer of the Assignee.

3.4 Entire Agreement

On execution and delivery by the Assignor, this Agreement is deemed to be finally executed and delivered by the Assignor to the Assignee and is not subject to or affected by any condition as to the receipt by the Assignee of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Assignee of any other Loan Documents, nor by any promise or condition affecting the liability of the Assignor. No agreement, promise, representation or statement by the Assignee or any of its officers, employees or agents unless in this Agreement forms part of this Agreement, has induced the making of it or affects the liability of the Assignor or any Covenantor under it.

3.5 Severability

If any Section or part thereof of this Agreement is invalid or unenforceable for any reason, then such Section or part thereof will be severable from this Agreement and will not affect the validity or enforceability of any other part of this Agreement.

3.6 Non-Merger

The giving of this Agreement is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this Agreement, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Assignee.

3.7 Paramountcy

The provisions of any agreement between the Assignor and the Assignee in connection with the Loan Indebtedness, including but not limited to any loan application in respect thereof, the Mortgage and all of the other Loan Documents, shall form part of this Agreement except where inconsistent with the provisions hereof. In the case of any inconsistency between this Agreement and the Mortgage, the provisions of the Mortgage, as the case may be, shall prevail.

3.8 Assignability

The Assignor hereby consents to the Assignee assigning, transferring or selling all or any portion of its interest under this Agreement in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Assignee may enter into participation, contending or syndication agreements with other lenders in connection with this Agreement, the Loan Indebtedness and the Loan Obligations. The Assignee may provide information of a financial or other nature to any prospective assignee or transferee or other lenders concerning the Assignor, this Agreement, the Loan Indebtedness and the Loan Obligations.

3.9 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Agreement shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party, addressed:

(a) to the Assignor:

1944 Fowler Drive
Mississauga, Ontario
L5K 0A1

Attention: John Vandyk
Email: jvandyk@vandyk.com
Facsimile: 905-823-4014

with a copy to the Assignor's solicitors at

Schneider Ruggiero Spencer Milburn LLP
120 Adelaide Street West, Suite 1000
Toronto, Ontario
M5H 3V1

Attention: Bruce Milburn
Email: bmilburn@srlawpractice.com

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Facsimile: 416-363-0645

(b) to the Assignee:

Scotia Plaza
40 King Street West, Suite 3700
Toronto, Ontario
M5H 3Y2

Attention: Scott Coates
Email: SCoates@kingsettcapital.com
Facsimile: 416-687-6701

with a copy to the Servicer at:

41 Scarsdale Road, Unit 6
Toronto, Ontario
M3B 2R2

Attention: Judy Wong
Email: JWong@DorrCapital.com

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3rd) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

3.10 Expenses, Fees and Indemnity

The Assignor will pay to the Assignee all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Assignee in connection with the collection of any amount payable under this Agreement by the Assignor to the Assignee. The Assignor shall indemnify the Assignee against all claims, loss or damages arising out of or in connection with any breach or default by the Assignor under this Agreement.

3.11 Applicable Law

This Agreement and the rights and obligations of the Assignor and the Assignee under it are governed by and construed according to the laws of the jurisdiction in which the Property is situate and the laws of Canada applicable therein.

3.12 Time of the Essence

Time is of the essence of this Agreement.

3.13 Execution by the Assignee

This Agreement need not be executed by the Assignee to be binding on and to enure to the benefit of the Assignee.

3.14 Counterparts

This Agreement may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of executed or electronically executed copies of this Agreement whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.

3.15 Further Assurances

The Assignor will promptly do all further acts and execute and deliver such further documents as the Assignee considers necessary or advisable to carry out the terms or intent of this Agreement.

3.16 Successors and Assigns

This Agreement is binding on and enures to the benefit of the Assignee and the Assignor, and their respective executors, administrators, successors and assigns and to any Person to whom the Assignee may grant any participation in this Agreement, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Assignee under this Agreement or any of the Assignee's interest herein or in the Loan Indebtedness and the Loan Obligations.

3.17 Multiple Parties

If the Assignor consists of more than one party, this Agreement will be read with all necessary grammatical changes and each reference to the Assignor includes each and every such Person individually. All covenants and agreements herein of the Assignor are the joint and several covenants and agreements of each such Person or corporation. If the Assignee consists of more than one party, this Agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Assignee under this Agreement.

-- signatures follow on next page --

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

**VANDYK – LAKEVIEW-DXE-WEST
LIMITED**

Per: DocuSigned by:
John Vandyk
Name: _____
Title:

Per: DocuSigned by:
Richard ma
Name: _____
Title:

I/We have authority to bind the Corporation

Properties

<i>PIN</i>	13214 - 0871 LT
<i>Description</i>	LOT 1, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0872 LT
<i>Description</i>	LOT 2, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0873 LT
<i>Description</i>	LOT 3, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0874 LT
<i>Description</i>	LOT 4, PLAN 43M2113; SUBJECT TO AN EASEMENT IN GROSS OVER PART 4, 43R40043 AS IN PR3908805; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0875 LT
<i>Description</i>	LOT 5, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0876 LT
<i>Description</i>	LOT 6, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0877 LT
<i>Description</i>	LOT 7, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0878 LT
<i>Description</i>	LOT 8, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0879 LT
<i>Description</i>	LOT 9, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0880 LT
<i>Description</i>	LOT 10, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0881 LT
<i>Description</i>	LOT 11, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0882 LT
<i>Description</i>	LOT 12, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0883 LT
<i>Description</i>	LOT 13, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0884 LT
<i>Description</i>	LOT 14, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0885 LT
<i>Description</i>	LOT 15, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0886 LT
<i>Description</i>	LOT 16, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0887 LT
<i>Description</i>	LOT 17, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0888 LT
<i>Description</i>	LOT 18, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA

Properties

<i>PIN</i>	13214 - 0889 LT
<i>Description</i>	LOT 19, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0891 LT
<i>Description</i>	LOT 21, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0892 LT
<i>Description</i>	LOT 22, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0893 LT
<i>Description</i>	LOT 23, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0894 LT
<i>Description</i>	LOT 24, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0895 LT
<i>Description</i>	LOT 25, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0896 LT
<i>Description</i>	LOT 26, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0897 LT
<i>Description</i>	LOT 27, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0898 LT
<i>Description</i>	LOT 28, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0899 LT
<i>Description</i>	LOT 29, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0900 LT
<i>Description</i>	LOT 30, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0901 LT
<i>Description</i>	LOT 31, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0902 LT
<i>Description</i>	LOT 32, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0903 LT
<i>Description</i>	LOT 33, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0904 LT
<i>Description</i>	LOT 34, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0905 LT
<i>Description</i>	LOT 35, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0906 LT
<i>Description</i>	LOT 36, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0907 LT
<i>Description</i>	LOT 37, PLAN 43M2113; CITY OF MISSISSAUGA
<i>Address</i>	MISSISSAUGA
<i>PIN</i>	13214 - 0908 LT

Properties

Description LOT 38, PLAN 43M2113; CITY OF MISSISSAUGA
Address MISSISSAUGA
PIN 13214 - 0909 LT
Description LOT 39, PLAN 43M2113; CITY OF MISSISSAUGA
Address MISSISSAUGA
PIN 13214 - 0911 LT
Description LOT 41, PLAN 43M2113; CITY OF MISSISSAUGA
Address MISSISSAUGA

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name VANDYK - THE RAVINE LIMITED
Address for Service 1944 Fowler Drive
 Mississauga, Ontario L5K 0A1

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 Scotia Plaza, 40 King Street West, Suite 3700
 Toronto, Ontario M5H 3Y2

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, PR4070590 registered on 2022/06/16 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2022 06 16
 Toronto Applicant(s)
 M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

I have the authority to sign and register the document on behalf of all parties to the document.

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2022 06 16
 Toronto Party To(s)
 M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

BENNETT JONES LLP 3400-1 First Canadian Place 2022 06 16
 Toronto
 M5X 1A4

Tel 416-863-1200

Fax 416-863-1716

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 : 59445.93 (JVG/MOG/MW/NA)

GENERAL ASSIGNMENT OF LEASES AND RENTS

THIS AGREEMENT made as of the 15th day of June, 2022.

B E T W E E N:

VANDYK – THE RAVINE LIMITED

(the "**Assignor**")

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Assignee**")

OF THE SECOND PART

WHEREAS the Assignor, as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Assignee, as mortgagee, of the lands and premises charged therein (the "**Property**"), notice of which was registered on the date hereof in the Land Registry Office for the Land Titles Division of Peel (No. 43) to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

AND WHEREAS as a condition for receiving the Loan Indebtedness, the Assignor agreed to assign to the Assignee, its successors and assigns, as a further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations, in all of the Assignor's right, title and interest in and to:

- (a) all present and future leases, subleases, licenses, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Assignor or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Property, and including all agreements collateral thereto (collectively, the "**Leases**");
- (b) all rents, issues, profits and other monies now due or accruing due or to become due and payable under or derived from the Leases or receivable by the Assignor pursuant to the Leases or the Property (collectively, the "**Rents**"); and
- (c) the benefit of all covenants and obligations of lessees, tenants, licensees, or occupants as well as all other rights, privileges, advantages and benefits contained in any of the Leases, including without limitation, all rights and benefits of any present and future guarantees or indemnities thereof, with full power and authority to demand, sue for, collect, recover and receive all Rents, to enforce the Assignor's rights under any Lease, and generally any collateral advantage or benefit to be

derived from the Leases or any of them together with the full benefit of all security in support of any guarantees or indemnities (collectively, the "**Lease Benefits**" and together with the Leases and the Rents, collectively, the "**Assigned Rights and Benefits**").

NOW THEREFORE IN CONSIDERATION of the recitals, the Assignee extending the Loan Indebtedness and for such other good and valuable consideration received by the Assignor, the receipt and adequacy of which is acknowledged by the Assignor, the Assignor agrees with the Assignee as follows:

ARTICLE 1 **DEFINITIONS, INTERPRETATION**

1.1 Definitions

Capitalized terms that are not defined herein have the meanings set out in the Mortgage. Otherwise, in this Agreement:

- (a) "**Excluded Lease**" has the meaning ascribed to it in Section 2.3;
- (b) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (c) "**Loan Indebtedness**" means any Indebtedness from time to time of the Assignor or any of the other Covenantors to the Assignee arising under any of the Loan Documents;
- (d) "**Loan Obligations**" means the obligations of the Assignor or any of the other Covenantors arising under the Loan Documents;
- (e) "**Other Parties**" has the meaning ascribed to it in Section 2.13(a); and
- (f) "**Receiver**" has the meaning ascribed to it in Section 2.12(a).

1.2 Interpretation

For the purposes of this Agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

1.3 Headings

In this Agreement, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Agreement.

ARTICLE 2 **AGREEMENT**

2.1 Assignment

As continuing collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations, the Assignor hereby assigns, transfers and sets over unto the Assignee and grants to the Assignee a security interest in all of the Assignor's right, title, estate, interest and benefit, both at law and in equity, in and to the Assigned Rights and Benefits, to hold and receive the same unto the Assignee with full power and authority to demand, sue for, collect, recover and receive and give receipts for the Rents and to enforce the payment of the Rents and the payment and performance of all Assigned Rights and Benefits, assigned in accordance with and subject to the terms of this Agreement.

2.2 Last Day of Term

This Agreement shall not extend or apply to the last day of the term, or the last day of any extended or renewed term, of any of the Leases provided that if this Agreement is enforced by the Assignee, the Assignor shall stand possessed of each such last day and shall hold same in trust and if this Agreement is enforced by the Assignee, to assign at the direction of the Assignee or any Person who may acquire any such term or renewal term or who in the course of enforcement hereof may be entitled to so direct.

2.3 Excluded Leases

Nothing in this Agreement shall constitute an assignment or attempted assignment of any of the right, title, estate, interest and benefit of the Assignor in any Assigned Rights and Benefits which require the consent of a third party to assignment unless such consent has been obtained (an "**Excluded Lease**"). The Assignor shall, upon request, obtain the required consent of any third party to the assignment of any Excluded Lease under this Agreement and to its further assignment by the Assignee to any third party as a result of the exercise by the Assignee of its remedies hereunder after an Event of Default. Upon consent being obtained, this Agreement shall apply to the applicable Excluded Lease without regard to this Section and without the necessity of any further assurance to effect assignment under this Agreement. Until consent to assignment is obtained, the Assignor shall, to the extent it may do so at law or pursuant to the provisions of the Excluded Lease and without giving rise to any default or penalty under the Excluded Lease, hold all right, title, estate, interest and benefit to be derived from the Excluded Lease in trust for the Assignee as additional security for the payment of the Loan Indebtedness and performance of the Loan Obligations as if this Agreement applied.

2.4 Representations and Warranties

The Assignor represents and warrants to and in favour of the Assignee that:

- (a) each of the Leases is in existence, and is in full force and effect, and there is currently no default by any party to any Lease under any term, condition or covenant required to be performed by it under the Assigned Rights and Benefits and there exists no event or circumstance, which would with the passage of time or the giving of notice or both constitute a default or an event of default under any of the Assigned Rights and Benefits;
- (b) there is no outstanding dispute under any Lease by any of the parties to it and no lessee under any Lease is entitled to any set off or defense against the payment of Rent under the Lease; and
- (c) the Assignor has good right, full power and absolute authority to assign the Assigned Rights and Benefits in the manner aforesaid, and has not performed any act or executed any other instrument which might prevent the Assignee from operating under the terms and conditions of this Agreement or which would limit the Assignee in such operation.

2.5 Covenants

The Assignor hereby covenants with the Assignee:

- (a) that it will at all times perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases as would a prudent landlord (except to the extent that the same have been expressly waived by the Other Parties to the Leases);
- (b) to maintain or cause to be maintained the Leases in good standing and not to do, permit to be done or omit to do, anything which may impair the enforceability of the Leases;
- (c) that in respect of all of the Leases, save for the deposits for the first and last month rentals, not to accept Rents more than one month in advance of the dates when Rents fall due;
- (d) except as provided for in Section 2.7 below, all offers to lease and all tenancy agreements, leases or subleases entered into with lessees of the Property shall be on the standard forms previously approved by the Assignee to be used in connection with the Property, amended as deemed appropriate in the circumstances by the Assignor, acting reasonably, to give effect to the arrangements made with each lessee or, if not on a pre-approved standard form, then in all cases in form and substance acceptable to the Assignee acting reasonably;

- (e) upon and during the continuance of an Event of Default, to facilitate in all ways the Assignee's exercise of its rights hereunder, including without limitation, upon request of the Assignee:
 - (i) to deliver to the Assignee up-to-date rent rolls and true copies of all then outstanding Leases and any other document giving rise to any of the Lease Benefits;
 - (ii) to permit access by the Assignee or its agent during regular business hours, upon reasonable notice to the Assignor, to all records pertaining to the Property, wherever held; and
 - (iii) to provide written notices to the lessees or any Other Parties, directing them to make payment of Rents to the Assignee or as it may direct; and
- (f) to obtain estoppel certificates from the lessees under the Leases (provided that the lessees are obliged to do so pursuant to their Lease) when and as reasonably required by the Assignee, or if any of such estoppel certificate is not forthcoming, to furnish a certificate of a senior officer of the Assignor in lieu thereof attesting (to the extent within the Assignor's knowledge and without Personal liability) to the information which would have been provided in such estoppel certificate.

2.6 Right to Deal

Until the occurrence of an Event of Default which is continuing, and subject to Section 2.5, the Assignor is permitted to enjoy the benefits of and deal with the Assigned Rights and Benefits, and may demand, receive, collect and enjoy the Rents, but only as the same fall due and payable according to the terms of each of the Leases and any of the documents giving rise to any of the Lease Benefits, and not more than one month in advance (except for prepayment of the last month of the term if so provided in the Lease) as would a prudent landlord. Upon the occurrence of an Event of Default which is continuing, the Assignee may, in addition to any other rights and remedies it may have, deliver a written notice to any lessee or any Other Party directing it to deal with the Assignee and to pay the Rents payable under its Lease to the Assignee, and such notice shall be good and sufficient authority for so doing.

2.7 No Dealings with Leases

The Assignor shall not, without the prior written consent of the Assignee:

- (a) do any act or thing or omit to do any act or thing that would materially adversely change the obligations of the Assignor under that Lease, other than as permitted by the Mortgage (except where the provisions of the Lease require the landlord to do so); or
- (b) enter into any Lease, including each renewal or extension of an existing Lease (other than any extension or renewal of an existing Lease which is exercised pursuant to, and the terms of which are governed by, such existing Lease), unless:

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- (i) it is a commercially reasonable arm's length transaction made in the ordinary course of business and in accordance with prudent property management and leasing standards and practices;
 - (ii) it provides for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions;
 - (iii) the Assignor has notified the Assignee of the proposed Lease and provided a copy of it to the Assignee; and
- (c) upon the Assignee delivering a written notice to the Assignor notifying the Assignor that the Assignee has elected to exercise its rights under this Agreement, enter into any Lease unless the Assignee has approved, acting reasonably, the form and content thereof.

Whenever the Assignee's consent is required hereunder, the Assignee shall act in a commercially reasonable manner as would a prudent owner of similar real estate and the Assignee shall communicate its consent or non-consent within ten (10) Business Days of any written request (unless otherwise indicated herein), failing which the Assignee shall be deemed to have given its consent.

The Assignor covenants to specifically assign any future Lease to the Assignee upon the Assignee's request in a form satisfactory to the Assignee. In such event, the Assignor further covenants that it will use its commercially reasonable efforts to have the lessee of all such future Leases, covenant to attorn to the Assignee on request.

2.8 Assigned Rights and Benefits Not Impaired

The within assignment to the Assignee of the Assigned Rights and Benefits shall remain in full force and effect without regard to, and the obligations of the lessees under the Leases shall not be affected or impaired by:

- (a) any amendment, modification, renewal or replacement of or addition or supplement to any of the other Loan Documents or the loan secured by the Security Documents; or
- (b) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement or any of the other Security Documents; or
- (c) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement or any of the other Security Documents; or
- (d) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor or any of the lessees under any of the Leases.

2.9 Power of Attorney

So long as the Loan Indebtedness and the Loan Obligations, or any portion thereof, remains outstanding:

- (a) the Assignor hereby irrevocably appoints the Assignee, or any Receiver appointed by the Assignee as provided for in this Agreement, to be the attorney of the Assignor with full power of substitution, and with full authority in the place of the Assignor and in the name of the Assignor or otherwise, from time to time in the Assignee's discretion, to do all acts, matters and things that may be necessary for, incidental to, or advisable for, carrying out the powers given to the Assignee under this Agreement and the Mortgage upon the occurrence of any Event of Default which is continuing (but the Assignee is not obligated to take such action and will have no liability to the Assignor or any third party for failure to take any action). This power of attorney is given for valuable consideration, is coupled with an interest, and is irrevocable until registration of a complete discharge of the Mortgage; and
- (b) in the event any action is brought by the Assignee to enforce any rights under the Assigned Rights and Benefits, the Assignor agrees to cooperate fully with and assist the Assignee in the prosecution thereof.

2.10 Acceleration

Upon the occurrence of an Event of Default which is continuing all of the Loan Indebtedness shall, at the Assignee's option and without notice to the Assignor, become immediately due and payable and the Assignee may, in its sole, absolute and unfettered discretion, exercise its rights in respect of the Assigned Rights and Benefits in addition to all other rights and remedies afforded by applicable law, in equity or otherwise. The Assignee shall have the right to enforce one or more remedies successively or concurrently in accordance with applicable law and the Assignee expressly retains all rights and remedies not inconsistent with the provisions in this Agreement including any rights it may have under the PPSA. The provisions of this clause do not and are not intended to affect in any way any rights of the Assignee with respect to any Loan Obligations or any Loan Indebtedness which may now or hereafter be payable on demand.

2.11 Enforcement

Upon the occurrence of and during the continuance of an Event of Default, the security hereby constituted will, at the option of the Assignee, immediately become enforceable.

2.12 Assignee's Rights and Remedies

In addition to the Assignee's rights under the Mortgage, the Assignee may, at its option and without any obligation or liability therefor and in addition to any other remedy in respect of the Assigned Rights and Benefits to which it is entitled under any of the Loan Documents, upon the occurrence of any Event of Default which is continuing and to the extent permitted by applicable law, enforce and realize on the security constituted by this

Agreement and take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Assignee may do the following:

- (a) appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Assignee or not, to be a receiver or receivers, or may institute proceedings in any court of competent jurisdiction for the appointment of a receiver (the "**Receiver**", which term includes a receiver or a manager or a receiver and manager) of the Assigned Rights and Benefits and may remove any appointed Receiver and appoint a replacement. Any Receiver shall, so far as concerns responsibility for its acts, be deemed the agent of the Assignor and not of the Assignee, and the Assignee shall not in any way be responsible for any misconduct, negligence, or nonfeasance on the part of any Receiver, the Receiver's servants, agents or employees. Subject to the provisions of the instrument appointing it, any Receiver shall be vested with all or any of the rights, powers and discretions of the Assignee. Except as may be otherwise directed by the Assignee all monies received from time to time by the Receiver in carrying out its appointment shall be received in trust for and paid over to the Assignee for the benefit of the Assignee;
- (b) compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rents or any other matter relating to the Assigned Rights and Benefits, and any settlement arrived at shall be binding upon the Assignor and any Other Parties;
- (c) at its option and without notice to the Assignor, take possession of or enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and any and all amounts which may be or become due or payable or remain unpaid at any time to the Assignor pursuant to the Assigned Rights and Benefits and give acquittances for them and to manage, operate and maintain its interest in the Property including without limitation, the making of repairs or replacements to maintain the Property;
- (d) receive, enjoy or otherwise avail itself of the Lease Benefits;
- (e) appoint and dismiss such agents or employees as may be necessary or desirable to exercise the Assignee's rights hereunder;
- (f) alter, modify, amend or change the terms of Leases; enter into new Leases; give consents, concessions or waivers of any rights or provisions of Leases; accept surrenders of Leases; give consents to assignment of or subletting under Leases;
- (g) send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
- (h) in the Assignor's name, perform, at the Assignor's expense, any and all of the Assignor's obligations or covenants relating to the Assigned Rights and Benefits

and enforce performance by any Other Parties of their obligations in relation to the Assigned Rights and Benefits and settle any disputes with Other Parties upon terms that the Assignee deems appropriate, in its discretion;

- (i) make payment of or cure any default under any Permitted Encumbrance or any Liens or other claims that may exist or be threatened against the Assigned Rights and Benefits, and any amount so paid together with costs, charges and expenses incurred together with interest at the Interest Rate shall be added to the Loan Indebtedness;
- (j) if the proceeds of realization are insufficient to pay all of the Loan Indebtedness, the Assignor shall forthwith pay or cause to be paid to the Assignee any deficiency and the Assignee may sue the Assignor to collect the amount of such deficiency;
- (k) subject to applicable law, seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Assigned Rights and Benefits in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Assignee advisable and without notice to the Assignor. The Assignee may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Assigned Rights and Benefits and may add all such sums to the Loan Indebtedness;
- (l) perform all such acts as may in the reasonable opinion of the Assignee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Assignor or in the name of the Assignee and the Assignor hereby grants to the Assignee irrevocable authority to join the Assignor in any proceedings or actions relating to the Assigned Rights and Benefits whether judicial or extra-judicial; and
- (m) waive any Event of Default, and any waiver of an Event of Default shall not extend to any subsequent Event of Default, nor shall the Assignee be bound to serve any notice on any lessees or any Other Parties on the happening of any Event of Default.

2.13 Assignee's Dealings with Other Parties

The Assignor and the Assignee hereby covenant and agree that:

- (a) the Assignee may at any time upon the occurrence of an Event of Default which is continuing, with respect to any and all Assigned Rights and Benefits, give to any lessee or other Person from whom the Assignor would have been entitled to receive or claim any benefit under the Assigned Rights and Benefits in question (the "**Other Parties**" or "**Other Party**") upon written notice to it by the Assignee to pay the Rents directly to the Assignee and such notice shall be good and sufficient notice for doing so. Without limiting the foregoing the Assignee may, after giving

- 10 -

such notice, deal with the Other Party or Other Parties in respect of the Assigned Rights and Benefits without reference to or consent of the Assignor while the Event of Default is continuing;

- (b) this Agreement constitutes an irrevocable direction and authorization of the Assignor to any Other Party to pay Rents to the Assignee and otherwise honour the rights of the Assignee under this Agreement;
- (c) any Other Party may rely upon any notice given by the Assignee or on its behalf and the Assignor hereby waives as against any Other Party any claims they might otherwise have by reason of the Other Party acting on such notice;
- (d) in the event all Events of Defaults are subsequently cured, the Assignee shall upon request of the Assignor, and at the Assignor's expense, execute and deliver to the Assignor directions and authorizations to any Other Party who received notice of this Agreement in connection with the Events of Default so cured as aforesaid, authorizing and directing such Other Party to resume payment of Rents to the Assignor until such time as a further written notice is delivered by the Assignee pursuant to the terms of this Agreement;
- (e) all receipts given by the Assignee to any lessee under the Leases after delivery of a written notice pursuant to Section 2.13(a) and prior to the delivery of a notice pursuant to Section 2.13(d) on account of any Rents paid to the Assignee in accordance with the terms of this Agreement shall constitute a good and valid discharge therefor to each such lessee; and
- (f) the Assignee shall not be required or obligated in any manner to make any demand or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or take any other action to collect or enforce the payment of any amounts which may have been assigned to the Assignee or to which the Assignee may be entitled hereunder at any time or times.

2.14 Assignee's Obligations and Limitation on Liabilities

It is expressly acknowledged and agreed by the Assignor and the Assignee that:

- (a) nothing herein contained shall oblige the Assignee to assume or perform any obligation of the Assignor to any Other Party in respect of or arising out of the Assigned Rights and Benefits or any of them. The Assignee may, however, after the occurrence of an Event of Default which is continuing, at its option assume or perform any such obligations as the Assignee considers necessary or desirable to obtain the benefit of the Assigned Rights and Benefits free of any set-off, deduction or abatement, and any money expended by the Assignee in this regard shall form part of and be deemed to form part of the Loan Indebtedness and bear interest at the maximum rate stipulated in the Mortgage;
- (b) the Assignee shall only be liable to account for such moneys as shall actually be received by the Assignee by virtue of this Agreement at the address provided

herein, less reasonable collection charges and costs (including, without limitation, legal costs on a solicitor and client basis) and other reasonable expenses to which the Assignee may be put, and the Assignee shall not be responsible for any act or default of any agent employed by the Assignee for the collection of any such amounts. Such moneys when so received by the Assignee shall be applied in accordance with the provisions of the Mortgage and the Assignee shall not be responsible for diligence in the collection of any monies as contemplated herein. No credit shall be given for any Rent received by the Assignee after it obtains ownership of the Property under court order or by operation of law;

- (c) exercise by the Assignee of its rights under this Agreement or the assumption of certain obligations of the Assignor upon the occurrence of an Event Default as referred to in Section 2.14(a) shall not constitute or have the effect of making the Assignee a mortgagee in possession nor shall the entering into of this Agreement or anything done in pursuance of it make the Assignee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations and liabilities under any of the Leases;
- (d) care, control and management of the Property shall remain and be deemed to be with the Assignor, in the absence of clear and unequivocal action by the Assignee depriving the Assignor of such care, control and management and the assumption thereof by the Assignee;
- (e) the Assignee's obligations as to any Rents or other amounts actually collected (including, without limitation, those arising from the Lease Benefits) shall be discharged by application of such Rents or other amounts (including, without limitation, those arising from the Lease Benefits) against the Loan Indebtedness or for any of the other purposes described in this Agreement; and
- (f) the Assignee shall not be:
 - (i) liable for and no credit shall be given in respect of any uncollected Rents or other uncollected amounts;
 - (ii) liable to any lessee for the return of any security deposit made under any Lease unless the Assignee shall have actually received such security deposit; and
 - (iii) by reason of this Agreement or the exercise of any right granted herein, responsible for any act committed by the Assignor or any breach or failure to perform by the Assignor with respect to any of the Assigned Rights and Benefits.

2.15 Continuing Security

Notwithstanding any variation of the terms of the Mortgage or any of the other Security Documents, or any extension of time for payment or any release of any security, this Agreement shall continue as general and collateral security for the Loan Indebtedness and

observance and performance of all of the Loan Obligations. This Agreement and the assignments granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Assignee and this Agreement will remain in full force and effect until registration of a complete discharge of the Mortgage by the Assignee, which discharge shall be deemed to be a reassignment of this Agreement and the Assigned Rights and Benefits in favour of the Assignor. On the complete discharge of the Mortgage, the Assignee will, at the request and at the sole cost and expense of the Assignor, execute and deliver to the Assignor such instruments in registrable form as may be necessary to evidence the termination of this Agreement and the reassignment to the Assignor of the Assigned Rights and Benefits.

2.16 Reassignment/Discharge

The Assignee may, at any time and whether or not an Event of Default has occurred, without further request or agreement by the Assignor, reassign to the Assignor, its successors and assigns, the Assigned Rights and Benefits or any part or parts thereof, by an instrument of reassignment in writing executed by the Assignee delivered to the Assignor, its successors and assigns, at the address for notice herein provided. Such instrument upon delivery shall constitute a good and sufficient reassignment of all of the Assignee's right, title and interest in and benefit of the Assigned Rights and Benefits to which it pertains and a good and valid release and termination of obligations (if any) of the Assignee with respect thereto. Such reassignment shall not expressly or impliedly constitute any representation or warranty by the Assignee to the Assignor as to the Assigned Rights and Benefits or anything related thereto.

ARTICLE 3 MISCELLANEOUS

3.1 Payments

All payments required to be made by the Assignor to the Assignee under this Agreement will be made at the address of the Assignee set out in Section 3.9 (or at any other place specified by the Assignee by written notice to the Assignor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

3.2 Failure of Indulgence Not Waiver

No extension of time, waiver, or other indulgence given by the Assignee to the Assignor, or anyone claiming under the Assignor, shall in any way affect or prejudice the rights of the Assignee against the Assignor or any Covenantor unless explicitly set forth in writing and signed by the waiving party. No failure to exercise or delay in exercising any right, remedy, power or privilege arising from this Agreement will operate or be construed as a waiver thereof, nor will any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Each power and right under this Agreement is cumulative and is in addition to and not in substitution for any other rights and remedies at law, or in equity or otherwise.

3.3 Modification

No modification or waiver of this Agreement is binding on the Assignee unless made in writing and signed by a duly authorized officer of the Assignee.

3.4 Entire Agreement

On execution and delivery by the Assignor, this Agreement is deemed to be finally executed and delivered by the Assignor to the Assignee and is not subject to or affected by any condition as to the receipt by the Assignee of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Assignee of any other Loan Documents, nor by any promise or condition affecting the liability of the Assignor. No agreement, promise, representation or statement by the Assignee or any of its officers, employees or agents unless in this Agreement forms part of this Agreement, has induced the making of it or affects the liability of the Assignor or any Covenantor under it.

3.5 Severability

If any Section or part thereof of this Agreement is invalid or unenforceable for any reason, then such Section or part thereof will be severable from this Agreement and will not affect the validity or enforceability of any other part of this Agreement.

3.6 Non-Merger

The giving of this Agreement is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this Agreement, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Assignee.

3.7 Paramountcy

The provisions of any agreement between the Assignor and the Assignee in connection with the Loan Indebtedness, including but not limited to any loan application in respect thereof, the Mortgage and all of the other Loan Documents, shall form part of this Agreement except where inconsistent with the provisions hereof. In the case of any inconsistency between this Agreement and the Mortgage, the provisions of the Mortgage, as the case may be, shall prevail.

3.8 Assignability

The Assignor hereby consents to the Assignee assigning, transferring or selling all or any portion of its interest under this Agreement in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Assignee may enter into participation, contending or syndication agreements with other lenders in connection with this

Agreement, the Loan Indebtedness and the Loan Obligations. The Assignee may provide information of a financial or other nature to any prospective assignee or transferee or other lenders concerning the Assignor, this Agreement, the Loan Indebtedness and the Loan Obligations.

3.9 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Agreement shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party, addressed:

(a) to the Assignor:

Vandyk – The Ravine Limited
1944 Fowler Drive
Mississauga, Ontario
L5K 0A1

Attention: John Vandyk
Email: jvandyk@vandyk.com
Facsimile: 905-823-4014

with a copy to the Assignor's solicitors at

Schneider Ruggiero Spencer Milburn LLP
120 Adelaide Street West, Suite 1000
Toronto, Ontario
M5H 3V1

Attention: Bruce Milburn
Email: bmilburn@srlawpractice.com
Facsimile: 416-363-0645

(b) to the Assignee:

Scotia Plaza
40 King Street West, Suite 3700
Toronto, Ontario
M5H 3Y2

Attention: Scott Coates
Email: SCoates@kingsettcapital.com
Facsimile: 416-687-6701

with a copy to the Servicer at:

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41 Scarsdale Road, Unit 6
Toronto, Ontario
M3B 2R2

Attention: Judy Wong
Email: JWong@DorrCapital.com

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3rd) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

3.10 Expenses, Fees and Indemnity

The Assignor will pay to the Assignee all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Assignee in connection with the collection of any amount payable under this Agreement by the Assignor to the Assignee. The Assignor shall indemnify the Assignee against all claims, loss or damages arising out of or in connection with any breach or default by the Assignor under this Agreement.

3.11 Applicable Law

This Agreement and the rights and obligations of the Assignor and the Assignee under it are governed by and construed according to the laws of the jurisdiction in which the Property is situate and the laws of Canada applicable therein.

3.12 Time of the Essence

Time is of the essence of this Agreement.

3.13 Execution by the Assignee

This Agreement need not be executed by the Assignee to be binding on and to enure to the benefit of the Assignee.

3.14 Counterparts

This Agreement may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or

account for more than one such counterpart. Transmission of executed or electronically executed copies of this Agreement whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.

3.15 Further Assurances

The Assignor will promptly do all further acts and execute and deliver such further documents as the Assignee considers necessary or advisable to carry out the terms or intent of this Agreement.

3.16 Successors and Assigns

This Agreement is binding on and enures to the benefit of the Assignee and the Assignor, and their respective executors, administrators, successors and assigns and to any Person to whom the Assignee may grant any participation in this Agreement, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Assignee under this Agreement or any of the Assignee's interest herein or in the Loan Indebtedness and the Loan Obligations.


3.17 Multiple Parties

If the Assignor consists of more than one party, this Agreement will be read with all necessary grammatical changes and each reference to the Assignor includes each and every such Person individually. All covenants and agreements herein of the Assignor are the joint and several covenants and agreements of each such Person or corporation. If the Assignee consists of more than one party, this Agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Assignee under this Agreement.

-- signatures follow on next page --

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

VANDYK – THE RAVINE LIMITED

Per: 
Name: _____
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

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

Properties

PIN 13214 - 0890 LT
Description LOT 20, PLAN 43M2113; CITY OF MISSISSAUGA
Address MISSISSAUGA

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name VANDYK - THE RAVINE LIMITED
Address for Service 1944 Fowler Drive
Mississauga, ON L5K 0A1

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 Scotia Plaza, 40 King Street West, Suite 3700
Toronto, Ontario M5H 3Y2

Statements

The applicant applies for the entry of a notice of general assignment of rents.
This notice may be deleted by the Land Registrar when the registered instrument, PR4229960 registered on 2023/07/28 to which this notice relates is deleted
Schedule: See Schedules

Signed By

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2023 07 28
Toronto Applicant(s)
M5X 1A4
Tel 416-863-1200
Fax 416-863-1716
I have the authority to sign and register the document on behalf of all parties to the document.

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2023 07 28
Toronto Party To(s)
M5X 1A4
Tel 416-863-1200
Fax 416-863-1716
I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

BENNETT JONES LLP 3400-1 First Canadian Place 2023 07 28
Toronto
M5X 1A4
Tel 416-863-1200
Fax 416-863-1716

Fees/Taxes/Payment

Statutory Registration Fee \$69.00
Total Paid \$69.00

File Number

Party To Client File Number : 59445.93 (JVG/MOG/MW/NC)

GENERAL ASSIGNMENT OF LEASES AND RENTS

THIS AGREEMENT made as of the 15th day of June, 2022.

B E T W E E N:

VANDYK – THE RAVINE LIMITED

(the "**Assignor**")

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Assignee**")

OF THE SECOND PART

WHEREAS the Assignor, as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Assignee, as mortgagee, of the lands and premises charged therein (the "**Property**"), notice of which was registered on the date hereof in the Land Registry Office for the Land Titles Division of Peel (No. 43) to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

AND WHEREAS as a condition for receiving the Loan Indebtedness, the Assignor agreed to assign to the Assignee, its successors and assigns, as a further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations, in all of the Assignor's right, title and interest in and to:

- (a) all present and future leases, subleases, licenses, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Assignor or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Property, and including all agreements collateral thereto (collectively, the "**Leases**");
- (b) all rents, issues, profits and other monies now due or accruing due or to become due and payable under or derived from the Leases or receivable by the Assignor pursuant to the Leases or the Property (collectively, the "**Rents**"); and
- (c) the benefit of all covenants and obligations of lessees, tenants, licensees, or occupants as well as all other rights, privileges, advantages and benefits contained in any of the Leases, including without limitation, all rights and benefits of any present and future guarantees or indemnities thereof, with full power and authority to demand, sue for, collect, recover and receive all Rents, to enforce the Assignor's rights under any Lease, and generally any collateral advantage or benefit to be

derived from the Leases or any of them together with the full benefit of all security in support of any guarantees or indemnities (collectively, the "**Lease Benefits**" and together with the Leases and the Rents, collectively, the "**Assigned Rights and Benefits**").

NOW THEREFORE IN CONSIDERATION of the recitals, the Assignee extending the Loan Indebtedness and for such other good and valuable consideration received by the Assignor, the receipt and adequacy of which is acknowledged by the Assignor, the Assignor agrees with the Assignee as follows:

ARTICLE 1 **DEFINITIONS, INTERPRETATION**

1.1 Definitions

Capitalized terms that are not defined herein have the meanings set out in the Mortgage. Otherwise, in this Agreement:

- (a) "**Excluded Lease**" has the meaning ascribed to it in Section 2.3;
- (b) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (c) "**Loan Indebtedness**" means any Indebtedness from time to time of the Assignor or any of the other Covenantors to the Assignee arising under any of the Loan Documents;
- (d) "**Loan Obligations**" means the obligations of the Assignor or any of the other Covenantors arising under the Loan Documents;
- (e) "**Other Parties**" has the meaning ascribed to it in Section 2.13(a); and
- (f) "**Receiver**" has the meaning ascribed to it in Section 2.12(a).

1.2 Interpretation

For the purposes of this Agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

1.3 Headings

In this Agreement, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Agreement.

ARTICLE 2 **AGREEMENT**

2.1 Assignment

As continuing collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations, the Assignor hereby assigns, transfers and sets over unto the Assignee and grants to the Assignee a security interest in all of the Assignor's right, title, estate, interest and benefit, both at law and in equity, in and to the Assigned Rights and Benefits, to hold and receive the same unto the Assignee with full power and authority to demand, sue for, collect, recover and receive and give receipts for the Rents and to enforce the payment of the Rents and the payment and performance of all Assigned Rights and Benefits, assigned in accordance with and subject to the terms of this Agreement.

2.2 Last Day of Term

This Agreement shall not extend or apply to the last day of the term, or the last day of any extended or renewed term, of any of the Leases provided that if this Agreement is enforced by the Assignee, the Assignor shall stand possessed of each such last day and shall hold same in trust and if this Agreement is enforced by the Assignee, to assign at the direction of the Assignee or any Person who may acquire any such term or renewal term or who in the course of enforcement hereof may be entitled to so direct.

2.3 Excluded Leases

Nothing in this Agreement shall constitute an assignment or attempted assignment of any of the right, title, estate, interest and benefit of the Assignor in any Assigned Rights and Benefits which require the consent of a third party to assignment unless such consent has been obtained (an "**Excluded Lease**"). The Assignor shall, upon request, obtain the required consent of any third party to the assignment of any Excluded Lease under this Agreement and to its further assignment by the Assignee to any third party as a result of the exercise by the Assignee of its remedies hereunder after an Event of Default. Upon consent being obtained, this Agreement shall apply to the applicable Excluded Lease without regard to this Section and without the necessity of any further assurance to effect assignment under this Agreement. Until consent to assignment is obtained, the Assignor shall, to the extent it may do so at law or pursuant to the provisions of the Excluded Lease and without giving rise to any default or penalty under the Excluded Lease, hold all right, title, estate, interest and benefit to be derived from the Excluded Lease in trust for the Assignee as additional security for the payment of the Loan Indebtedness and performance of the Loan Obligations as if this Agreement applied.

2.4 Representations and Warranties

The Assignor represents and warrants to and in favour of the Assignee that:

- (a) each of the Leases is in existence, and is in full force and effect, and there is currently no default by any party to any Lease under any term, condition or covenant required to be performed by it under the Assigned Rights and Benefits and there exists no event or circumstance, which would with the passage of time or the giving of notice or both constitute a default or an event of default under any of the Assigned Rights and Benefits;
- (b) there is no outstanding dispute under any Lease by any of the parties to it and no lessee under any Lease is entitled to any set off or defense against the payment of Rent under the Lease; and
- (c) the Assignor has good right, full power and absolute authority to assign the Assigned Rights and Benefits in the manner aforesaid, and has not performed any act or executed any other instrument which might prevent the Assignee from operating under the terms and conditions of this Agreement or which would limit the Assignee in such operation.

2.5 Covenants

The Assignor hereby covenants with the Assignee:

- (a) that it will at all times perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases as would a prudent landlord (except to the extent that the same have been expressly waived by the Other Parties to the Leases);
- (b) to maintain or cause to be maintained the Leases in good standing and not to do, permit to be done or omit to do, anything which may impair the enforceability of the Leases;
- (c) that in respect of all of the Leases, save for the deposits for the first and last month rentals, not to accept Rents more than one month in advance of the dates when Rents fall due;
- (d) except as provided for in Section 2.7 below, all offers to lease and all tenancy agreements, leases or subleases entered into with lessees of the Property shall be on the standard forms previously approved by the Assignee to be used in connection with the Property, amended as deemed appropriate in the circumstances by the Assignor, acting reasonably, to give effect to the arrangements made with each lessee or, if not on a pre-approved standard form, then in all cases in form and substance acceptable to the Assignee acting reasonably;

- (e) upon and during the continuance of an Event of Default, to facilitate in all ways the Assignee's exercise of its rights hereunder, including without limitation, upon request of the Assignee:
 - (i) to deliver to the Assignee up-to-date rent rolls and true copies of all then outstanding Leases and any other document giving rise to any of the Lease Benefits;
 - (ii) to permit access by the Assignee or its agent during regular business hours, upon reasonable notice to the Assignor, to all records pertaining to the Property, wherever held; and
 - (iii) to provide written notices to the lessees or any Other Parties, directing them to make payment of Rents to the Assignee or as it may direct; and
- (f) to obtain estoppel certificates from the lessees under the Leases (provided that the lessees are obliged to do so pursuant to their Lease) when and as reasonably required by the Assignee, or if any of such estoppel certificate is not forthcoming, to furnish a certificate of a senior officer of the Assignor in lieu thereof attesting (to the extent within the Assignor's knowledge and without Personal liability) to the information which would have been provided in such estoppel certificate.

2.6 Right to Deal

Until the occurrence of an Event of Default which is continuing, and subject to Section 2.5, the Assignor is permitted to enjoy the benefits of and deal with the Assigned Rights and Benefits, and may demand, receive, collect and enjoy the Rents, but only as the same fall due and payable according to the terms of each of the Leases and any of the documents giving rise to any of the Lease Benefits, and not more than one month in advance (except for prepayment of the last month of the term if so provided in the Lease) as would a prudent landlord. Upon the occurrence of an Event of Default which is continuing, the Assignee may, in addition to any other rights and remedies it may have, deliver a written notice to any lessee or any Other Party directing it to deal with the Assignee and to pay the Rents payable under its Lease to the Assignee, and such notice shall be good and sufficient authority for so doing.

2.7 No Dealings with Leases

The Assignor shall not, without the prior written consent of the Assignee:

- (a) do any act or thing or omit to do any act or thing that would materially adversely change the obligations of the Assignor under that Lease, other than as permitted by the Mortgage (except where the provisions of the Lease require the landlord to do so); or
- (b) enter into any Lease, including each renewal or extension of an existing Lease (other than any extension or renewal of an existing Lease which is exercised pursuant to, and the terms of which are governed by, such existing Lease), unless:

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- (i) it is a commercially reasonable arm's length transaction made in the ordinary course of business and in accordance with prudent property management and leasing standards and practices;
 - (ii) it provides for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions;
 - (iii) the Assignor has notified the Assignee of the proposed Lease and provided a copy of it to the Assignee; and
- (c) upon the Assignee delivering a written notice to the Assignor notifying the Assignor that the Assignee has elected to exercise its rights under this Agreement, enter into any Lease unless the Assignee has approved, acting reasonably, the form and content thereof.

Whenever the Assignee's consent is required hereunder, the Assignee shall act in a commercially reasonable manner as would a prudent owner of similar real estate and the Assignee shall communicate its consent or non-consent within ten (10) Business Days of any written request (unless otherwise indicated herein), failing which the Assignee shall be deemed to have given its consent.

The Assignor covenants to specifically assign any future Lease to the Assignee upon the Assignee's request in a form satisfactory to the Assignee. In such event, the Assignor further covenants that it will use its commercially reasonable efforts to have the lessee of all such future Leases, covenant to attorn to the Assignee on request.

2.8 Assigned Rights and Benefits Not Impaired

The within assignment to the Assignee of the Assigned Rights and Benefits shall remain in full force and effect without regard to, and the obligations of the lessees under the Leases shall not be affected or impaired by:

- (a) any amendment, modification, renewal or replacement of or addition or supplement to any of the other Loan Documents or the loan secured by the Security Documents; or
- (b) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement or any of the other Security Documents; or
- (c) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement or any of the other Security Documents; or
- (d) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor or any of the lessees under any of the Leases.

2.9 Power of Attorney

So long as the Loan Indebtedness and the Loan Obligations, or any portion thereof, remains outstanding:

- (a) the Assignor hereby irrevocably appoints the Assignee, or any Receiver appointed by the Assignee as provided for in this Agreement, to be the attorney of the Assignor with full power of substitution, and with full authority in the place of the Assignor and in the name of the Assignor or otherwise, from time to time in the Assignee's discretion, to do all acts, matters and things that may be necessary for, incidental to, or advisable for, carrying out the powers given to the Assignee under this Agreement and the Mortgage upon the occurrence of any Event of Default which is continuing (but the Assignee is not obligated to take such action and will have no liability to the Assignor or any third party for failure to take any action). This power of attorney is given for valuable consideration, is coupled with an interest, and is irrevocable until registration of a complete discharge of the Mortgage; and
- (b) in the event any action is brought by the Assignee to enforce any rights under the Assigned Rights and Benefits, the Assignor agrees to cooperate fully with and assist the Assignee in the prosecution thereof.

2.10 Acceleration

Upon the occurrence of an Event of Default which is continuing all of the Loan Indebtedness shall, at the Assignee's option and without notice to the Assignor, become immediately due and payable and the Assignee may, in its sole, absolute and unfettered discretion, exercise its rights in respect of the Assigned Rights and Benefits in addition to all other rights and remedies afforded by applicable law, in equity or otherwise. The Assignee shall have the right to enforce one or more remedies successively or concurrently in accordance with applicable law and the Assignee expressly retains all rights and remedies not inconsistent with the provisions in this Agreement including any rights it may have under the PPSA. The provisions of this clause do not and are not intended to affect in any way any rights of the Assignee with respect to any Loan Obligations or any Loan Indebtedness which may now or hereafter be payable on demand.

2.11 Enforcement

Upon the occurrence of and during the continuance of an Event of Default, the security hereby constituted will, at the option of the Assignee, immediately become enforceable.

2.12 Assignee's Rights and Remedies

In addition to the Assignee's rights under the Mortgage, the Assignee may, at its option and without any obligation or liability therefor and in addition to any other remedy in respect of the Assigned Rights and Benefits to which it is entitled under any of the Loan Documents, upon the occurrence of any Event of Default which is continuing and to the extent permitted by applicable law, enforce and realize on the security constituted by this

Agreement and take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Assignee may do the following:

- (a) appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Assignee or not, to be a receiver or receivers, or may institute proceedings in any court of competent jurisdiction for the appointment of a receiver (the "**Receiver**", which term includes a receiver or a manager or a receiver and manager) of the Assigned Rights and Benefits and may remove any appointed Receiver and appoint a replacement. Any Receiver shall, so far as concerns responsibility for its acts, be deemed the agent of the Assignor and not of the Assignee, and the Assignee shall not in any way be responsible for any misconduct, negligence, or nonfeasance on the part of any Receiver, the Receiver's servants, agents or employees. Subject to the provisions of the instrument appointing it, any Receiver shall be vested with all or any of the rights, powers and discretions of the Assignee. Except as may be otherwise directed by the Assignee all monies received from time to time by the Receiver in carrying out its appointment shall be received in trust for and paid over to the Assignee for the benefit of the Assignee;
- (b) compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rents or any other matter relating to the Assigned Rights and Benefits, and any settlement arrived at shall be binding upon the Assignor and any Other Parties;
- (c) at its option and without notice to the Assignor, take possession of or enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and any and all amounts which may be or become due or payable or remain unpaid at any time to the Assignor pursuant to the Assigned Rights and Benefits and give acquittances for them and to manage, operate and maintain its interest in the Property including without limitation, the making of repairs or replacements to maintain the Property;
- (d) receive, enjoy or otherwise avail itself of the Lease Benefits;
- (e) appoint and dismiss such agents or employees as may be necessary or desirable to exercise the Assignee's rights hereunder;
- (f) alter, modify, amend or change the terms of Leases; enter into new Leases; give consents, concessions or waivers of any rights or provisions of Leases; accept surrenders of Leases; give consents to assignment of or subletting under Leases;
- (g) send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
- (h) in the Assignor's name, perform, at the Assignor's expense, any and all of the Assignor's obligations or covenants relating to the Assigned Rights and Benefits

and enforce performance by any Other Parties of their obligations in relation to the Assigned Rights and Benefits and settle any disputes with Other Parties upon terms that the Assignee deems appropriate, in its discretion;

- (i) make payment of or cure any default under any Permitted Encumbrance or any Liens or other claims that may exist or be threatened against the Assigned Rights and Benefits, and any amount so paid together with costs, charges and expenses incurred together with interest at the Interest Rate shall be added to the Loan Indebtedness;
- (j) if the proceeds of realization are insufficient to pay all of the Loan Indebtedness, the Assignor shall forthwith pay or cause to be paid to the Assignee any deficiency and the Assignee may sue the Assignor to collect the amount of such deficiency;
- (k) subject to applicable law, seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Assigned Rights and Benefits in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Assignee advisable and without notice to the Assignor. The Assignee may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Assigned Rights and Benefits and may add all such sums to the Loan Indebtedness;
- (l) perform all such acts as may in the reasonable opinion of the Assignee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Assignor or in the name of the Assignee and the Assignor hereby grants to the Assignee irrevocable authority to join the Assignor in any proceedings or actions relating to the Assigned Rights and Benefits whether judicial or extra-judicial; and
- (m) waive any Event of Default, and any waiver of an Event of Default shall not extend to any subsequent Event of Default, nor shall the Assignee be bound to serve any notice on any lessees or any Other Parties on the happening of any Event of Default.

2.13 Assignee's Dealings with Other Parties

The Assignor and the Assignee hereby covenant and agree that:

- (a) the Assignee may at any time upon the occurrence of an Event of Default which is continuing, with respect to any and all Assigned Rights and Benefits, give to any lessee or other Person from whom the Assignor would have been entitled to receive or claim any benefit under the Assigned Rights and Benefits in question (the "**Other Parties**" or "**Other Party**") upon written notice to it by the Assignee to pay the Rents directly to the Assignee and such notice shall be good and sufficient notice for doing so. Without limiting the foregoing the Assignee may, after giving

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such notice, deal with the Other Party or Other Parties in respect of the Assigned Rights and Benefits without reference to or consent of the Assignor while the Event of Default is continuing;

- (b) this Agreement constitutes an irrevocable direction and authorization of the Assignor to any Other Party to pay Rents to the Assignee and otherwise honour the rights of the Assignee under this Agreement;
- (c) any Other Party may rely upon any notice given by the Assignee or on its behalf and the Assignor hereby waives as against any Other Party any claims they might otherwise have by reason of the Other Party acting on such notice;
- (d) in the event all Events of Defaults are subsequently cured, the Assignee shall upon request of the Assignor, and at the Assignor's expense, execute and deliver to the Assignor directions and authorizations to any Other Party who received notice of this Agreement in connection with the Events of Default so cured as aforesaid, authorizing and directing such Other Party to resume payment of Rents to the Assignor until such time as a further written notice is delivered by the Assignee pursuant to the terms of this Agreement;
- (e) all receipts given by the Assignee to any lessee under the Leases after delivery of a written notice pursuant to Section 2.13(a) and prior to the delivery of a notice pursuant to Section 2.13(d) on account of any Rents paid to the Assignee in accordance with the terms of this Agreement shall constitute a good and valid discharge therefor to each such lessee; and
- (f) the Assignee shall not be required or obligated in any manner to make any demand or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or take any other action to collect or enforce the payment of any amounts which may have been assigned to the Assignee or to which the Assignee may be entitled hereunder at any time or times.

2.14 Assignee's Obligations and Limitation on Liabilities

It is expressly acknowledged and agreed by the Assignor and the Assignee that:

- (a) nothing herein contained shall oblige the Assignee to assume or perform any obligation of the Assignor to any Other Party in respect of or arising out of the Assigned Rights and Benefits or any of them. The Assignee may, however, after the occurrence of an Event of Default which is continuing, at its option assume or perform any such obligations as the Assignee considers necessary or desirable to obtain the benefit of the Assigned Rights and Benefits free of any set-off, deduction or abatement, and any money expended by the Assignee in this regard shall form part of and be deemed to form part of the Loan Indebtedness and bear interest at the maximum rate stipulated in the Mortgage;
- (b) the Assignee shall only be liable to account for such moneys as shall actually be received by the Assignee by virtue of this Agreement at the address provided

herein, less reasonable collection charges and costs (including, without limitation, legal costs on a solicitor and client basis) and other reasonable expenses to which the Assignee may be put, and the Assignee shall not be responsible for any act or default of any agent employed by the Assignee for the collection of any such amounts. Such moneys when so received by the Assignee shall be applied in accordance with the provisions of the Mortgage and the Assignee shall not be responsible for diligence in the collection of any monies as contemplated herein. No credit shall be given for any Rent received by the Assignee after it obtains ownership of the Property under court order or by operation of law;

- (c) exercise by the Assignee of its rights under this Agreement or the assumption of certain obligations of the Assignor upon the occurrence of an Event Default as referred to in Section 2.14(a) shall not constitute or have the effect of making the Assignee a mortgagee in possession nor shall the entering into of this Agreement or anything done in pursuance of it make the Assignee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations and liabilities under any of the Leases;
- (d) care, control and management of the Property shall remain and be deemed to be with the Assignor, in the absence of clear and unequivocal action by the Assignee depriving the Assignor of such care, control and management and the assumption thereof by the Assignee;
- (e) the Assignee's obligations as to any Rents or other amounts actually collected (including, without limitation, those arising from the Lease Benefits) shall be discharged by application of such Rents or other amounts (including, without limitation, those arising from the Lease Benefits) against the Loan Indebtedness or for any of the other purposes described in this Agreement; and
- (f) the Assignee shall not be:
 - (i) liable for and no credit shall be given in respect of any uncollected Rents or other uncollected amounts;
 - (ii) liable to any lessee for the return of any security deposit made under any Lease unless the Assignee shall have actually received such security deposit; and
 - (iii) by reason of this Agreement or the exercise of any right granted herein, responsible for any act committed by the Assignor or any breach or failure to perform by the Assignor with respect to any of the Assigned Rights and Benefits.

2.15 Continuing Security

Notwithstanding any variation of the terms of the Mortgage or any of the other Security Documents, or any extension of time for payment or any release of any security, this Agreement shall continue as general and collateral security for the Loan Indebtedness and

observance and performance of all of the Loan Obligations. This Agreement and the assignments granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Assignee and this Agreement will remain in full force and effect until registration of a complete discharge of the Mortgage by the Assignee, which discharge shall be deemed to be a reassignment of this Agreement and the Assigned Rights and Benefits in favour of the Assignor. On the complete discharge of the Mortgage, the Assignee will, at the request and at the sole cost and expense of the Assignor, execute and deliver to the Assignor such instruments in registrable form as may be necessary to evidence the termination of this Agreement and the reassignment to the Assignor of the Assigned Rights and Benefits.

2.16 Reassignment/Discharge

The Assignee may, at any time and whether or not an Event of Default has occurred, without further request or agreement by the Assignor, reassign to the Assignor, its successors and assigns, the Assigned Rights and Benefits or any part or parts thereof, by an instrument of reassignment in writing executed by the Assignee delivered to the Assignor, its successors and assigns, at the address for notice herein provided. Such instrument upon delivery shall constitute a good and sufficient reassignment of all of the Assignee's right, title and interest in and benefit of the Assigned Rights and Benefits to which it pertains and a good and valid release and termination of obligations (if any) of the Assignee with respect thereto. Such reassignment shall not expressly or impliedly constitute any representation or warranty by the Assignee to the Assignor as to the Assigned Rights and Benefits or anything related thereto.

ARTICLE 3 MISCELLANEOUS

3.1 Payments

All payments required to be made by the Assignor to the Assignee under this Agreement will be made at the address of the Assignee set out in Section 3.9 (or at any other place specified by the Assignee by written notice to the Assignor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

3.2 Failure of Indulgence Not Waiver

No extension of time, waiver, or other indulgence given by the Assignee to the Assignor, or anyone claiming under the Assignor, shall in any way affect or prejudice the rights of the Assignee against the Assignor or any Covenantor unless explicitly set forth in writing and signed by the waiving party. No failure to exercise or delay in exercising any right, remedy, power or privilege arising from this Agreement will operate or be construed as a waiver thereof, nor will any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Each power and right under this Agreement is cumulative and is in addition to and not in substitution for any other rights and remedies at law, or in equity or otherwise.

3.3 Modification

No modification or waiver of this Agreement is binding on the Assignee unless made in writing and signed by a duly authorized officer of the Assignee.

3.4 Entire Agreement

On execution and delivery by the Assignor, this Agreement is deemed to be finally executed and delivered by the Assignor to the Assignee and is not subject to or affected by any condition as to the receipt by the Assignee of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Assignee of any other Loan Documents, nor by any promise or condition affecting the liability of the Assignor. No agreement, promise, representation or statement by the Assignee or any of its officers, employees or agents unless in this Agreement forms part of this Agreement, has induced the making of it or affects the liability of the Assignor or any Covenantor under it.

3.5 Severability

If any Section or part thereof of this Agreement is invalid or unenforceable for any reason, then such Section or part thereof will be severable from this Agreement and will not affect the validity or enforceability of any other part of this Agreement.

3.6 Non-Merger

The giving of this Agreement is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this Agreement, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Assignee.

3.7 Paramountcy

The provisions of any agreement between the Assignor and the Assignee in connection with the Loan Indebtedness, including but not limited to any loan application in respect thereof, the Mortgage and all of the other Loan Documents, shall form part of this Agreement except where inconsistent with the provisions hereof. In the case of any inconsistency between this Agreement and the Mortgage, the provisions of the Mortgage, as the case may be, shall prevail.

3.8 Assignability

The Assignor hereby consents to the Assignee assigning, transferring or selling all or any portion of its interest under this Agreement in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Assignee may enter into participation, contending or syndication agreements with other lenders in connection with this

Agreement, the Loan Indebtedness and the Loan Obligations. The Assignee may provide information of a financial or other nature to any prospective assignee or transferee or other lenders concerning the Assignor, this Agreement, the Loan Indebtedness and the Loan Obligations.

3.9 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Agreement shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party, addressed:

(a) to the Assignor:

Vandyk – The Ravine Limited
1944 Fowler Drive
Mississauga, Ontario
L5K 0A1

Attention: John Vandyk
Email: jvandyk@vandyk.com
Facsimile: 905-823-4014

with a copy to the Assignor's solicitors at

Schneider Ruggiero Spencer Milburn LLP
120 Adelaide Street West, Suite 1000
Toronto, Ontario
M5H 3V1

Attention: Bruce Milburn
Email: bmilburn@srlawpractice.com
Facsimile: 416-363-0645

(b) to the Assignee:

Scotia Plaza
40 King Street West, Suite 3700
Toronto, Ontario
M5H 3Y2

Attention: Scott Coates
Email: SCoates@kingsettcapital.com
Facsimile: 416-687-6701

with a copy to the Servicer at:

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41 Scarsdale Road, Unit 6
Toronto, Ontario
M3B 2R2

Attention: Judy Wong
Email: JWong@DorrCapital.com

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3rd) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

3.10 Expenses, Fees and Indemnity

The Assignor will pay to the Assignee all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Assignee in connection with the collection of any amount payable under this Agreement by the Assignor to the Assignee. The Assignor shall indemnify the Assignee against all claims, loss or damages arising out of or in connection with any breach or default by the Assignor under this Agreement.

3.11 Applicable Law

This Agreement and the rights and obligations of the Assignor and the Assignee under it are governed by and construed according to the laws of the jurisdiction in which the Property is situate and the laws of Canada applicable therein.

3.12 Time of the Essence

Time is of the essence of this Agreement.

3.13 Execution by the Assignee

This Agreement need not be executed by the Assignee to be binding on and to enure to the benefit of the Assignee.

3.14 Counterparts

This Agreement may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or

account for more than one such counterpart. Transmission of executed or electronically executed copies of this Agreement whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.

3.15 Further Assurances

The Assignor will promptly do all further acts and execute and deliver such further documents as the Assignee considers necessary or advisable to carry out the terms or intent of this Agreement.

3.16 Successors and Assigns

This Agreement is binding on and enures to the benefit of the Assignee and the Assignor, and their respective executors, administrators, successors and assigns and to any Person to whom the Assignee may grant any participation in this Agreement, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Assignee under this Agreement or any of the Assignee's interest herein or in the Loan Indebtedness and the Loan Obligations.


3.17 Multiple Parties

If the Assignor consists of more than one party, this Agreement will be read with all necessary grammatical changes and each reference to the Assignor includes each and every such Person individually. All covenants and agreements herein of the Assignor are the joint and several covenants and agreements of each such Person or corporation. If the Assignee consists of more than one party, this Agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Assignee under this Agreement.

-- signatures follow on next page --

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

VANDYK – THE RAVINE LIMITED

Per:  _____
Name: 04D6BBFEDFC840B...
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

TAB H

THIS IS **EXHIBIT "H"** REFERRED TO IN THE AFFIDAVIT
OF DANIEL POLLACK, SWORN BEFORE ME
THIS 7TH DAY OF NOVEMBER, 2023.

Joshua Foster

Joshua Foster

A Commissioner for taking Affidavits
(or as may be)

GENERAL SECURITY AGREEMENT

THIS AGREEMENT (the "**General Security Agreement**") is dated as of the 15th day of June, 2022.

BETWEEN:

VANDYK-UPTOWNS LIMITED and **2366885 ONTARIO INC.**

(collectively, the "**Grantor**")

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Grantee**")

OF THE SECOND PART

WHEREAS the Grantor, as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Grantee, as mortgagee, of the lands and premises charged therein (the "**Property**"), notice of which was registered on the date hereof in the Land Registry Office for the Land Titles Division Peel (No. 43) to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

AND WHEREAS as a condition for receiving the Loan Indebtedness, the Grantor agreed to create and to grant to the Grantee, its successors and assigns, as further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations, the collateral security constituted by this General Security Agreement;

NOW THEREFORE IN CONSIDERATION of the recitals, the Grantee extending the Loan Indebtedness and for such other good and valuable consideration received by the Grantor, the receipt and adequacy of which is acknowledged by the Grantor, the Grantor agrees with the Grantee as follows:

ARTICLE 1**DEFINITIONS, INTERPRETATION****1.1 Definitions**

Capitalized terms that are not defined herein have the meanings set out in the Mortgage. Unless otherwise defined herein or in the Mortgage, capitalized terms used herein that are defined in the *Personal Property Security Act*, as amended or replaced from time to time (the "**PPSA**"), of the province where the Collateral is situate (the "**Province**") or in the *Securities Transfer Act* of the Province as amended or replaced from time to time (the

"STA") shall have the meanings set out in the PPSA or the STA, respectively, unless the context otherwise requires. Otherwise, in this General Security Agreement:

- (a) "**Account Borrower**" has the meaning ascribed to it in Section 3.1(h);
- (b) "**Account Debtor**" means any Person who is or becomes obligated to the Grantor under, with respect to, or on account of an account;
- (c) "**Collateral**" has the meaning ascribed to it in Section 2.1, and any reference to Collateral shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof";
- (d) "**Contract**" means any contracts, agreements, indentures, licenses, permits, commitments, entitlements, engagements or other arrangements, including any investment with or interest in any Person, which does not constitute Chattel Paper, Investment Property or Instruments, whether written or unwritten, to which the Grantor is now or subsequently becomes a party or has a benefit, right, or in which the Grantor now has or subsequently acquires an interest;
- (e) "**Control Agreement**" means:
 - (i) with respect to any Uncertificated Security included in the Collateral, an agreement between the issuer of such Uncertificated Securities and another Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such Uncertificated Security, without the further consent of the Grantor; and
 - (ii) with respect to any Securities Accounts or Security Entitlements included in the Collateral, an agreement between the Securities Intermediary in respect of such Securities Accounts or Security Entitlements to comply with any Entitlement Orders with respect to such Securities Accounts or Security Entitlements that are originated by the Grantee without the further consent of the Grantor;
- (f) "**Debts**" has the meaning ascribed to it in Section 2.1(c);
- (g) "**Encumbrances**" has the meaning ascribed to it in Section 3.1(f);
- (h) "**Future Purchase Agreements**" has the meaning ascribed to it in Section 2.1(q);
- (i) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;

- (j) "**Loan Indebtedness**" means any Indebtedness from time to time of the Grantor or any of the other Covenantors to the Grantee arising under any of the Loan Documents;
- (k) "**Loan Obligations**" means the obligations from time to time of the Grantor or any of the other Covenantors arising under the Loan Documents;
- (l) "**Receiver**" has the meaning ascribed to it in Section 5.3(a);
- (m) "**Secured Obligations**" has the meaning ascribed to it in Section 2.5; and
- (n) "**Security Interest**" has the meaning ascribed to it in Section 2.1.

1.2 Interpretation

For the purposes of this General Security Agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa. If more than one Grantor executes this General Security Agreement, this General Security Agreement shall apply and be binding upon each of them jointly and severally and all obligations hereunder shall be joint and several.

1.3 Headings

In this General Security Agreement, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this General Security Agreement.

ARTICLE 2 **SECURITY INTERESTS**

2.1 Grant of Security

As general and continuing collateral security for the payment of the Loan Indebtedness and performance of the Loan Obligations, the Grantor hereby grants to the Grantee by way of mortgage, charge, assignment and transfer, a security interest in and to all right, title and interest of the Grantor in all presently owned or held and hereafter acquired or held, by way of amalgamation or otherwise, personal property of whatsoever nature and kind pertaining to the Property, and in all Proceeds thereof and therefrom, renewals thereof, Accessions thereto and substitutions therefor (all of which are herein collectively called the "**Collateral**") (the "**Security Interest**"), including, without limiting the generality of the foregoing:

- (a) all Inventory of whatever kind (whether or not supplied or sold by the Grantee to the Grantor) including, without limiting the generality of the foregoing, all goods held for sale or lease or that have been leased or that are to be furnished or have been furnished under contracts for service, or that are raw materials, works in process, or materials used or consumed in the business of the Grantor;

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- (b) Equipment (other than Inventory) of whatsoever nature and kind, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature and kind;
- (c) book accounts and book debts and generally all Accounts (excluding Investment Property), debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including but not limited to Instruments, Chattel Paper, and letters of guarantee, 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 Grantor (all of which are herein collectively called the "**Debts**");
- (d) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (e) all Investment Property, including but not limited to shares, stock, warrants, bonds, debentures, debenture stock and other Securities (whether evidenced by a Security Certificate or being an Uncertificated Security), Security Entitlements, Securities Accounts, Futures Contracts and Futures Accounts and Financial Assets;
- (f) all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (g) all deeds, documents, writings, papers, books of account and other books relating to or being records of Accounts, Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (h) all contractual rights, insurance claims, insurance proceeds and all goodwill, patents, trademarks, copyrights, and other intellectual property;
- (i) all construction, supply, consulting, architect, engineer, construction manager, marketing agent or other like contracts of any nature for construction or supply of materials in connection with the construction or maintenance of the Mortgaged Premises, whether those contracts exist as of the date hereof or at any time in the future;
- (j) all licenses, permits, in the possession, control or name of the Grantor now or at any time in the future with respect to all chattels which are required to be inspected, approved or licensed;
- (k) all of the necessary licenses and permits (including building/development permits) required for the construction of all of the Mortgaged Premises and for the conduct and operation of the Grantor's intended use thereof issued by any government, statutory or other authority having jurisdiction over same, and all monies paid thereunder;

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- (l) all plans, conceptual specifications and drawings, architects' and engineers' drawings, technical specifications, building permit drawings, building permits (including all interest in monies paid thereunder), surveyors' drawings, quantity specifications, and all similar items related to the construction of all of the Mortgaged Premises;
- (m) all outstanding guarantees, warranties and indemnities obtained for the benefit of the Grantor;
- (n) all surviving rights under any agreement(s) of purchase and sale (including all amendments, waivers and other agreements related thereto) or any delivery or agreement entered into pursuant thereto and all interests and benefits to be derived therein and thereunder, including all rights to commence actions or enforce rights thereunder, and without limiting the generality of the foregoing, all amounts (whether cash, instruments or other consideration) which, pursuant to the terms of the foregoing agreements, are withheld at any time by or on behalf of the Grantor from the payment of the purchase price;
- (o) all monies and cash, including any held in a cash collateral account, and all cash held as collateral security for outstanding letters of credit or letters of guarantee, including deposits from purchasers on the sale of units, parking and storage lockers which may be held in a solicitor's deposit trust account (other than trust monies lawfully belonging to others);
- (p) all other personal property now or hereafter owned by the Grantor, including all personal property otherwise described in any schedule now or hereafter annexed hereto;
- (q) all right, title and interest of the Grantor in and to any purchase agreement for the sale of real or personal property and all agreements delivered to the Grantor pursuant thereto or in connection therewith (collectively, "**Future Purchase Agreements**"), and all interests and benefits to be derived therein and thereunder, including all rights to commence actions or enforce rights thereunder, and without limiting the generality of the foregoing, all amounts (whether cash, instruments or other consideration) which, pursuant to the terms of the foregoing agreements, are received by the Grantor on account of the purchase price under the Future Purchase Agreement; and
- (r) all of the Grantor's right, title and interest, both present and future, in and to all of its presently owned or held and after acquired or held property which:
 - (i) is or hereafter becomes a fixture, or
 - (ii) constitutes a license, quota, permit or other similar right or benefit or crops;

and all proceeds and products of the property described above including, without limiting the generality of the foregoing, all personal property in any form or fixtures derived directly or

indirectly from any dealing with such property or the proceeds therefrom and any payment that indemnifies or compensates for the loss of or damage to such property or the proceeds therefrom.

2.2 Exceptions

The Security Interest granted hereby shall not extend or apply to and the Collateral shall not extend to or include:

- (a) Consumer Goods; and
- (b) the last day of the term created by any real property lease or sublease, or agreement to lease real property or sublease now held or hereafter acquired by the Grantor, but the Grantor shall stand possessed of the reversion thereby remaining upon trust to assign and dispose thereof to any third party as the Grantee shall direct.

2.3 Value and Attachment

The Grantor acknowledges that value has been given and that the Grantor has rights in the Collateral. The Grantee and the Grantor have not agreed to postpone the time for attachment of the Security Interest created by this General Security Agreement and the Grantor and the Grantee intend that the Security Interest shall attach to presently owned or held Collateral upon execution of this General Security Agreement and shall attach to each item of hereafter acquired Collateral upon acquisition of any right, title and interest of the Grantor in that Collateral.

2.4 Consent; Limitation on grant of Security Interest

Nothing in this General Security Agreement shall constitute an assignment or attempted assignment of any Contract which by its provisions or by applicable law is not assignable, which would result in the termination of or a breach under such Contract, or which requires the consent of a third party to its assignment unless such consent has been obtained. With respect to any Contract which the Grantee reasonably determines to be material, the Grantor shall promptly, upon written request by the Grantee, attempt to obtain the consent of any necessary third party to its assignment under this General Security Agreement and to its further assignment by the Grantee to any third party as a result of the exercise by the Grantee of remedies after demand. Upon such consent being obtained or waived, this General Security Agreement shall apply to the applicable Contract without regard to this section and without the necessity of any further assurance to effect such assignment. Unless and until the consent to assignment is obtained as provided above, the Grantor shall, to the extent it may do so at law or pursuant to the provisions of the Contract or interest in question hold all benefit to be derived from such Contract in trust for the Grantee (including the Grantor's beneficial interest in any Contract which may be held in trust for the Grantee by a third party), as additional security for the payment of the Loan Indebtedness and performance of the Loan Obligations.

2.5 Secured Obligations

The Collateral secures the payment of the Loan Indebtedness and the performance of all Loan Obligations including without limitation, all present and future obligations of the Grantor arising under the Mortgage, this General Security Agreement and the Loan Documents, whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, whether the Loan Indebtedness is reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise together with all fees, costs, lawyers' fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities related thereto (all such obligations, covenants, duties, debts, liabilities, sums and expenses being herein collectively called the "**Secured Obligations**").

2.6 Perfection

The Grantor shall from time to time as may be required by the Grantee with respect to the Collateral take all actions as may be requested by the Grantee to perfect the Security Interest at the expense of the Grantor.

ARTICLE 3 **REPRESENTATIONS, WARRANTIES AND COVENANTS**

3.1 Representations and Warranties

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

- (a) the Grantor:
 - (i) is a corporation incorporated, formed and existing under the laws of its jurisdiction of incorporation;
 - (ii) has the legal right and all necessary corporate or other power and authority to own its assets, possess an interest in the Collateral, and carry on its business in all material respects; and
 - (iii) is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it conducts business, except where failure to be so qualified, licensed or registered has not and is not reasonably likely to have a Material Adverse Effect;
- (b) the Grantor has all requisite corporate power and authority to enter into and perform its obligations under this General Security Agreement, and to do all acts and things and execute and deliver all other documents and instruments as are required hereunder to be done, observed or performed by it in accordance with the terms hereof;

- (c) the execution and delivery by the Grantor, and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this General Security Agreement will not conflict with or result in a breach of any of the terms, conditions or provisions of:
- (i) its articles, by-laws, shareholders' agreements or other organizational documents, as the case may be;
 - (ii) any applicable laws;
 - (iii) any material contracts, material authorizations or material contractual restrictions binding on or affecting it or its assets, including without limitation, the Collateral; or
 - (iv) any material judgment, injunction, determination or award which is binding on it in each such case, except to the extent that such breach has not and is not reasonably likely to have a Material Adverse Effect;
- (d) the execution and delivery by the Grantor of this General Security Agreement, and the performance by it of its obligations hereunder have been duly authorized by all necessary corporate or other action including, without limitation, the obtaining of all necessary partner, shareholder or other material and relevant consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Authority, or other Person, is or was necessary in connection with the execution, delivery and performance of the Grantor's obligations under this General Security Agreement except where failure to obtain same would not have or be reasonably likely to have a Material Adverse Effect;
- (e) this General Security Agreement has been duly executed and delivered by the Grantor, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally), is (or will be immediately upon the execution thereof by the Grantor) in full force and effect, and the Grantor has performed and complied in all material respects with all the terms, provisions, agreements and conditions set forth herein and required to be performed or complied with by the Grantor;
- (f) the Collateral is genuine and is owned by the Grantor or the Grantor has rights in the Collateral, free of all security interests, mortgages, liens, claims, charges and other encumbrances (herein collectively called "**Encumbrances**"), save for the security constituted by this General Security Agreement, the security constituted by or granted in connection with any Permitted Encumbrances;
- (g) the Grantor has good and lawful authority to create the security interests in the Collateral constituted by this General Security Agreement;

- (h) each Debt included in Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "**Account Borrower**"), and the amount represented by the Grantor to the Grantee from time to time as owing by each Account Borrower or by all Account Borrowers will be the correct amount actually and unconditionally owing by such Account Borrower or Account Borrowers, except for normal cash discounts where applicable, and no Account Borrower will have any defense, set off, claim or counterclaim against the Grantor which can be asserted against the Grantee, whether in any proceeding to enforce the Collateral or otherwise;
- (i) the Grantor is not in breach or default of any agreement to which it is a party;
- (j) the Grantor has not consented to the entering into of a Control Agreement by: (A) any issuer of any Uncertificated Securities included in or relating to the Collateral; or (B) any Securities Intermediary for any Securities Accounts or Security Entitlements included in or relating to the Collateral, other than, in either case, the Grantee;
- (k) the Grantor's full legal name are Vandyk-Uptowns Limited and 2366885 Ontario Inc., as applicable, and neither Grantor has a French form of name or trade name; and
- (l) the registered office, the principal place of business of each Grantor, and the location of all books and records evidencing the Debts is 1944 Fowler Drive, Mississauga, Ontario L5K 0A1 (the "**Grantor's Head Office**").

3.2 Survival

All representations and warranties of the Grantor made in this General Security Agreement or in any of the other Loan Documents are material, shall survive and shall not merge upon the execution and delivery of this General Security Agreement and shall continue in full force and effect. The Grantee shall be deemed to have relied upon the representations and warranties notwithstanding any investigation made by or on behalf of the Grantee at any time.

3.3 Covenants

The Grantor covenants and agrees that at all times while this General Security Agreement remains in effect the Grantor:

- (a) will (i) maintain its corporate or other existence in good standing under the laws of its jurisdiction of incorporation or organization; (ii) continue to conduct its business substantially as now conducted; and (iii) do, or cause to be done, all things necessary to keep in full force and effect all permits and all properties, rights, franchises, licenses and qualifications to carry on its business in all jurisdictions where such business is currently being carried on;

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- (b) will not, without the prior written consent of the Grantee, change its legal name, jurisdiction of formation and organization, address of its registered office, head office, principal place of business or chief executive office, corporate structure, province or territory in which its registered office, head office, principal place of business or chief executive office is located. The Grantor will, prior to any change described in the preceding sentence, take all actions requested by the Grantee to maintain the perfection and priority of the Grantee's security interest in the Collateral;
- (c) will keep the Collateral, to the extent not delivered to the Grantee, at the Property or the Grantor's Head Office and, except for Inventory sold or leased in the ordinary course of business, the Grantor will not remove the Collateral from those locations without obtaining the Grantee's prior written consent. The Grantor will, prior to any change described in the preceding sentence, take all actions requested by the Grantee to maintain the perfection and priority of the Grantee's security interest in the Collateral;
- (d) will defend the Collateral for the benefit of the Grantee against the claims and demands of all other Persons;
- (e) will not, without the prior written consent of the Grantee:
 - (i) create or permit to exist any Encumbrance against any of the Collateral which ranks or could in any event rank in priority to or *pari passu* with the security constituted by this General Security Agreement, save for those Encumbrances relating to Prior Permitted Encumbrances, if any; and
 - (ii) grant, sell, exchange, transfer, assign, lease or otherwise dispose of any of the Collateral;except as expressly provided in the Mortgage, in the ordinary course of business or with the prior written consent of the Grantee, and provided always that, until an Event of Default and then only so long as same continues, the foregoing restriction shall not prevent the Grantor from, in the ordinary course of the Grantor's business, selling or leasing or disposing or otherwise deal with any part of the Collateral from time to time including without limitation using monies available to the Grantor. This provision is not paramount to any restrictions on dealings with Collateral otherwise provided for in the Mortgage or any of the other Security Documents;
- (f) will fully and effectively maintain and keep maintained, valid and effective the Security Interests constituted by this General Security Agreement;
- (g) will take such steps as the Grantee requires to enable the Grantee to obtain control of any Investment Property, including but not limited to arranging for any Securities Intermediary or Futures Intermediary to enter into an agreement satisfactory to the Grantee to enable the Grantee to obtain control of such Investment Property;
- (h) will notify the Grantee promptly of:

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- (i) any change in the information contained herein relating to the Grantor, the Grantor's name, or the Grantor's business;
 - (ii) the details of any claims or affecting the Grantor or the Collateral;
 - (iii) any loss or damage to the Collateral; and
 - (iv) any material failure of any Account Debtor in the payment or performance of obligations due to the Grantor;
- (i) will keep the Collateral in good order, condition and repair (in such locations as may be reasonable), subject to reasonable wear and tear, and not use the Collateral in material violation of the provisions of this General Security Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
 - (j) will carry on and conduct the business of the Grantor in a proper manner and shall comply with all applicable laws in the conduct of its business including those relating to quotas, licensing, privacy, employment and labour matters, pension and environmental laws, and obtain all required permits and authorizations required in the conduct of its business and maintain them and all material contracts in good standing;
 - (k) will forthwith pay:
 - (i) all obligations to its employees and all obligations to others which relate to its employees when due, including, without limitation, all taxes, duties, levies, government fees, claims and dues related to its employees;
 - (ii) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Grantor shall in good faith contest its obligations so to pay and shall furnish such security as the Grantee may require; and
 - (iii) all Encumbrances which rank or could in any event rank in priority to or *pari passu* with the security constituted by this General Security Agreement, other than the Encumbrances relating to Prior Permitted Encumbrances, if any, and those approved in writing by the Grantee;
 - (l) will prevent the Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this General Security Agreement;
 - (m) will 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 Grantee shall reasonably direct (but in any event in accordance with prudent business practice and in accordance with the Mortgage) with loss payable to the Grantee and the Grantor,

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as insureds, as their respective interests may appear, and to pay all premiums for such insurance;

- (n) will deliver to the Grantee from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper comprised in or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for the Grantor regarding the Grantor's business, subject to the provisions of the Mortgage;
 - (iv) all policies and certificates of insurance relating to the Collateral;
 - (v) copies of all Contracts and consents relating to the Collateral and the Grantor's business; and
 - (vi) such information concerning the Collateral, the Grantor and Grantor's business and affairs as the Grantee may reasonably require;
- (o) will forthwith pay all costs, charges, expenses and legal fees and disbursements (on an indemnity basis) which may be incurred by the Grantee in:
 - (i) perfecting and registering this General Security Agreement and other documents, whether or not relating to this General Security Agreement;
 - (ii) taking, recovering, keeping possession of and insuring the Collateral;
 - (iii) connection with any disclosure requirements under the PPSA; and
 - (iv) all other actions and proceedings taken in connection with the preservation of the Collateral and the confirmation, perfection and enforcement of this General Security Agreement and of any other security held by the Grantee as security for the payment of the Loan Indebtedness and performance of the Loan Obligations;
- (p) will, at the Grantee's request at any time and from time to time execute and deliver such further and other documents and instruments and do all other acts and things as the Grantee reasonably requires in order to give effect to this General Security Agreement or to confirm and perfect, and maintain perfection of, the security constituted by this General Security Agreement in favour of the Grantee; and
- (q) will not enter into any corporate transaction (or series of transactions) whether by way of reconstruction, arrangement, reorganization, consolidation, amalgamation, wind-up, liquidation, dissolution, merger or otherwise, whereby any other Person

would become the owner of all or substantially all of the undertaking and assets of the Grantor and it shall not do any act or thing that would materially adversely affect its business, property, prospects or financial condition and shall not permit any corporation of which it is the majority shareholder to do any of the foregoing;

- (r) authorizes the Grantee, (if Collateral at any time includes Investment Property) to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Grantee or its nominee(s) may appear on record as the sole owner thereof; provided that, until an Event of Default has occurred which is continuing, the Grantee shall deliver promptly to the Grantor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Grantor or its order a proxy to vote and take all action with respect to such Investment Property. After default, the Grantor waives all rights to receive any notices or communications received by the Grantee or its nominee(s) as such registered owner and agrees that no proxy issued by the Grantee to the Grantor or its order as aforesaid shall thereafter be effective;
- (s) will ensure that, to the extent that Investment Property includes an interest in or unit certificates in a partnership or a limited liability company, the terms of any interest in such partnership or limited liability company provide that such interest is a "**security**" for the purposes of the STA and in the event that the terms of any interest in a partnership or limited liability company does not so provide, the Grantor agrees to amend the terms with respect to such partnership or limited liability company to expressly provide that such interest is a "**security**" for the purposes of the STA;
- (t) will not consent to:
 - (i) the entering into by any issuer of any Uncertificated Securities included in or relating to the Collateral of a Control Agreement in respect of such Uncertificated Securities with any Person other than the Grantee or such nominee or agent as it may direct; or
 - (ii) the entering into by any Securities Intermediary for any Securities Accounts or Security Entitlements included in or relating to the Collateral of a Control Agreement with respect to such Securities Accounts or Securities Entitlements with any Person other than the Grantee or such nominee or agent as it may direct;
- (u) will promptly, upon request from time to time by the Grantee:
 - (i) enter into and use reasonable commercial efforts to cause any Securities Intermediary for any Securities Accounts or Security Entitlements included in or relating to the Collateral to enter into a Control Agreement with the Grantee with respect to such Securities Accounts or Security Entitlements as the Grantee requires in form and substance satisfactory to the Grantee; and

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- (ii) enter into and use reasonable commercial efforts to cause any issuer of any Uncertificated Securities included in or relating to the Collateral to enter into a Control Agreement with the Grantee with respect to such Uncertificated Securities as the Grantee requires in form and substance satisfactory to the Grantee; and
- (v) permit the Grantee and its representatives, at all reasonable times, access to and the right to examine the books of accounts, financial records and reports of the Grantor wherever and however such data may be stored and to have temporary custody of, make copies of and take extracts from such books, records and reports, and to examine the Collateral and review and copy any and all information and data relating to the Collateral, or to any related transactions, wherever and however such information and data may be stored.

ARTICLE 4 **RIGHT TO DEAL**

4.1 Rights before Default

Until the occurrence of an Event of Default which is continuing the Grantor is entitled to deal with the Collateral in the ordinary course of business, provided that no such action shall be taken which would impair the effectiveness of the Security Interests or the value of the Collateral or which would be inconsistent with or violate the provisions of this General Security Agreement, the Mortgage or any of the other Security Documents.

4.2 Rights after Default

Upon the occurrence of an Event of Default which is continuing all of the Grantor's rights pursuant to this Article 4 shall cease and the Grantor will not request or receive any money constituting income from, proceeds of, or interest on Collateral and if the Grantor receives any such money in any event, the Grantor shall hold such money in trust for the Grantee and will pay the same promptly to the Grantee.

ARTICLE 5 **ACCELERATION AND REMEDIES**

5.1 Acceleration

Upon the occurrence of an Event of Default which is continuing all of the Loan Indebtedness shall, at the Grantee's option and without notice to the Grantor, become immediately due and payable and the Grantee may, in its sole, absolute and unfettered discretion, exercise its rights in respect of the Collateral (including the notification and collection of same from any of the Account Borrowers) in addition to all other rights and remedies afforded by applicable law, in equity or otherwise. The Grantee shall have the right to enforce one or more remedies successively or concurrently in accordance with applicable law and the Grantee expressly retains all rights and remedies not inconsistent

with the provisions in this General Security Agreement including all the rights it may have under the PPSA. The provisions of this clause do not and are not intended to affect in any way any rights of the Grantee with respect to any Loan Indebtedness which may now or hereafter be payable on demand.

5.2 Enforcement

Upon the occurrence of and during the continuance of an Event of Default, the security hereby constituted will, at the option of the Grantee, immediately become enforceable.

5.3 Grantee's Rights and Remedies

The Grantee may, upon the occurrence of any Event of Default which is continuing and to the extent permitted by applicable law, enforce and realize on the security constituted by this General Security Agreement and take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Grantee may do any of the following:

- (a) appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Grantee or not, to be a receiver or receivers, or may institute proceedings in any court of competent jurisdiction for the appointment of a receiver (hereinafter called a "**Receiver**", which term when used herein shall include a receiver or a manager or a receiver and manager) of the Collateral (including any interest, income or profits therefrom) and may remove any appointed Receiver and appoint a replacement. Any Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Grantor and not of the Grantee, and the Grantee shall not in any way be responsible for any misconduct, negligence, or non-feasance on the part of any Receiver, the Receiver's servants, agents or employees. Subject to the provisions of the instrument appointing him, any Receiver shall be vested with all or any of the rights, powers and discretions of the Grantee under this Section 5.3. Except as may be otherwise directed by the Grantee all monies received from time to time by the Receiver in carrying out its appointment shall be received in trust for and paid over to the Grantee for the benefit of the Grantee;
- (b) either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of Subsection 5.3(a);
- (c) immediately and without notice enter the Grantor's premises (including, without limitation, the Property) and repossess, disable or remove the Collateral, and whether in or out of possession of the Property, collect the Rents and profits which form part of the Collateral, from the Property;
- (d) take possession of the Collateral, to preserve the Collateral or its value, to retain and administer the Collateral in the Grantee's sole, absolute and unfettered discretion, which discretion the Grantor acknowledges is commercially reasonable;

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- (e) carry on or concur in carrying on all or any part of the business of the Grantor, including, without limitation, the right to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral. To facilitate the foregoing powers, the Grantee may, to the exclusion of all others, including the Grantor, enter upon, use and occupy all premises (which shall include fixtures) of the Grantor owned or occupied by the Grantor wherein Collateral may be situate, maintain Collateral upon the premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on the Grantor's business or as security for loans or advances to enable the Grantee to carry on the Grantor's business or otherwise, as the Grantee shall, in its discretion, determine. The Grantee shall not be liable to the Grantor for any neglect in so doing or in respect of any related rent, costs, charges, depreciation or damages;
- (f) dispose of any Collateral by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are waived by the Grantor to the extent permitted by applicable law. The Grantee may, to the extent permitted by applicable law, at its discretion, establish the terms of such disposition, including terms and conditions as to credit, upset, reserve bid or price. All payments made pursuant to such dispositions shall be credited against the Loan Indebtedness only as they are actually received. The Grantee may, to the extent permitted by applicable law, enter into, rescind or vary any contract for the disposition of any Collateral and may dispose of any Collateral again without being answerable for any related loss. Any such disposition may take place whether or not the Grantee has taken possession of the Collateral;
- (g) file proofs of claims or other documents as may be necessary or desirable to have the Grantee's claim lodged in any bankruptcy, winding-up, liquidation, arrangement, dissolution or other proceedings (voluntary or otherwise) relating to the Grantor;
- (h) in the Grantor's name, perform, at the Grantor's expense, any and all of the Grantor's obligations or covenants relating to the Collateral and enforce performance by any other parties of their obligations in relation to the Collateral and settle any disputes with other parties upon terms that the Grantee deems appropriate, in its discretion;
- (i) notify all or any Account Borrowers of the security constituted by this General Security Agreement and direct such Account Borrowers to make all payments to the Grantee and the Grantee shall have the right, at any time, to hold all amounts acquired from any Account Borrowers as part of the Collateral. Upon the occurrence of an Event of Default which is continuing, any payments received by the Grantor from any Account Borrowers shall be held by the Grantor in trust for the Grantee in the same medium in which received, shall not be commingled with any assets of the Grantor and shall, at the request of the Grantee, be turned over to the Grantee not later than the next Business Day following the day of receipt;
- (j) make payment of or cure any default under any Permitted Encumbrance or any Liens or other claims that may exist or be threatened against the Collateral, and any

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amount so paid together with costs, charges and expenses incurred together with interest at the Interest Rate shall be added to the Loan Indebtedness;

- (k) if the proceeds of realization are insufficient to pay all of the Loan Indebtedness, the Grantor shall forthwith pay or cause to be paid to the Grantee any deficiency and the Grantee may sue the Grantor to collect the amount of such deficiency;
- (l) subject to applicable law, seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Collateral in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Grantee advisable and without notice to the Grantor. The Grantee may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Collateral and may add all such sums to the Loan Indebtedness;
- (m) enforce its rights under any agreement, to which the Grantee and the Grantor are parties, with any Securities Intermediary or Futures Intermediary; or
- (n) exercise all of the rights and remedies of a secured party under the PPSA and the STA.

5.4 Allocation of proceeds

Subject to applicable law and the claims, if any, of the creditors of the Grantor under Prior Permitted Encumbrances, the Grantee shall apply the proceeds of any collection, sale or other realization of all or any part of the Collateral, including any Collateral consisting of cash, to such part or parts of the Loan Indebtedness as the Grantee may see fit, and the Grantee shall at all times and from time to time have the right to change any appropriation as the Grantee sees fit.

5.5 Waivers and Extensions

The Grantee may waive default or any breach by the Grantor of any of the provisions contained in this General Security Agreement. No waiver shall extend to a subsequent breach or default, whether or not the same as or similar to the breach or default waived and no act or omission of the Grantee shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default of the Grantor or the rights of the Grantee resulting therefrom. Any such waiver must be in writing and signed by the Grantee to be effective. The Grantee may also grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release the Collateral to third parties and otherwise deal with the Grantor's guarantors or sureties and others and with the Collateral and other securities as the Grantee may see fit without prejudice to the liability of the Grantor to the Grantee, or the Grantee's rights, remedies and powers under this General Security Agreement. No extension of time, forbearance, indulgence or other accommodation now, heretofore or hereafter given by the Grantee to the Grantor shall

operate as a waiver, alteration or amendment of the rights of the Grantee or otherwise preclude the Grantee from enforcing such rights.

5.6 Remedies Cumulative and Waivers

The rights and remedies of the Grantee under this General Security Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by applicable law or equity; and any single or partial exercise by the Grantee of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this General Security Agreement shall not be deemed to be a waiver of, or to alter, affect or prejudice, any other right or remedy to which the Grantee may be lawfully entitled for such default or breach. Any waiver by the Grantee of the strict observance, performance or compliance with any term, covenant, condition or other matter contained in this General Security Agreement and any indulgence granted, either expressly or by course of conduct by the Grantee shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any right or remedy of the Grantee under this General Security Agreement as a result of any other default or breach under this General Security Agreement.

5.7 Grantee's Fees and Expenses; Indemnification

Any costs, charges and expenses (including legal fees and disbursements on an indemnity basis) incurred by the Grantee acting reasonably and without duplication, in connection with or incidental to:

- (a) the exercise by the Grantee of all or any of the powers granted to it pursuant to this General Security Agreement, the Mortgage or pursuant to applicable law or equity; and
- (b) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to the Receiver pursuant to this General Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;

shall be payable by the Grantor to the Grantee forthwith with interest until paid at the Interest Rate and such amounts shall form part of the Loan Indebtedness and constitute a charge upon the Collateral in favour of the Grantee prior to all claims subsequent to this General Security Agreement.

ARTICLE 6 APPOINTMENT OF ATTORNEY

6.1 Grant

The Grantor hereby irrevocably appoints the Grantee to be the attorney of the Grantor or the Receiver, as the case may be, with full power of substitution, and with full authority in the place of the Grantor and in the name of the Grantor or otherwise, from time to time in the Grantee's discretion, to do all acts, matters and things that may be necessary for,

incidental to, or advisable for, carrying out the powers given to the Grantee under this General Security Agreement, upon the occurrence of any Event of Default which is continuing (but the Grantee is not obligated to take such action and will have no liability to the Grantor or any third party for failure to take any action). This power of attorney is coupled with an interest and is irrevocable until the discharge of the Security Interests created by this General Security Agreement.

ARTICLE 7
LIABILITY OF THE MORTGAGEE

7.1 Liability of the Grantee

Other than for its own gross negligence or wilful misconduct, the Grantee shall not be:

- (a) responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Grantee shall manage the Collateral upon entry or manage the business of the Grantor, as herein provided, nor shall the Grantee be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss or realization or for any default or omission for which a mortgagee in possession may be liable;
- (b) bound to do, observe or perform or to see to the observance or performance by the Grantor of any obligations or covenants imposed upon the Grantor nor shall the Grantee, in the case of Securities, Instruments or Chattel Paper, be obliged to reserve rights against other persons, nor shall the Grantee be obliged to keep any of the Collateral identifiable; and
- (c) obliged to inquire into the right of any Person purporting to be entitled under the PPSA to information and materials from the Grantee by making a demand upon the Grantee for such information and materials and the Grantee shall be entitled to comply with such demand and shall not be liable for having complied with such demand notwithstanding that such Person may in fact not be entitled to make such demand.

7.2 Indemnity by Grantor

The Grantor will indemnify the Grantee and hold the Grantee harmless from and against any and all claims, costs, losses, demands, actions, causes of action, lawsuits, damages, penalties, judgments and liabilities of whatsoever nature and kind in connection with or arising out of any representation or warranty given by the Grantor, being untrue, the breach of any term, condition, proviso, agreement or covenant to the Grantee hereunder, or the exercise of any of the rights and or remedies of the Grantee hereunder, or any transaction contemplated in this General Security Agreement.

ARTICLE 8
SATISFACTION AND DISCHARGE

8.1 Partial Payment

Any partial payment of the Loan Indebtedness or partial satisfaction of the Loan Obligations, or any ceasing by the Grantor to be indebted to the Grantee, shall be deemed not to be redemption or discharge of the security constituted by this General Security Agreement.

8.2 Release and Discharge

Upon registration of a discharge of the Mortgage, this General Security Agreement shall become of no force or effect. At such time as the Mortgage has been discharged, the Grantee will, upon the request of the Grantor, and at the sole cost and expense of the Grantor, execute and deliver to the Grantor such instruments as may be necessary or effective, in registrable form, to evidence the termination of the Security Interests pursuant to this General Security Agreement.

ARTICLE 9
MISCELLANEOUS

9.1 Demand Obligations

The fact that this General Security Agreement provides for Events of Default and rights of acceleration shall not derogate from the nature of any Loan Indebtedness which is payable on demand.

9.2 Filings

The Grantor hereby authorizes the Grantee to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying the Collateral or any Permitted Encumbrances affecting the Collateral or identifying the locations at which the Grantor's business is carried on and the Collateral and records relating thereto are situate) as the Grantee may deem appropriate to perfect and continue the security constituted hereby, to protect and preserve the Collateral and to realize upon the security constituted hereby.

9.3 Liability to Advance

None of the preparation, execution, perfection and registration of this General Security Agreement or the advance of any monies shall bind the Grantee to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of the Grantor to the Grantee or extend any term for performance or satisfaction of any obligation of the Grantor to the Grantee.

9.4 Copy of Agreement and Financing Statement

The Grantor hereby:

- (a) acknowledges receiving a copy of this General Security Agreement; and
- (b) waives all rights to receive from the Grantee a copy of any financing statement, financing change statement or verification statement filed at any time or from time to time in respect of this General Security Agreement.

9.5 Statutory Waivers

To the fullest extent permitted by law, the Grantor waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the powers, rights or remedies of the Grantee or upon the methods of realization of security including, without limitation, those which impose higher or greater obligations upon the Grantee than provided in this General Security Agreement.

9.6 Payments

All payments required to be made by the Grantor to the Grantee under this General Security Agreement will be made at the address of the Grantee set out in Section 9.13 (or at any other place specified by the Grantee by written notice to the Grantor and the Covenantors) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

9.7 Modification

No modification or waiver of this General Security Agreement is binding on the Grantee unless made in writing and signed by a duly authorized officer of the Grantee

9.8 Entire Agreement

On the execution and delivery by the Grantor, this General Security Agreement is deemed to be finally executed and delivered by the Grantor to the Grantee and is not subject to or affected by any condition as to the receipt by the Grantee of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Grantee of any other Loan Documents, nor by any promise or condition affecting the liability of the Grantor. No agreement, promise, representation or statement by the Grantee or any of its officers, employees or agents unless in this General Security Agreement forms part of this General Security Agreement, has induced the making of it or affects the liability of the Grantor or any Covenantor.

9.9 Severability

If any Section or part thereof of this General Security Agreement is invalid or unenforceable for any reason, then such Section or any part thereof will be severable from

this General Security Agreement and will not affect the validity or enforceability of any other part of this General Security Agreement.

9.10 Non-Merger

The giving of this General Security Agreement is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage, or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this General Security Agreement, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Grantee.

9.11 Paramountcy

The provisions of any agreement between the Grantor and the Grantee in connection with the Loan Indebtedness, including but not limited to any loan application in respect thereof, the Mortgage, and all of the other Loan Documents, shall form part of this General Security Agreement except where inconsistent with the provisions hereof. In the case of any inconsistency between this General Security Agreement and the Mortgage, the provisions of the Mortgage shall prevail.

9.12 Assignability

The Grantor hereby consents to the Grantee assigning, transferring or selling all or any portion of its interest under this General Security Agreement in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Grantee may enter into participation, contending or syndication agreements with other Grantees in connection with this General Security Agreement, the Loan Indebtedness and the Loan Obligations. The Grantee may provide information of a financial or other nature to any prospective assignee, or transferee or other Grantees concerning the Grantor, this General Security Agreement, the Loan Indebtedness and the Loan Obligations.

9.13 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this General Security Agreement shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party, transmitted by e-mail or similar means of recorded electronic communication or sent by registered mail, addressed:

(a) to the Grantor:

1944 Fowler Drive
Mississauga, Ontario
L5K 0A1

- 23 -

Attention: John Vandyk
Email: jvandyk@vandyk.com
Facsimile: 905-823-4014

with a copy to the Grantor's solicitors at

Schneider Ruggiero Spencer Milburn LLP
120 Adelaide Street West, Suite 1000
Toronto, Ontario
M5H 3V1

Attention: Bruce Milburn
Email: bmilburn@srlawpractice.com
Facsimile: 416-363-0645

(b) to the Grantee:

Scotia Plaza
40 King Street West, Suite 3700
Toronto, Ontario
M5H 3Y2

Attention: Scott Coates
Email: SCoates@kingsettcapital.com
Facsimile: 416-687-6701

with a copy to the Servicer at:

41 Scarsdale Road, Unit 6
Toronto, Ontario
M3B 2R2

Attention: Judy Wong
Email: JWong@DorrCapital.com

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered personally or by courier or transmitted by electronic or digital transmission (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3rd) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

9.14 Expenses, Fees and Indemnity

The Grantor will pay to the Grantee all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Grantee in connection with the collection of any amount payable under this General Security Agreement by the Grantor to the Grantee. The Grantor shall indemnify the Grantee against all claims, loss or damages arising out of or in connection with any breach or default by the Grantor under this General Security Agreement.

9.15 Applicable Law

This General Security Agreement and the rights and obligations of the Grantor and the Grantee under it are governed by and construed according to the laws of the Province and the laws of Canada applicable therein.

9.16 Time of the Essence

Time is of the essence of this General Security Agreement.

9.17 Execution by the Grantee

This General Security Agreement need not be executed by the Grantee to be binding on and to enure to the benefit of the Grantee.

9.18 Counterparts

This General Security Agreement may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this General Security Agreement to produce or account for more than one such counterpart. Transmission of executed or electronically executed copies of this General Security Agreement whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.

9.19 Further Assurances

The Grantor will promptly do all further acts and execute and deliver further documents as may be required to carry out the terms or intent of this General Security Agreement.

9.20 Successors and Assigns

This General Security Agreement is binding on and enures to the benefit of the Grantee and the Grantor, and their respective executors, administrators, successors and permitted assigns and to any Person to whom the Grantee may grant any participation in this General Security Agreement, the Loan Indebtedness or any of the Loan Obligations or any power,

remedy or right of the Grantee under this General Security Agreement or any of the Grantee's interest herein or in the Loan Indebtedness and the Loan Obligations.

9.21 Multiple Parties

If the Grantor consists of more than one party, this General Security Agreement will be read with all necessary grammatical changes and each reference to the Grantor includes each and every such Person individually. All covenants and agreements herein of the Grantor are the joint and several covenants and agreements of each such Person. If the Grantee consists of more than one party, this General Security Agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Grantee under this General Security Agreement.

-- signatures follow on next page --

IN WITNESS WHEREOF the Grantor has executed this General Security Agreement as of the date and year first written above.

VANDYK-UPTOWNS LIMITED

Per: DocuSigned by:
Richard ma

Name:
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

2366885 ONTARIO INC.

Per: DocuSigned by:
Richard ma

Name:
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

TAB I

THIS IS **EXHIBIT "I"** REFERRED TO IN THE AFFIDAVIT
OF DANIEL POLLACK, SWORN BEFORE ME
THIS 7TH DAY OF NOVEMBER, 2023.

Joshua Foster

Joshua Foster

A Commissioner for taking Affidavits
(or as may be)

LAND
REGISTRY
OFFICE #43

14227-1262 (LT)

PAGE 1 OF 2
PREPARED FOR katherine01
ON 2023/11/06 AT 10:34:19

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

PROPERTY DESCRIPTION: PT LT 11 CON 2 EHS CHING DES PTS 1, 2 PL 43R-31192; T/W ROW OVER PT LT 11 CON 2 EHS CHING, PTS 1, 2, 3, 4, 5 PL 43R-31098, AS IN PR1167589; SUBJECT TO AN EASEMENT AS IN PR4122243; CITY OF BRAMPTON

PROPERTY REMARKS: PLANNING ACT CONSENT ATTACHED TO PR1194198.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 14227-1260

PIN CREATION DATE:
2007/01/08

OWNERS' NAMES
VANDYK - HEART LAKE LIMITED

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1996/05/07 **						
43R31192	2006/12/06	PLAN REFERENCE				C
43R34515	2012/04/03	PLAN REFERENCE				C
PR2640781	2014/12/01	TRANSFER	\$2,687,500	JORDON ENTERPRISES INC.	2366885 ONTARIO INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
PR3886587	2021/08/09	APL CH NAME OWNER		2366885 ONTARIO INC.	VANDYK - HEARTLAKE LIMITED	C
PR3987858	2022/02/01	APL CH NAME OWNER		VANDYK - HEARTLAKE LIMITED	2366885 ONTARIO INC.	C
PR4070552	2022/06/16	CHARGE	\$68,750,000	VANDYK-UPTOWNS LIMITED 2366885 ONTARIO INC.	KINGSETT MORTGAGE CORPORATION	C
PR4070553	2022/06/16	NO ASSGN RENT GEN		VANDYK-UPTOWNS LIMITED 2366885 ONTARIO INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: PR4070552.						

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 #43

14227-1262 (LT)

PREPARED FOR katherine01
ON 2023/11/06 AT 10:34:19

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
PR4103246	2022/08/19	APL CH NAME OWNER		2366885 ONTARIO INC.	VANDYK - HEART LAKE LIMITED	C
PR4122243	2022/09/29	TRANSFER EASEMENT	\$2	VANDYK - HEARTLAKE LIMITED	ROGERS COMMUNICATIONS INC.	C
PR4241740	2023/08/25	APL (GENERAL)		J. LANG MANAGEMENT INC.		C
REMARKS: CERTIFICATE OF PENDING LITIGATION						

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.

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REGISTRY
OFFICE #43

14227-1264 (LT)

PAGE 1 OF 2
PREPARED FOR katherine01
ON 2023/11/06 AT 10:33:33

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

PROPERTY DESCRIPTION: PT LT 11 CON 2 EHS CHING AS IN CH21799, SAVE AND EXCEPT BL 696, PTS 1, 2, 3, 4, 5 PL 43R-31098, LYING NORTH EAST OF PT 1 PL 43R-31217 AND PTS 1, 2 PL 43R-31192; T/W ROW OVER PT LT 11 CON 2 EHS CHING, PTS 1, 2, 3, 4, 5 PL 43R-31098, AS IN PR1167589; SUBJECT TO AN EASEMENT AS IN PR4122243; CITY OF BRAMPTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 14227-1260

PIN CREATION DATE:
2007/01/08

OWNERS' NAMES
VANDYK - HEART LAKE LIMITED

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1996/05/07 **						
43R26015	2002/02/07	PLAN REFERENCE				C
43R29542	2004/10/18	PLAN REFERENCE				C
43R31192	2006/12/06	PLAN REFERENCE				C
43R31217	2006/12/18	PLAN REFERENCE				C
43R31350	2007/02/21	PLAN REFERENCE				C
43R34515	2012/04/03	PLAN REFERENCE				C
PR2640781	2014/12/01	TRANSFER	\$2,687,500	JORDON ENTERPRISES INC.	2366885 ONTARIO INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
PR3886587	2021/08/09	APL CH NAME OWNER		2366885 ONTARIO INC.	VANDYK - HEARTLAKE LIMITED	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.

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OFFICE #43

14227-1264 (LT)

PREPARED FOR katherine01
ON 2023/11/06 AT 10:33:33

* 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
43R40196	2022/01/19	PLAN REFERENCE				C
PR3987858	2022/02/01	APL CH NAME OWNER		VANDYK - HEARTLAKE LIMITED	2366885 ONTARIO INC.	C
PR4070552	2022/06/16	CHARGE	\$68,750,000	VANDYK-UPTOWNS LIMITED 2366885 ONTARIO INC.	KINGSETT MORTGAGE CORPORATION	C
PR4070553	2022/06/16	NO ASSGN RENT GEN		VANDYK-UPTOWNS LIMITED 2366885 ONTARIO INC.	KINGSETT MORTGAGE CORPORATION	C
		<i>REMARKS: PR4070552.</i>				
PR4101978	2022/08/17	CERTIFICATE		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF THE ENVIRONMENT, CONSERVATION AND PARKS		C
		<i>REMARKS: CERTIFICATE OF REQUIREMENT S.197(2) ENVIRONMENTAL PROTECTION ACT. PART LOT 11 CONCESSION 2 EHS CHING AS IN CH21799, EXCEPT BLOCK 696, PARTS 1, 2, 3, 4 AND 5 PLAN 43R31098, LYING NORTH EAST OF PART 1 PLAN 43R31217, PARTS 1 AND 2, PLAN 43R31192 AND EXCEPT PART 2, PLAN 43R34515.</i>				
PR4103246	2022/08/19	APL CH NAME OWNER		2366885 ONTARIO INC.	VANDYK - HEART LAKE LIMITED	C
PR4122243	2022/09/29	TRANSFER EASEMENT	\$2	VANDYK - HEARTLAKE LIMITED	ROGERS COMMUNICATIONS INC.	C
PR4241740	2023/08/25	APL (GENERAL)		J. LANG MANAGEMENT INC.		C
		<i>REMARKS: CERTIFICATE OF PENDING LITIGATION</i>				

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REGISTRY
OFFICE #43

14227-1266 (LT)

PAGE 1 OF 2
PREPARED FOR katherine01
ON 2023/11/06 AT 10:22:03

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

PROPERTY DESCRIPTION: PT LT 11 CON 2 EHS CHING, PT 1 PL 43R-19750, SAVE AND EXCEPT PT 7 PL 43R-31217; SUBJECT TO AN EASEMENT AS IN PR4122243; CITY OF BRAMPTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 14227-0830

PIN CREATION DATE:
2007/01/24

OWNERS' NAMES
VANDYK - HEART LAKE LIMITED

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
FAD92025	1993/03/25	APL FIRST REGN			JORDON ENTERPRISES INC. JURAGEL SHOPPING CENTRE LIMITED TANBURN ENTERPRISES LIMITED PAULHEALTH INVESTMENTS LIMITED GIDDENS, FRANCES	C
43R19750	1993/03/25	PLAN REFERENCE				C
43R26015	2002/02/07	PLAN REFERENCE				C
43R29542	2004/10/18	PLAN REFERENCE				C
43R31217	2006/12/18	PLAN REFERENCE				C
43R31350	2007/02/21	PLAN REFERENCE				C
43R34515	2012/04/03	PLAN REFERENCE				C
PR2640780	2014/12/01	TRANSFER	\$8,062,500	JORDON ENTERPRISES INC. GIDDENS, FRANCES JURAGEL SHOPPING CENTRE LIMITED PAULHEATH INVESTMENTS LIMITED TANBURN ENTERPRISES LIMITED	2366885 ONTARIO INC.	C
<i>REMARKS: PLANNING ACT STATEMENTS.</i>						
PR3886587	2021/08/09	APL CH NAME OWNER		2366885 ONTARIO INC.	VANDYK - HEARTLAKE LIMITED	C
43R40196	2022/01/19	PLAN REFERENCE				C
PR3987858	2022/02/01	APL CH NAME OWNER		VANDYK - HEARTLAKE LIMITED	2366885 ONTARIO INC.	C
PR4070552	2022/06/16	CHARGE	\$68,750,000	VANDYK-UPTOWNS LIMITED	KINGSETT MORTGAGE CORPORATION	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.

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REGISTRY
OFFICE #43

14227-1266 (LT)

PREPARED FOR katherine01
ON 2023/11/06 AT 10:22:03

* 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
PR4070553	2022/06/16	NO ASSGN RENT GEN		2366885 ONTARIO INC. VANDYK-UPTOWNS LIMITED 2366885 ONTARIO INC.	KINGSETT MORTGAGE CORPORATION	C
		<i>REMARKS: PR4070552.</i>				
PR4101978	2022/08/17	CERTIFICATE		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF THE ENVIRONMENT, CONSERVATION AND PARKS		C
		<i>REMARKS: CERTIFICATE OF REQUIREMENT S.197(2) ENVIRONMENTAL PROTECTION ACT. PARTS 4 AND 5, PLAN 43R34515.</i>				
PR4103246	2022/08/19	APL CH NAME OWNER		2366885 ONTARIO INC.	VANDYK - HEART LAKE LIMITED	C
PR4122243	2022/09/29	TRANSFER EASEMENT	\$2	VANDYK - HEARTLAKE LIMITED	ROGERS COMMUNICATIONS INC.	C
PR4241740	2023/08/25	APL (GENERAL)		J. LANG MANAGEMENT INC.		C
		<i>REMARKS: CERTIFICATE OF PENDING LITIGATION</i>				

LAND
REGISTRY
OFFICE #43

14227-1291 (LT)

PAGE 1 OF 3
PREPARED FOR katherine01
ON 2023/11/06 AT 10:17:01

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

PROPERTY DESCRIPTION: PT LOT 12, CONCESSION 2, EHS DES PT 1, PL 43R33117; SUBJECT TO AN EASEMENT IN GROSS OVER PT 1, 43R35581 AS IN PR2508870; SUBJECT TO AN EASEMENT IN GROSS AS IN PR3253482; SUBJECT TO AN EASEMENT IN GROSS AS IN PR3770466; SUBJECT TO AN EASEMENT AS IN PR3853334; CITY OF BRAMPTON

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2010/01/07. CORRECTION: DOCUMENT 43R19226 ADDED TO 14227-1291 ON 2011/11/01 AT 10:09 BY COOPER, CLAIRE.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
RE-ENTRY FROM 14227-0825

PIN CREATION DATE:
2010/01/07

OWNERS' NAMES
VANDYK-UPTOWNS LIMITED

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**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. **						
43R19226	1992/05/25	PLAN REFERENCE				C
43R33117	2010/01/07	PLAN REFERENCE				C
43R35581	2013/10/29	PLAN REFERENCE				C
PR2508870	2014/03/11	TRANSFER EASEMENT	\$2	LINVEST PROPERTIES (HEART LAKE) LIMITED	THE CORPORATION OF THE CITY OF BRAMPTON	C
PR2841062	2015/12/17	TRANSFER	\$6,000,000	LINVEST PROPERTIES (HEART LAKE) LIMITED	2492090 ONTARIO INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
PR3141702	2017/06/08	APL CH NAME OWNER		2492090 ONTARIO INC.	VANDYK-UPTOWNS LIMITED	C
PR3253482	2017/12/13	TRANSFER EASEMENT	\$2	VANDYK-UPTOWNS LIMITED	ROGERS COMMUNICATIONS INC.	C
43R38090	2018/03/07	PLAN REFERENCE				C
PR3479210	2019/05/14	CHARGE	\$45,750,000	VANDYK-UPTOWNS LIMITED	TRISURA GUARANTEE INSURANCE COMPANY	C
PR3599910	2020/01/14	CHARGE	\$140,000,000	VANDYK-UPTOWNS LIMITED	MCAP FINANCIAL CORPORATION	C
PR3599911	2020/01/14	NO ASSGN RENT GEN		VANDYK-UPTOWNS LIMITED	MCAP FINANCIAL CORPORATION	C
REMARKS: PR3599910.						
PR3599918	2020/01/14	POSTPONEMENT		TRISURA GUARANTEE INSURANCE COMPANY	MCAP FINANCIAL CORPORATION	C
REMARKS: PR3479210 TO PR3599910						

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 #43

14227-1291 (LT)

PREPARED FOR katherine01
ON 2023/11/06 AT 10:17:01

* 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
PR3707305	2020/09/25	NOTICE <i>REMARKS: ENCROACHMENT AGREEMENT</i>	\$2	THE CORPORATION OF THE CITY OF BRAMPTON		C
PR3770466	2021/01/26	TRANSFER EASEMENT	\$2	VANDYK-UPTOWNS LIMITED	ALECTRA UTILITIES CORPORATION	C
PR3770468	2021/01/26	POSTPONEMENT <i>REMARKS: PR3479210 TO PR3770466</i>		TRISURA GUARANTEE INSURANCE COMPANY	ALECTRA UTILITIES CORPORATION	C
PR3770469	2021/01/26	POSTPONEMENT <i>REMARKS: PR3599910 TO PR3770466</i>		MCAP FINANCIAL CORPORATION	ALECTRA UTILITIES CORPORATION	C
PR3853334	2021/06/17	TRANSFER EASEMENT	\$2	VANDYK-UPTOWNS LIMITED	ENBRIDGE GAS INC.	C
PR4070552	2022/06/16	CHARGE	\$68,750,000	VANDYK-UPTOWNS LIMITED 2366885 ONTARIO INC.	KINGSETT MORTGAGE CORPORATION	C
PR4070553	2022/06/16	NO ASSGN RENT GEN <i>REMARKS: PR4070552.</i>		VANDYK-UPTOWNS LIMITED 2366885 ONTARIO INC.	KINGSETT MORTGAGE CORPORATION	C
PR4193469	2023/04/27	CHARGE	\$3,000,000	VANDYK-UPTOWNS LIMITED	O CANADA CAPITAL INC.	C
PR4199313	2023/05/12	POSTPONEMENT <i>REMARKS: PR4193469 TO PR3599910</i>		O CANADA CAPITAL INC.	MCAP FINANCIAL CORPORATION	C
PR4215228	2023/06/22	CONSTRUCTION LIEN	\$7,553,505	RONI EXCAVATING LIMITED		C
PR4218068	2023/06/29	CONSTRUCTION LIEN	\$227,186	ORIN ENTERPRISES INC.		C
PR4218516	2023/06/30	CONSTRUCTION LIEN	\$113,033	CONSOLIDATED SHOTCRETE INC.		C
PR4222989	2023/07/12	CONSTRUCTION LIEN	\$193,886	MYER SALIT LIMITED		C
PR4250629	2023/09/15	CERTIFICATE <i>REMARKS: PR4215228</i>		RONI EXCAVATING LIMITED		C
PR4252503	2023/09/21	CERTIFICATE <i>REMARKS: PR4218516</i>		CONSOLIDATED SHOTCRETE INC.		C
PR4252914	2023/09/21	CONSTRUCTION LIEN	\$503,873	VIOLA READY MIX INC.		C
PR4253490	2023/09/25	CONSTRUCTION LIEN	\$109,051	STEPHENSON'S RENTAL SERVICES INC.		C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #43

14227-1291 (LT)

PREPARED FOR katherine01
ON 2023/11/06 AT 10:17:01

* 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
PR4254809	2023/09/27	CONSTRUCTION LIEN	\$247,581	ORIN ENTERPRISES INC.		C
PR4254821	2023/09/27	CONSTRUCTION LIEN	\$466,683	ORIN ENTERPRISES INC.		C
PR4255036	2023/09/27	CERTIFICATE <i>REMARKS: PR4218068</i>		ORIN ENTERPRISES INC.		C
PR4258507	2023/10/05	CERTIFICATE		STEPHENSON'S RENTAL SERVICES INC.		C
PR4260740	2023/10/12	CERTIFICATE		MYER SALIT LIMITED		C
PR4269290	2023/11/02	CERTIFICATE		VIOLA READY MIX INC.		
PR4269846	2023/11/03	TRANSFER OF CHARGE <i>REMARKS: PR3599910.</i>		MCAP FINANCIAL CORPORATION	KINGSETT MORTGAGE CORPORATION	
PR4269847	2023/11/03	NO ASSGN RENT GEN		MCAP FINANCIAL CORPORATION	KINGSETT MORTGAGE CORPORATION	

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.

TAB J

THIS IS **EXHIBIT "J"** REFERRED TO IN THE AFFIDAVIT
OF DANIEL POLLACK, SWORN BEFORE ME
THIS 7TH DAY OF NOVEMBER, 2023.

Joshua Foster

Joshua Foster

A Commissioner for taking Affidavits
(or as may be)

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: Vandyk-Uptowns Limited

FILE CURRENCY: November 5, 2023

RESPONSE CONTAINS: APPROXIMATELY 3 FAMILIES and 7 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: Vandyk-Uptowns Limited

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 3 ENQUIRY PAGE : 1 OF 7

SEARCH : BD : VANDYK-UPTOWNS LIMITED

00 FILE NUMBER : 728510535 EXPIRY DATE : 08JUN 2027 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 002 MV SCHEDULE ATTACHED :
 REG NUM : 20170608 0927 1862 6423 REG TYP: P PPSA REG PERIOD: 10
 02 IND DOB : IND NAME:
 03 BUS NAME: VANDYK-UPTOWNS LIMITED
 OCN :
 04 ADDRESS : 1944 FOWLER DRIVE
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5K 0A1
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 TRISURA GUARANTEE INSURANCE COMPANY
 09 ADDRESS : 333 BAY STREET, SUITE 1610, BOX 22
 CITY : TORONTO PROV: ON POSTAL CODE: M5H 2R2
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X
 YEAR MAKE MODEL V.I.N.
 11
 12

GENERAL COLLATERAL DESCRIPTION

13 PURCHASERS' DEPOSITS AND MONIES PAID PURSUANT TO AGREEMENTS OF
 14 PURCHASE AND SALE AND INTEREST EARNED THEREON HELD IN ESCROW/TRUST
 15 PURSUANT TO A DEPOSIT TRUST AGREEMENT TOGETHER WITH ANY MONIES
 16 AGENT: SCHNEIDER RUGGIERO LLP (39342/BM)
 17 ADDRESS : 120 ADELAIDE STREET WEST, SUITE 1000
 CITY : TORONTO PROV: ON POSTAL CODE: M5H 3V1

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: Vandyk-Uptowns Limited

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 3 ENQUIRY PAGE : 2 OF 7

SEARCH : BD : VANDYK-UPTOWNS LIMITED

00 FILE NUMBER : 728510535 EXPIRY DATE : 08JUN 2027 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 002 MV SCHEDULE ATTACHED :
 REG NUM : 20170608 0927 1862 6423 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 :
 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 RETAINED IN ESCROW FROM SUCH DEPOSITS AND INTEREST AS SECURITY FOR
 14 ANY BOND OR OTHER SECURITY PROVIDED TO TARION WARRANTY CORPORATION,
 15 FOR A PROJECT LOCATED AT 10302 HEARTLAKE ROAD, BRAMPTON, ONTARIO.

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: Vandyk-Uptowns Limited

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 3 ENQUIRY PAGE : 3 OF 7

SEARCH : BD : VANDYK-UPTOWNS LIMITED

00 FILE NUMBER : 753720714 EXPIRY DATE : 25JUL 2024 STATUS :
 01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
 REG NUM : 20190725 1002 1462 7722 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: VANDYK-UPTOWNS LIMITED
 OCN : 002492090
 04 ADDRESS : 1944 FOWLER DRIVE
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5K0A1
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

MCAP FINANCIAL CORPORATION

09 ADDRESS : 200 KING STREET WEST, SUITE 400

CITY : TORONTO PROV: ON POSTAL CODE: M5H3T4
 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 ASSIGNMENT OF RENTS AND LEASES, GENERAL SECURITY AGREEMENT
 14 AND ASSIGNMENT OF CASH COLLATERAL RELATING TO THAT PROJECT KNOWN AS
 15 UPTOWNS BRAMPTON LOCATED AT 10302 HEART LAKE ROAD, BRAMPTON, ONTARIO
 16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CC - 9150-079)
 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: Vandyk-Uptowns Limited

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 3 ENQUIRY PAGE : 4 OF 7

SEARCH : BD : VANDYK-UPTOWNS LIMITED

FILE NUMBER 753720714

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 001 OF 1 MV SCHED: 20231103 1619 9234 0961

21 REFERENCE FILE NUMBER : 753720714

22 AMEND PAGE: NO PAGE: CHANGE: D ASSGNMT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: VANDYK - UPTOWNS LIMITED

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFeree:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

MCAP FINANCIAL CORPORATION

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

KINGSETT MORTGAGE CORPORATION

09 ADDRESS : 3700-40 KING STREET WEST, SCOTIA PLAZA

CITY : TORONTO PROV : ON POSTAL CODE : M5H 3Y2

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

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14

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16 NAME : BENNETT JONES LLP (VAN GENT/59445-120/OD)

17 ADDRESS : 3400-1 FIRST CANADIAN PLACE

CITY : TORONTO PROV : ON POSTAL CODE : M5X 1A4

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: Vandyk-Uptowns Limited

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 3 ENQUIRY PAGE : 5 OF 7

SEARCH : BD : VANDYK-UPTOWNS LIMITED

00 FILE NUMBER : 783544473 EXPIRY DATE : 01JUN 2027 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20220601 1206 9234 2983 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: VANDYK-UPTOWNS LIMITED
 OCN :
 04 ADDRESS : 1944 FOWLER DRIVE
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5K 0A1
 05 IND DOB : IND NAME:
 06 BUS NAME: 2366885 ONTARIO INC.
 OCN :
 07 ADDRESS : 1944 FOWLER DRIVE
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5K 0A1

08 SECURED PARTY/LIEN CLAIMANT :
 KINGSETT MORTGAGE CORPORATION
 09 ADDRESS : 3700-40 KING STREET WEST, SCOTIA PLAZA
 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 OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY
 14 LOCATED AT, RELATING TO, ARISING FROM OR USED IN CONNECTION WITH, OR
 15 WHICH IS NECESSARY TO THE USE AND OPERATION OF THE PROPERTIES
 16 AGENT: BENNETT JONES LLP (VAN GENT59445-93/OD)
 17 ADDRESS : 3400-1 FIRST CANADIAN PLACE
 CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A4

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: Vandyk-Uptowns Limited

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 3 ENQUIRY PAGE : 6 OF 7

SEARCH : BD : VANDYK-UPTOWNS LIMITED

00 FILE NUMBER : 783544473 EXPIRY DATE : 01JUN 2027 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20220601 1206 9234 2983 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 :
 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 MUNICIPALLY KNOWN AS 10302 HEART LAKE ROAD, BRAMPTON AND 10194 HEART
 14 LAKE ROAD, BRAMPTON AND ALL PROCEEDS THEREFROM.
 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: Vandyk-Uptowns Limited

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 3 OF 3 ENQUIRY PAGE : 7 OF 7

SEARCH : BD : VANDYK-UPTOWNS LIMITED

FILE NUMBER 783544473

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 001 OF 1 MV SCHED: 20221115 1710 9234 5468

21 REFERENCE FILE NUMBER : 783544473

22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: 2366885 ONTARIO INC.

25 OTHER CHANGE:

26 REASON: TO REFLECT THE DEBTOR NAME CHANGE FROM 2366885 ONTARIO INC. TO

27 /DESCR: VANDYK-HEARTLAKE LIMITED

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 :	DATE OF	NO FIXED
CONS.	MV		MATURITY OR	MAT DATE
GOODS	INVTRY	EQUIP	ACCTS	OTHER
INCL	AMOUNT			

10

11

12

13

14

15

16 NAME : BENNETT JONES LLP (O'GRADY/59445-93/OD)

17 ADDRESS : 3400-1 FIRST CANADIAN PLACE

CITY : TORONTO PROV : ON POSTAL CODE : M5X 1A4

LAST SCREEN

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

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: VANDYK - HEARTLAKE LIMITED

FILE CURRENCY: November 5, 2023

RESPONSE CONTAINS: APPROXIMATELY 2 FAMILIES and 4 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: VANDYK - HEARTLAKE LIMITED

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 4

SEARCH : BD : VANDYK - HEARTLAKE LIMITED

00 FILE NUMBER : 788308569 EXPIRY DATE : 08NOV 2027 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20221108 1614 1590 7574 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: VANDYK-HEARTLAKE LIMITED
 OCN :
 04 ADDRESS : 1944 FOWLER DRVIE
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5K 0A1
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 TARION WARRANTY CORPORATION
 09 ADDRESS : 5160 YONGE STREET
 CITY : NORTH YORK PROV: ON POSTAL CODE: M2N 6L9
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X
 YEAR MAKE MODEL V.I.N.
 11
 12

GENERAL COLLATERAL DESCRIPTION

13 PURCHASER DEPOSITS AND MONIES PAID PURSUANT TO AGREEMENTS OF PURCHASE
 14 AND SALE AND INTEREST EARNED THEREON AND HELD IN ESCROW/TRUST
 15 PURSUANT TO A DEPOSIT TRUST AGREEMENT FOR THE PROJECT LOCATED IN
 16 AGENT: SCHNEIDER RUGGIERO SPENCER MILBURN LLP
 17 ADDRESS : 1000-120 ADELAIDE STREET WEST
 CITY : TORONTO PROV: ON POSTAL CODE: M5H 3V1

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: VANDYK - HEARTLAKE LIMITED

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 2 ENQUIRY PAGE : 2 OF 4

SEARCH : BD : VANDYK - HEARTLAKE LIMITED

00 FILE NUMBER : 788308569 EXPIRY DATE : 08NOV 2027 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20221108 1614 1590 7574 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 :
 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 PHASE II AT 10194 HEART LAKE ROAD, BRAMPTON.
 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: VANDYK - HEARTLAKE LIMITED

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 2 ENQUIRY PAGE : 3 OF 4

SEARCH : BD : VANDYK - HEARTLAKE LIMITED

00 FILE NUMBER : 788308587 EXPIRY DATE : 08NOV 2027 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20221108 1615 1590 7575 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: VANDYK-HEARTLAKE LIMITED
 OCN :
 04 ADDRESS : 1944 FOWLER DRVIE
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5K 0A1
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 TARION WARRANTY CORPORATION
 09 ADDRESS : 5160 YONGE STREET
 CITY : NORTH YORK PROV: ON POSTAL CODE: M2N 6L9
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X
 YEAR MAKE MODEL V.I.N.
 11
 12

GENERAL COLLATERAL DESCRIPTION

13 PURCHASER DEPOSITS AND MONIES PAID PURSUANT TO AGREEMENTS OF PURCHASE
 14 AND SALE AND INTEREST EARNED THEREON AND HELD IN ESCROW/TRUST
 15 PURSUANT TO A DEPOSIT TRUST AGREEMENT FOR THE PROJECT LOCATED IN
 16 AGENT: SCHNEIDER RUGGIERO SPENCER MILBURN LLP
 17 ADDRESS : 1000-120 ADELAIDE STREET WEST
 CITY : TORONTO PROV: ON POSTAL CODE: M5H 3V1

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: VANDYK - HEARTLAKE LIMITED

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 2 ENQUIRY PAGE : 4 OF 4

SEARCH : BD : VANDYK - HEARTLAKE LIMITED

00 FILE NUMBER : 788308587 EXPIRY DATE : 08NOV 2027 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20221108 1615 1590 7575 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 :
 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 PHASE I AT 10194 HEART LAKE ROAD, BRAMPTON.
 14
 15
 16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:
 LAST SCREEN

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

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: 2366885 Ontario Inc.

FILE CURRENCY: November 5, 2023

RESPONSE CONTAINS: APPROXIMATELY 1 FAMILIES and 3 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: 2366885 Ontario Inc.

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 1 ENQUIRY PAGE : 1 OF 3

SEARCH : BD : 2366885 ONTARIO INC.

00 FILE NUMBER : 783544473 EXPIRY DATE : 01JUN 2027 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20220601 1206 9234 2983 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: VANDYK-UPTOWNS LIMITED
 OCN :
 04 ADDRESS : 1944 FOWLER DRIVE
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5K 0A1
 05 IND DOB : IND NAME:
 06 BUS NAME: 2366885 ONTARIO INC.
 OCN :
 07 ADDRESS : 1944 FOWLER DRIVE
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5K 0A1

08 SECURED PARTY/LIEN CLAIMANT :
 KINGSETT MORTGAGE CORPORATION
 09 ADDRESS : 3700-40 KING STREET WEST, SCOTIA PLAZA
 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 OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY
 14 LOCATED AT, RELATING TO, ARISING FROM OR USED IN CONNECTION WITH, OR
 15 WHICH IS NECESSARY TO THE USE AND OPERATION OF THE PROPERTIES
 16 AGENT: BENNETT JONES LLP (VAN GENT59445-93/OD)
 17 ADDRESS : 3400-1 FIRST CANADIAN PLACE
 CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A4

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: 2366885 Ontario Inc.

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 1 ENQUIRY PAGE : 2 OF 3

SEARCH : BD : 2366885 ONTARIO INC.

00 FILE NUMBER : 783544473 EXPIRY DATE : 01JUN 2027 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20220601 1206 9234 2983 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 :
 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 MUNICIPALLY KNOWN AS 10302 HEART LAKE ROAD, BRAMPTON AND 10194 HEART
 14 LAKE ROAD, BRAMPTON AND ALL PROCEEDS THEREFROM.

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: 2366885 Ontario Inc.

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 1 ENQUIRY PAGE : 3 OF 3

SEARCH : BD : 2366885 ONTARIO INC.

FILE NUMBER 783544473

PAGE	TOT	REGISTRATION NUM	REG TYPE
01	CAUTION :	001 OF 1	MV SCHED: 20221115 1710 9234 5468
21	REFERENCE FILE NUMBER : 783544473		
22	AMEND PAGE:	NO PAGE: X	CHANGE: A AMNDMNT REN YEARS: CORR PER:
23	REFERENCE DEBTOR/ IND NAME:		
24	TRANSFEROR: BUS NAME: 2366885 ONTARIO INC.		

25 OTHER CHANGE:

26 REASON: TO REFLECT THE DEBTOR NAME CHANGE FROM 2366885 ONTARIO INC. TO

27 /DESCR: VANDYK-HEARTLAKE LIMITED

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	INCL	AMOUNT	MATURITY OR MAT DATE

10

11

12

13

14

15

16 NAME : BENNETT JONES LLP (O'GRADY/59445-93/OD)

17 ADDRESS : 3400-1 FIRST CANADIAN PLACE

CITY : TORONTO PROV : ON POSTAL CODE : M5X 1A4

LAST SCREEN

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

**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

**VANDYK – UPTOWNS LIMITED, VANDYK – HEART LAKE
LIMITED, 2402871 ONTARIO INC., VANDYK – THE RAVINE
LIMITED AND VANDYK – LAKEVIEW-DXE-WEST LIMITED**

Applicants

Respondents

Court File No.: CV-23-00709180-00CL

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

Proceedings commenced in Toronto

**APPLICATION RECORD
Volume 1 of 5
(Returnable November 14, 2023)**

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Lawyers for the Applicants