

**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 2 of 5
(Returnable November 14, 2023)**

November 7, 2023

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TO: THE ATTACHED SERVICE LIST

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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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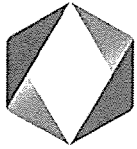
TAB K

THIS IS **EXHIBIT "K"** 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)



MCAP

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Suite 400
Toronto, ON M5H 3T4
Tel 416 598-2665

1 800 387-4405
www.mcap.com

June 25, 2019

Vandyk Group of Companies
1944 Fowler Drive,
Mississauga, ON,
L5K 0A1

ATTENTION: Mr. Richard Ma

RE: "Uptowns Brampton", L#:18-5898-T41/91, 345 stacked townhouse units, Brampton, ON.

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

Borrower Name: Vandyk – Uptowns Limited (the "**Borrower**")

Lender: MCAP (the "**Lender**")

Guarantor: The personal guarantee of John Vandyk in the amount of \$50,000,000 (the "**Guarantor**")

Project Description: "**Uptowns Brampton**": being a ~6.50 acre site located at 10302 Heart Lake Road, north of the intersection of Highway 410 and Bovaird Drive East, Brampton, ON. The Project will include 345 stacked townhouse units contained in 13 blocks and 383,203 SF (NSA). The 4 storey blocks will have a concrete superstructure with the first floor approximately 50% below grade and will sit on top of 1 level of underground parking containing 538 parking stalls. The unit mix is as follows:

Unit Type	Total Units	Avg \$/Unit	Avg. Size (sf.)	Avg. \$/sf.
1 Br.	50	\$ 332,050	572	\$ 580
2 Br.	198	\$ 542,818	1158	\$ 469
3 Br.	97	\$ 603,804	1291	\$ 468
Total	345	\$ 529,419	1111	\$ 477

("the **Project**")

Legal Description: TBD by the Lender's Solicitor

Loan Facility: Facility 1: \$107,000,000 1st Mortgage Non-Revolving Construction Loan

Facility 2: \$ 5,000,000 Letters of Credit

Collectively, Facilities 1 & 2 shall be defined as the "Loan Facility".

Purpose:

Facility 1: To provide a non-revolving construction facility to a maximum of \$107,000,000 to assist with the construction of the subject Project, inclusive of finance costs.

Facility 2: Letters of Credit to be issued in favour of various governmental authorities in support of the Borrower's obligations under regional and municipal subdivision agreements in respect to the subject Project.

Interest Rate:

Facility 1: The greater of Royal Bank Prime + 1.75% or 5.70% per annum

Facility 2: No interest shall accrue on this Facility until the Letters of Credit are drawn upon, in which case such draw amounts shall be converted to direct borrowings under Facility 1 with interest calculated and payable at the same rate as prescribed for Facility 1.

Interest on the Loan Facility shall be calculated daily and compounded and payable monthly not in advance based on the number of days that the loan is outstanding.

Term:

Facility 1:
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 Lender acknowledges that the repayment schedule proposed by the Borrower forecasts the repayment of any drawn amounts under Facility 1 including interest within 18 months of the first day of the month following the first advance of funds under Facility 1 ("**Maturity Date**"). Subject to there having been no default by the Borrower or the Guarantor during the original term of the loan, three extensions of up to 6 months each may be granted at the Lender's option subject to payment of the Extension Fee.

Facility 2
Automatic annual renewals until cancelled by the beneficiary(s).

Commitment Fees: \$1,070,000 Deemed earned upon acceptance and payable as follows:

- (a) \$70,000 Received as a Good Faith Deposit.
- (b) \$20,000 Upon acceptance of the Commitment Letter.
- (b)\$980,000 Payable upon the earlier of October 1st, 2019 or the 1st advance under Facility 1.

Notwithstanding the above, the Lender retains the right to defer the foregoing payment dates.

The Borrower acknowledges that these fees are a reasonable estimate of the Lender's cost incurred in sourcing, investigating, underwriting and preparing the Loan Facility and holding monies available to fund the Loan Facility and that said fee is still earned by the Lender if the Loan Facility is not advanced.

Letter of Credit Fee:

Facility 2:
1.75% per annum payable annually in advance, subject to a minimum fee of \$350 annually per LC.

Any amendments to a Letter of Credit will be subject to a minimum fee of \$500 per amendment.

Placement Fee:

\$107,000 Deemed earned upon acceptance of the Commitment Letter and payable upon the earlier of October 1st, 2019 or the 1st advance under Facility 1.

2.5 bps of future renewed or amended loan amounts payable to the Lender if arranged with the existing lending investor(s)

5 bps of future renewed or amended loan amounts payable to the Lender if arranged with a new lending investor(s)

Discharge Fee:

A discharge fee ("**Discharge Fee**") of \$500 per document shall be deemed earned by the Lender and payable by the Borrower prior to the delivery of any discharge until such time as the Loan Facility is fully repaid.

Administration Fee:

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

Extension Fee:

An extension fee of 0.33% of the authorized loan facility excluding Letters of Credit shall become due and payable for each 6 month extension period following the Maturity Date until full repayment.

Repayment:

Facility 1:

Interest on the Loan Facility shall accrue at the Interest Rate. Until the Interest Reserve of \$9,000,000 is fully utilized and prior to default, the Lender will capitalize interest accrued at the first day of each month. Such capitalized interest shall bear interest at the Interest Rate. The Lender reserves the right at its sole discretion to stop advancing from the Interest Reserve account in the event of construction delays, slower than projected sales performances, or cost overruns, in which event all monthly interest must be paid by the Borrower as billed by the Lender. Upon full utilization of the Interest Reserve, interest will be paid by way of pre-authorized debits to the Borrower's Project account.

Unit sale proceeds from the Project will be used to repay the Loan Facility. All outstanding principal, interest and other monies contemplated herein are due; (a) on demand, at the option of the Lender, in the Event of Default by the Borrower or Guarantor in observing and performing their respective obligations hereunder or under the Security and (b) upon the Maturity Date or any renewal thereof.

Partial Discharges:

Facility 1:

Provided there has been no default, the Lender will provide partial discharges in respect to each condominium unit upon payment to the Lender of 100% of Net Closing Proceeds including the Discharge Fee for the said condominium unit.

Net Closing Proceeds are defined as the gross sale price – inclusive of unit, locker, parking and closing adjustments – less taxes, less deposits utilized in the Project or received by the Lender, and less reasonable closing costs.

Facility 2:

Upon full repayment of all principal, interest and other amounts due under Facility 1, partial discharges shall be provided upon payment of 100% of Net

Closing Proceeds which shall be deposited with the Lender until such time as the outstanding Letters of Credit are fully cash secured.

Prepayment:

If not in default, the Borrower shall have the right upon 30 days written notice to the Lender to prepay the Loan Facility at any time subject to the Lender receiving all applicable fees as described herein and any accrued interest.

Prepayment from sales of individual units will be allowed without penalty.

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. Mortgage with a principal amount of \$140,000,000 granting a first fixed charge against the Project and an Assignment of Rents therefrom.
2. The personal guarantee of John Vandyk in the amount of \$50,000,000 plus interest and expenses and an assignment and postponement of claims by the Guarantor and all shareholders of the Borrower relating to any claims against the Borrower.
3. Joint and several covenants from the Borrower and Guarantor to fund any and all cost overruns in excess of the various components of the Project Budget as set out in the Financing Program as and when such overruns occur and prior to any further funding by the Lender. In addition, the Borrower and Guarantor covenant to continue construction and complete the Project once construction has begun, in accordance with the plans approved by the Lender.
4. General Security Agreement registered under the Personal Property Security Act of Ontario a first general assignment of:
 - Book Debts, Rents and Leases of the Borrower in respect to the Project.
 - Agreements of Purchase and Sale inclusive of Purchasers' Deposits which are to be injected into the Project to fund costs and/or held in accordance with the Condominium Act.
 - All present and after acquired personal property of the Borrower.
 - Construction, supply and consulting contracts related to the Project and specific acknowledged, assignments or acceptable tri-party agreements on those contracts specified by the Lender which may include, but not be limited to, the contracts with the Project architect, engineers, and marketing agents.
 - 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.
5. Hypothecation and Pledge of all the shares of the Borrower.
6. The Lender shall have received an acceptable insurance binder 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 Wrap Up Liability Insurance policy for the Project in an amount of not less than \$10,000,000 per occurrence. The Commercial General Wrap Up Liability Policy must reference the project and MCAP is to be added as

an additional insured.

Additionally, upon the commencement of construction, the Borrower shall maintain Builder's Risk Insurance, which is satisfactory to the Lender for at least \$92,500,000 which incorporates a standard mortgage clause and which names the Lender as first mortgagee and loss payee.

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

7. Indemnification Agreement in respect to any Letters of Credit issued pursuant to Facility 2. Any draws made under the said Letters of Credit shall be converted to direct borrowings under Facility 1.
8. In the event the Lender elects to hold on deposit the Borrower's cash (the "Cash Collateral Account") or term deposits, GICs or the like, from other financial institutions, to secure the Loan Facility generally or specifically the outstanding Letter of Credit exposure, a specific assignment or charge over the cash, term deposit, GIC, as the case may be, will be required.
9. First assignment of all condominium voting rights upon registration of the units in the Project, exercisable only in the Event of Default.
10. Deposit Insurer to provide a Letter of Undertaking confirming that the Deposit Insurer shall execute and deliver to the Lender, a free partial discharge of its Mortgage in respect of any condominium unit comprising part of the Project, together with its appurtenant common interests, on or before the final closing of the unit sale transaction between the Borrower and the purchaser of any such unit, with payments by the Borrower to Lender as described under the Partial Discharge Section. The Borrower shall be responsible for all legal costs required for the preparation of the requested discharge.
11. Postponement Agreement with an acceptable Deposit Insurer, regarding injection of purchaser deposit and security to be taken. It is acknowledged that the Deposit Insurer will require a first charge on purchaser deposits, however, any mortgage security will be fully postponed. In addition, the Deposit Insurer agrees to provide free partial discharges in respect to the units in the Project regardless of default. The said postponement shall also confirm that the Deposit Insurer will subordinate to all additional advances which may be required to fund any cost overruns over and above the authorized facilities.
12. Postponement and Standstill Agreement from HRJL Heart Lake GP Inc. relating to a \$25,000,000 charge secured by the Project in a form and content acceptable to the Lender confirming that they will postpone to any and all advances in respect to the Lender's loan facilities regardless of default. In addition, the said agreement is to confirm that HRJL Heart Lake GP Inc. agrees to provide free partial discharges in respect to the units in the Project regardless of default. The said agreement shall also confirm that HRJL Heart Lake GP Inc. will have the first right of refusal subsequent to the Borrower to fund all additional advances which may be required to fund any cost overruns over and above the authorize facilities. Should HRJL Heart Lake GP Inc. decline

their first right of refusal, they will subordinate to all additional advances which may be required to fund any cost overruns over and above the authorized facilities.

13. Negative Pledge by Borrower and Guarantor to not repay any shareholder loans, redeem shares, pay out dividends or increase compensation to principals of Borrower or Guarantor until the Loan Facility has been fully repaid.
14. The Borrower is to provide a satisfactory environmental indemnification agreement in the Lender's prescribed form.
15. Such other and further security and documentation as may be required by the Lender or its counsel to complete and perfect the Security.

Funding Conditions:

No funds will be advanced until the Lender has received and approved or waived the following, all in form and substance satisfactory to the Lender and its legal counsel:

1. Satisfactory confirmation that the Project lands are zoned (with no hold provisions) for the uses described herein with water and sewer allocation and receipt of a shoring and excavation permit prior to the initial advance, with further staged building permits to be provided in accordance with the recommendation of the Cost Consultant.
2. Receipt and satisfactory review of the Siting Plan approved by the OMB.
3. The Borrower shall have provided evidence in sufficient detail, satisfactory to the Lender and verified by the Lender's Cost Consultant, that the total costs for the Project, including land, hard and soft costs and interest during the construction and the sell out period shall not exceed \$150,045,000 excluding HST and Mezzanine Financing costs as detailed under the Financing Program. In addition, the Lender's Cost Consultant is to confirm the reasonableness of Deferred Costs of \$2,440,250 as per the Financing Program.
4. The Lender's Cost Consultant is to confirm a minimum of 65% of the project hard costs are fixed by way of executed contracts and/or firm quotes with trades/suppliers prior to the initial advance with 70% of project hard costs are to be fixed by way of executed contracts and/or firm quotes with trades/suppliers within 120 days of the initial advance. Without limiting the foregoing, fixed price contracts are to be in place for the excavation, forming concrete work, electrical, plumbing, HVAC, windows and any contract greater than \$3,000,000.
5. The Borrower shall have delivered to the Lender for approval and to the Lender's Cost Consultant for its inspection and comment copies of all final plans and specifications upon which the construction costs are based. The Borrower shall also provide to the Lender, at the earliest possible date, for approval by the Lender, copies of site plans, Project floor plans, and any market survey materials relating to the Project that were not provided prior to the issuance of this Commitment.

6. The Borrower will not make any single change in excess of \$1,000,000 or any changes cumulatively in excess of \$2,000,000 in the plans and specifications for the Project or the contracts for the construction of the Project, or in the terms of any agreements prejudicially affecting the security of the Lender, without the prior written consent of the Lender.
7. The Lender and its cost consultant are to receive satisfactory confirmation that the Borrower has injected \$11,000,000 of land equity into the Project, which shall remain invested until such time as the Lender has been fully repaid all principal and interest.
8. A soils test report (load bearing capacity) 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 and its Cost Consultant 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 soils test report must be accompanied by the Form of Reliance Certificate (attached to the Commitment Letter as Schedule "E") from the consultant to the Lender and shall confirm that the Lender and its assigns can rely upon such report for lending purposes.
9. The Borrower will obtain at its own expense an environmental audit, from a firm approved by the Lender confirming that in their professional opinion there is no evidence that the site or any structures thereon are contaminated by any environmental hazards and recommending that no further action need be taken or will provide evidence of a remediation plan that will leave the site environmentally acceptable to the relevant Provincial and Federal Agencies and further evidence that said remediation plan is being performed, as budgeted for in the approved Budget and has been formally approved by the Ontario Ministry of the Environment. Such environmental audit must be accompanied by the Form of Reliance Certificate (attached to the Commitment Letter as Schedule "E") from the consultant to the Lender and shall confirm that the Lender and its assigns can rely upon such report for lending purposes.
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 a survey of the Project by an Ontario licensed land surveyor, indicating no encroachments, easements or rights of way, save those which the Lender may specifically accept and showing the relationship of the lands to public thoroughfares for access purposes.
12. The Lender shall have received from an AACI approved appraiser a satisfactory appraisal of the Project confirming a fair market land value of \$17,000,000 on an "as is where is" basis and an "as completed" value of \$169,015,238 (net of HST). Such appraisal report

must be accompanied by the Form of Reliance Certificate (attached to the Commitment Letter as Schedule "E") from the appraiser to the Lender and shall confirm that the Lender and its assigns can rely upon such appraisal for lending purposes.

13. The Borrower and the Project shall be fully registered with Tarion with all proposed residential units having an assigned registration number, all to the satisfaction of the Lender.
14. Receipt and satisfactory review by the Lender and its counsel of all Condominium Disclosure Documents, Parking Agreements, Reciprocal Agreements, sales and rental disclosure statements and standard form Agreements of Purchase and Sale relating to the Project.
15. Confirmation of +/- 293 presales generating \$150,565,070 in gross revenue including HST, parking and locker (\$121,073,199 net of HST, Commissions and Deposits).

Contracted purchaser deposits prior to occupancy is to total no less than \$16,604,750 (of which no less than \$12,600,000 is to be received prior to funding) with the following deposit structure for each unit (save and except for approved non-qualifying sales):

- +/- 249 presold units are to provide contracted purchaser deposits prior to occupancy of no less than 10%, of which no less than 5% has been received prior to funding, or as per deposit staging requirements, whichever is greater.
- +/- 39 presold units are to provide contracted purchaser deposits prior to occupancy of 9%, of which no less than 5% has been received prior to funding, or as per deposit staging requirements, whichever is greater.

In addition, satisfactory receipt and review of mortgage pre-approvals, or satisfactory evidence of purchaser's ability to close, for not less than 75% of the presales in place, (i.e. up to 25% of the approved presales may be comprised of sales where the purchaser has not provided such information).

"Presale" means the sale of units where the Borrower has entered into a binding unconditional (except for typical closing conditions) agreement of purchase and sale with a bona fide arm's length purchaser where:

- a) The Borrower has provided a copy of the executed purchase and sale agreement with all schedules and amendments to the Lender;
- b) The purchaser has provided evidence of approval for mortgage financing or has otherwise demonstrated his/her ability to close as required herein however, up to 25% of the approved presales may be comprised of sales where the purchaser has not provided such information;
- c) The purchase and sale agreement provides for a minimum non-refundable cash deposit of not less than 9% without including any deposits receivable on unit occupancy of the agreed upon purchase price;

- d) All deposits have been received by the Borrower or are held in trust by a lawyer in accordance with the purchase and sale agreement.

Note: The Lender will permit no more than 20 non-qualifying sales as contingency for the following:

- Multi-unit purchasers;
 - Contracted or received deposit requirements less than required as per above; and
 - Non-arm's length sales
16. Receipt and satisfactory review of the Agreement of Purchase and Sale with respect to the original acquisition of the Project lands (and any subsequent amendments or side letters related thereto).
17. Receipt and satisfactory review of a personal net worth and/or financial statement(s) from the Borrower and each of the Guarantors on MCAP's Standard Form, duly signed and witnessed (attached to the Commitment Letter as Schedule "D"). In addition the Lender is to receive satisfactory credit reports for the Borrower and Guarantor, both prior to the initial advance and at any time thereafter, as required by the Lender, until the Loan Facility is fully repaid.
18. Receipt and satisfactory review of consolidated FY2018 financials of Vandyk Group of Companies.
19. The Lender acknowledges that the Borrower will be arranging a subordinate mortgage on the Project in an amount not to exceed \$25,000,000 (of which \$13,000,000 is to be allocated to the subject Project) and will permit same provided the said mortgagee executes an appropriate priority agreement, acceptable in form and content to the Lender and its legal counsel and all terms and conditions of the subordinate mortgage and related security have been reviewed and approved by the Lender and its legal counsel. Partial discharges of the subordinate mortgage and related security, will be required to be delivered to the Lender prior to the first advance of the Loan Facility, with authority to complete and register as necessary, regardless of default thereunder, and without payment to the subordinate chargeholder, until the Lender is fully repaid.
20. Receipt and satisfactory review of a letter from HRJL Heart Lake GP Inc. confirming the subordinate mortgage registered against the Project in the amount of \$25,000,000 is allocated as follows:
- Vandyk Uptowns Project (Phase 1) - \$13,000,000
Vandyk Uptowns Project (Phase 2) - \$12,000,000
21. Receipt and satisfactory review of any cost sharing agreements related to the subject Project, by the Lender, its cost consultant and legal counsel. In addition, the Lender's cost consultant is to confirm that any cost sharing obligations are included in the Project budget.
22. Receipt and satisfactory review of a commitment from a satisfactory Deposit Insurer permitting the release of deposits to fund project costs. Staged deposit releases will be permitted by MCAP. In addition,

- confirmation from the Deposit Insurance Company that total insured deposits to be released to be not less than \$16,604,750 (any shortfall will result in a dollar for dollar injection of Borrower's cash equity).
23. Receipt and satisfactory review of completed Identification Verification and Attestation Form as required under Federal Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations. In addition, the Lender will require satisfactory confirmation and verification of the sources of Borrower's cash equity.
 24. Prior to advancing any funds related to above grade work, confirmation that the Project lands are Site Plan Approved and the conditions of Site Plan Approval must be satisfactory to the Lender or receipt of conditional above grade building permits on a block by block basis to the Lender's satisfaction.
 25. Prior to advancing any funds related to above grade work, satisfactory confirmation that Record of Site Condition has been filed with the Ministry of the Environment for the entire site or the portion of the site related to the funds requested.
 26. The Lender to perform a satisfactory site inspection prior to the initial advance.
 27. Satisfactory confirmation the \$13,000,000 in HRJL Heart Lake GP Inc. Mezzanine financing has been injected into the Project.
 28. Satisfactory Inter-Lender and Servicing Agreements.
 29. Satisfactory review of J Lang as a subordinate mezzanine lender in the transaction including but not limited to negative media searches.
 30. The Borrower is to open an account with Meridian Credit Union.
 31. Other conditions precedent to the advance as may be required by the Lender acting reasonably and in good faith.

Availability:

The first advance of funds provided for herein shall be advanced no later than 90 days from the date of this Commitment.

In the event that the first advance of funds is not made for any reason whatsoever on or before that date, at the option of the Lender, its obligations under this Commitment shall cease and it shall be released of any present or further obligations. Notwithstanding the foregoing, the Borrower and Guarantor shall remain liable for any outstanding fees and costs as set out herein.

1. Progress draws to a maximum of \$107,000,000 on a cost-to-complete basis for work-in-place less Borrower's equity in the amount of \$11,000,000, mezzanine financing in the amount of \$13,000,000 (principal only), deferred costs incurred of up to \$2,440,250, staged purchaser deposits utilized in the Project of \$16,604,750, and applicable lien holdback, based on Project Monitor's recommendation and title search confirming absence of liens.

All advances to complete the Project shall be funded on a cost to

- complete basis supported by satisfactory inspection certificates, and in amounts not less than \$100,000 and not more frequently than once per month.
2. All requests for advances shall be in writing including the following, each in a form and substance satisfactory to, and subject to inspection by the Lender;
 - (i) Details of costs in place and references to the Budget.
 - (ii) Certificate from the Lender's Cost Consultant indicating:
 - (a) Cost of work in place;
 - (b) That the work to date is in accordance with the plans and specifications previously submitted to the Lender;
 - (c) Interest, the amount of holdbacks and cost to complete; and
 - (d) Estimated completion date.
 - (iii) Report from the Lender's legal counsel showing clear title.
 3. Accumulated advances shall at no time exceed the cost of work in place less Borrower's Equity of \$11,000,000, deposits utilized in the Project, mezzanine financing of \$13,000,000 (principal only), deferred costs incurred up to \$2,440,250 and holdbacks as required under applicable provincial lien legislation. In addition, the cost to complete net of deferred costs and deposits to be received shall at no time exceed the unadvanced portion of funds under the Facility.
 4. The Lender reserves the right in its sole discretion, to make progress advances directly to the subtrades and/or suppliers, if the Borrower is in default or if advances are being diverted from the Project. For each advance, the Borrower shall sign a Statutory Declaration satisfactory in substance to the Lender's legal counsel confirming that all loan proceeds are being used solely to pay for payables in respect to the Project, which are being financed by the Lender pursuant to the various Loan Facilities provided for in this Letter of Commitment (eg. third-party hard construction cost payables only), and for no other purposes whatsoever, either in respect to the Project or otherwise. Any use of any such funds for any purpose, either within the Project, or otherwise, except as set out herein, shall constitute a default of this Loan.

Positive Covenant:

The Borrower is to provide an undertaking confirming footings and foundation work will not commence prior to the Lender receiving satisfactory confirmation from WSP that environmental remediation works on site have been completed satisfactorily and that no further on-site works are required in order to submit filing of the Record of Site Condition with the Ministry of the Environment.

Project Economics:

PROJECT STATISTICS	Residential
# of Units	345
Gross Floor Area	559,723
Net Saleable Area	383,203
Average Unit Size	1,111
# of Parking Stalls	538

Project Economics	Total	Per Unit	P.S.F.	%
Residential Units Revenue - Sold	\$ 150,565,070	\$ 513,874	\$ 472	88.85%
Residential Unit Revenue - Unsold	\$ 32,084,480	\$ 617,009	\$ 498	18.93%
Recoveries	\$ 448,500	\$ 1,300	\$ 1	0.26%
Less: HST	\$ (13,634,312)	\$ (39,520)	\$ (36)	-8.05%
Net Revenue	\$ 169,463,738	\$ 491,199	\$ 442	100.00%
Land Cost	\$ 6,000,000	\$ 17,391	\$ 11	3.54%
Land Appraisal Surplus	\$ 11,000,000	\$ 31,884	\$ 20	6.49%
Land Closing and Realty Taxes	\$ 174,250	\$ 505	\$ 0	0.10%
Construction Costs	\$ 81,672,500	\$ 236,732	\$ 146	48.19%
Contingency (Construction)	\$ 4,860,000	\$ 14,087	\$ 9	2.87%
Construction Management Fees	\$ 3,240,000	\$ 9,391	\$ 6	1.91%
Selling Costs	\$ 5,125,924	\$ 14,858	\$ 9	3.02%
Development Charges	\$ 18,564,345	\$ 53,810	\$ 33	10.95%
Soft Costs	\$ 5,851,344	\$ 16,960	\$ 10	3.45%
Soft Cost Contingency	\$ 3,486,637	\$ 10,106	\$ 6	2.06%
Interest Cost	\$ 9,000,000	\$ 26,087	\$ 16	5.31%
Commitment Fee	\$ 1,070,000	\$ 3,101	\$ 2	0.63%
Total Project Costs	\$ 150,045,000	\$ 434,913	\$ 268	88.54%
Projected Profit	\$ 19,418,738	\$ 56,286	\$ 34.69	11.46%

Financing Program:

The Financing Program is to be as follows:

Financing Program	Total	Per Unit	P.S.F.	% of Costs
MCAP Construction Loan	\$ 107,000,000	310,145	\$ 191	71.31%
Purchaser Deposits	\$ 16,604,750	48,130	\$ 30	11.07%
Deferred Costs	\$ 2,440,250	7,073	\$ 4	1.63%
Mezzanine Loan	\$ 13,000,000	37,681	\$ 23	8.66%
Borrower's Equity	\$ 11,000,000	31,884	\$ 20	7.33%
Total Source of Funds	\$ 150,045,000	\$ 434,913	\$ 268	100.00%

Notes:

- Deferred Costs of \$2,440,250 have been verified by the Cost Consultant and consist of the following:

Commission	1,578,000
Legal fee closing	362,250
Landscape	500,000
	<u>2,440,250</u>

- Borrower's equity of \$11,000,000 is comprised solely of land equity

Reporting Requirements:

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

1. Within 90 days of each fiscal year end during the term of the Loan Facility, 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. Sales Reports by the 15th of each month in form and content satisfactory to the Lender, including copies of accepted sales agreements. Any sales at lower than the agreed upon minimum prices must be approved by the Lender. Additions/Deletions and amendments from the previous month are to be highlighted; and
4. Such other financial and supporting information as the Lender may request.

Subsequent Financing:

Save and except for a 2nd mortgage in favour of the deposit insurer and a 3rd mortgage in favour of HRJL Heart Lake GP Inc., no financing subsequent to the Loan Facility shall be permitted, without the prior written consent of the Lender, which may be unreasonably withheld. The Borrower shall disclose to the Lender all existing or proposed financing related to the Project and shall not pledge or otherwise encumber its interest in the Project to any party other than the Lender, without the prior written consent of the Lender. The Borrower will provide evidence, satisfactory to the Lender, as to the source of the Borrower's required equity in the Project.

Other Conditions:

1. Loan disbursements shall take place only 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 Guarantor and all Security and other instruments and agreements to evidence and secure the Loan Facility are duly executed, with evidence of registration where applicable.
2. 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.
3. The Lender shall require a satisfactory opinion and report from its solicitors regarding any encumbrances, financial charges or claims registered or to be registered against the Project.
4. The Lender shall require evidence of all corporate authorities together with an opinion of the Borrower's counsel as to usual matters such as: corporate authorities, absence of litigation, delivery of security, and execution of all security listed herein.
5. 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 Guarantor. Except as hereinafter provided, the Borrower and Guarantor consent to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Loan Facility, the Project, the Borrower, and the Guarantor within the possession or control of the Lender.

6. All purchasers and contracts of purchase and sale shall be satisfactory to the Lender and shall be for prices not less than the minimum selling prices set out in Schedule "C".

The prices shall, unless and until revised by agreement, be set at 100% of the Lender approved, appraised value of each unit. The Lender must be satisfied that all purchasers and offers to purchase are bona fide and that the purchasers have the capabilities to fulfill their obligation to close. The Lender must be satisfied that, where required, purchasers have firm take-out loan commitments, at fixed rates, for durations sufficient to comply with the Project's timetable for delivery of the completed units. The review of all documentation will be handled as expeditiously as possible by the Lender.

7. MCAP shall have the irrevocable right to erect a sign on the Project, at its own expense, indicating it has provided the financing on the Project during the period for which the financing, or any portion thereof, remains outstanding. MCAP may also refer to this Project in its advertising at any time after the first advance under the Loan Facility.
8. The Borrower shall establish a separate Project account at a financial institution acceptable to the Lender through which all advances and disbursements shall be made in respect to the Project.
9. The Borrower and Guarantor accept full responsibility for remittance and payment of any and all HST due, submission of HST credits or claims, and will provide monthly accounting of same to the Lender's Cost Consultant.
10. In the event of the Borrower selling, transferring or conveying the Project or its rights therein to a purchaser, transferee or grantee not approved by the Lender, at the sole option of the Lender, all monies outstanding, together with all accrued and unpaid interest thereon and any other amounts due under the Commitment or the Security, shall become due and payable.
11. The voting control of the Borrower shall not change without the prior written consent of the Lender.
12. The Lender will credit to the Borrower interest at the 30 day Banker's Acceptance rate less 1.50% on the Cash Collateral Account(s).
13. 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 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 Facility, in the event the same have not been paid at the time thereof. The Borrower acknowledges that in the event it does not request construction draws on a regular monthly basis, the Lender may inspect or cause its Cost Consultant to inspect the Project at any time, at the expense of the Borrower.

14. In the event of the Borrower failing to pay any amount when due or being in breach of any covenant, condition or term of the Commitment or the Security, or if any representation made by the Borrower, the Guarantor or their agents, or any information provided by them is found to be untrue or incorrect, or if any Event of Default as defined in the Security occurs, or if in the sole opinion of the Lender, a material adverse change occurs relating to the Borrower, the Guarantor, the Project, or the risk associated with the Loan Facility, the Borrower shall, at the option of the Lender, be in default of its obligations to the Lender and the Lender may cease or delay further funding or may exercise any and/or all remedies available to it at law or in equity. Further, the Lender may, at its option, on notice to the Borrower, declare the principal and interest on the Loan, and any other amount due under the Commitment forthwith due and payable, whereupon the same shall be and become immediately due and payable in full.
15. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.
16. The Commitment and Loan Facility shall be governed by and construed under laws of the Province of Ontario.
17. The Borrower and Guarantor 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.
18. If the Borrower or the Guarantor is comprised of more than one person or corporation, the obligations shall be the joint and several obligations of each such person or corporation comprising the Borrower or Guarantor unless otherwise specifically stated herein.
19. Time is of the essence in this Commitment.
20. The Borrower will substantially complete the Project in accordance with plans and specifications by April 1st, 2023 and pay its taxes, protect its properties by contest of adverse claims, maintain required insurance, perform its obligations under contracts and agreements, obtain all necessary approvals for construction and use of the Project, comply with all governmental rules and regulations, permit reasonable inspections, by the Lender and its agents of the Project and all records pertaining to the Project.
21. If at any time during construction the actual costs incurred exceed the costs budgeted and approved by the Lender, the Borrower shall immediately so notify the Lender and if the Lender shall conclude that the aggregate undisbursed balance of the Loan Facility shall be or become insufficient to pay for the completion of construction of the Project and all expenses and charges in connection therewith, the Borrower shall contribute the amount of such excess toward the Project

before any further disbursements of the Loan Facility shall be made by the Lender.

22. If a construction lien is filed against the Project or if the Borrower, Guarantor or Lender receives notice that one is about to be filed, 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 until funds sufficient to cover such construction lien have been deposited with the Lender or until such time as the said lien has been discharged.
23. 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.
24. The Borrower and Guarantor shall indemnify and save harmless the Lender, 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 Guarantor under any instrument evidencing or securing the Loan indebtedness, the Borrower and Guarantor 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 Guarantor's 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.
25. The Borrower and Guarantor will provide the usual warranties and representations respecting; accuracy of financial statements and that there has been no material adverse change in either the Borrower's or Guarantor's financial condition or operations, as reflected in the financial statements used to evaluate this credit; title to the Project

charged by the Security; power and authority to execute and deliver documents; accuracy of documents delivered and representations made to Lender; no pending adverse claims; no outstanding judgments; no defaults under other agreements relating to the Project; preservation of assets; no undefended material actions, suits or proceedings; payment of all taxes; no consents, approvals or authorizations necessary in connection with documentation; compliance of construction of Project with all laws; no other charges against mortgaged lands except permitted encumbrances; all necessary services available to the Project; no hazardous substances used, stored, discharged or present on the mortgaged lands and will warrant such other reasonable matters as Lender or its legal counsel may require.

26. The Borrower agrees that if the Lender is called upon to issue or to cause to be issued Letters of Credit as part of this Loan Facility, then the Borrower will be required to publish the date of substantial completion of the Project in an appropriate trade publication.
27. This Commitment and all schedules attached hereto which form part of this Commitment, when accepted by the Borrower and Guarantors, in accordance with the acceptance provisions hereof, constitutes the entire agreement and understanding between the parties hereto with respect to the Loan and supersedes all other agreements, understandings or commitments, verbal or written. The Lender has entered into this Commitment in reliance on the accuracy of any information previously supplied by or on behalf of the Borrower. Any approval or consent by or from the Lender that is contemplated herein shall be effective only if expressly given pursuant hereto; the delivery or receipt of documents shall not be deemed to constitute any such approval or consent.
28. Any purchaser deposits utilized by the Borrower, in addition to the presale deposits being used as equity, in payment of budgeted and approved Project development costs will be "netted" off the approved loan amount. Any cost reductions/savings will be applied to the Contingency component of the budget and releasable only on the recommendation of the Lender's cost consultant. Any and all cost overruns and/or approved extras in excess of the total budget will be the sole responsibility of the Borrower and must be contributed by the Borrower as additional project equity at the time incurred unless otherwise agreed to by MCAP and confirmed to the Borrower in writing.
29. The Lender's solicitor shall be:

Garfinkle Biderman LLP
1 Adelaide Street East
Suite 801
Toronto, Ontario
M5C 2V9

Attention: Avrom Brown

30. The Lender's cost consultant shall be:

CB Ross Partners
1920 Yonge Street
Suite 501
Toronto, Ontario
M4S 3E2

Attention: Charlie Ross

The terms of reference for the monitor/cost consultant will be as detailed in Schedule "B".

31. 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 Facility, 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 Security will prevail.
32. No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantor.
33. The Borrower and Guarantor acknowledge and agree that the terms and conditions recited herein are confidential between themselves and the Lender, its Lawyer, Cost Consultant, Insurance Consultant and Project Monitor. The Borrower and Guarantor agree not to disclose the information contained herein to a third party, other than their lawyer, without the Lender's prior written consent.
34. 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 MCAP Financial Corporation and state that the report can be relied upon by the Lender, and its assigns, for mortgage financing purposes.
35. Prior to the advancement of funds, the lender is to receive Identification Verification which is satisfactory to the Lender and its Counsel from each Guarantor, Mortgagor, and where applicable, signing officers for each corporation or other legal entity entering into the borrowing and guarantee arrangement.
36. By executing this Commitment, the Borrower and Guarantor certify that all of the beneficial owners of the Project or Property have been disclosed to the Lender.

Privacy Act Consent:

By signing this Commitment, each of you, being the parties signing (including all mortgagors and all guarantors) agrees that MCAP 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 MCAP Group) 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. For your protection, Personal Information in the possession of other organizations as provided for herein is subject to their: (i) compliance with applicable law; and (ii) compliance with their own privacy codes, rules and regulations if and to the extent applicable. In some instances, such organizations or their applicable service providers may be located in jurisdictions outside of Canada, and your Personal Information may be subject to the laws of those foreign jurisdictions. To find out more about our privacy policy or to obtain information about our privacy practices, send a written request to MCAP Privacy Officer, Suite 400, 200 King Street West, Toronto, Ontario, M5H 3T4.

Even though your loan and the security securing your loan may be funded or owned by one or more other organizations, MCAP or a member of the MCAP Group 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 within 10 business days from the date of this Commitment, together with your cheque in the amount of \$20,000 representing the portion of the Commitment Fee due and payable, failing which this letter shall be deemed null and void.

Yours truly,

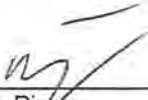
MCAP FINANCIAL CORPORATION



Susan Feldman
Vice President
MCAP



James Tobias
Senior Director
MCAP



Reegan Piper
Senior Analyst
MCAP


Borrower and Guarantor hereby accepts the terms and conditions of the above-mentioned 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.

ACCEPTANCE

I/WE HEREBY accept the terms and conditions as stated herein. By signing this Commitment Letter, Borrower acknowledges that this loan is solely for its own benefit, and not for the benefit of any third party, except as specifically disclosed herein.

DATED AT Mississauga, this 5th day of July, 2019.

Vandyk - Uptowns Limited



Per:
I have the authority to bind the corporation

Per:
I have the authority to bind the corporation



Witness



John Vandyk

**SCHEDULE "A":
INSURANCE REQUIREMENTS**

1. GENERAL

- a. All insurance policies referred to herein shall be in form and with insurers reasonably acceptable to Lender and contain the original signatures of the insurers, not just the insurance broker or agent, unless otherwise agreed, and shall be delivered to the Lender within 30 days of issuance of the insurance cover note or binder.
- b. All policies shall be permitted to contain reasonable deductibles.
- c. The Builder's Risk Insurance and the Wrap Up policy where applicable shall contain a Standard Mortgage Clause and show the lender as Mortgagee and Loss Payee and shall provide for sixty days (60) prior notice to Lender of any adverse material change or cancellation.
- d. If the Borrower fails to take out and keep in force such minimum insurance as is required hereunder, then Lender may, but shall not be obligated to, take out and keep in force such insurance at the immediate sole cost and expense of the Borrower plus costs incurred, or use other means at its disposal under the terms of the Mortgage.
- e. It is clearly understood and agreed that the Insurance Requirements contained herein are a minimum guide and, although must be adhered to throughout the life of the Mortgage, in no way represent an opinion as to the full scope of insurance cover a prudent Borrower would arrange to adequately protect its interest and the interest of Lender, and the Borrower must govern itself accordingly.

2. GENERAL LIABILITY

- a. Evidence of a Comprehensive General Liability Insurance policy for the Project in the minimum amount noted in the Security section of the Commitment Letter.
- b. The Commercial General Liability Policy must reference the project and MCAP is to be added as an additional insured.

3. COURSE OF CONSTRUCTION

The following policies of insurance must be submitted upon the commencement of construction:

- a. All Risks Builders Course of Construction including flood (and earthquake, BC only) on:
 - i) One hundred percent (100%) of the estimated final construction cost of the property, including 25% of variable soft costs, not to be less than the minimum amount noted in the Security section of the Commitment Letter.
- b. If the construction cost of the Project is in excess of \$10,000,000, then a "Wrap-Up Liability" policy is required with a limit of not less than \$10,000,000 and must include all contractors, subcontractors and trades. This requirement may be reconsidered on recommendation of insurance consultant, subject to evidence of satisfactory commercial general liability insurance held by sub-contractors.
- c. Insurance coverage shall be converted to all perils coverage satisfactory to the Lender and appropriate to the Project following completion of construction

4. PROCEEDS OF INSURANCE AND EXPROPRIATION

All proceeds of expropriation or of insurance from insurance policies, other than liability insurance, shall be paid to the Lender directly and at the option of the Lender, may either be applied on account of the Loan, whether or not the same may be due and payable, and interest thereon and any other sums payable in respect thereof, or held by it as part of the Lender's security and, so long as the Borrower is not in default hereunder or under any Security, may be subject to withdrawal by the Borrower in instalments, on a cost to complete basis, as the repair or replacement progresses, subject to the Lender's receipt of appropriate certificates, opinions and other documents which may include, without limitation, cost consultant report, proof of payments, as required by it and the Lender's counsel.

**SCHEDULE "B":
TERMS OF REFERENCE**

Non Revolving Construction Loans - Condominium

1. Review, in preparation of the preliminary report:
 - a.) The project plans and specifications
 - for completeness and consistency with the project description received from the lender in context of budget preparation.
 - b.) General contract and head contract entered into by the borrower
 - for completeness and consistency with the project description received from the lender.
 - to determine any contract exclusions which may require project budget adjustments.
 - c.) Soil Test and Environmental Audits
 - to understand how the analysis and recommendations therein will impact the project construction.
 - to monitor any recommendations to deal with any problems identified therein.
 - to ascertain that any recommendations therein appear to be incorporated into the plans and specifications.
2. Verify with the borrower and from a review of the head contracts whether any title retention is to exist on any personal property being supplied to the project and recommend such steps desirable to be taken by the lender in consultation with legal counsel to ensure that its security is maintained.
3. Review the borrower's construction time schedule in the context of the project plans and specifications, general contract and head contracts with a view to determining that it is realistic.
4. Review all material cost items which are or ought to be included in the project budget with a view to determining that such allowances are reasonable, adequate and complete.
5. Review the borrower's proposed budget and cash flow projections and suggest revisions thereto that may appear necessary after consultation with the lender.
6. Review all change orders supplied to us in respect of contract work to ensure the adequacy of the scope and cost of such change and provide any suitable recommendations to the lender. Monitor the approved budgets and cash flows for adjustments to reflect change orders approved by the lender.
7. Review insurance certificates to ensure that the sum insured, insured parties, loss payable and period of coverage is appropriate. (This does not include a detailed review of the policies themselves.)
8. Review such documents and data as is made available to us in the course of reviewing the project budget with a view to ensuring to the fullest reasonable extent the adequacy of such budget, including but not restricted to:
 - a.) Building permits.
 - b.) Land purchase agreements.
 - c.) The lender's commitment agreement.
 - d.) Development and other municipal and regional agreements.
 - e.) Consultants' studies and reports integral to draft plan approval and subdivision approvals.
 - f.) Condominium documents.
 - g.) Management agreements.
 - h.) Limited partnership agreements (if applicable).
 - i.) Consultants' agreements including design, sales, marketing, management and legal
9. Prepare initial report (the "Preliminary Report") to the lender on:
 - a.) The project budget as revised by the borrower and approved by the lender in response to the project monitor's recommendations.

- b.) The construction budget - based on a detailed construction estimate (prepared by cost consultant) in the case of a construction management project or non-arm's length general contract, and based on a fixed price contract reviewed by the project monitor in the case of a conventional general contract.
 - c.) The construction time schedule and projected cash flow, each as revised by the borrower and approved by the lender in response to the project monitor's recommendations.
 - d.) Any potential problem areas which have been identified and which may affect completion of the project in accordance with the project budget and the construction time schedule.
 - e.) Recommendations on such other matters as may have become evident during discussions with the borrower, the architects, engineers (and other consultants) involved in the project, or which may have become evident during the course of our review and inquiries.
 - f.) Identify those documents listed in the attached schedule which we have not been provided copies of for review.
10. During construction of the project submit monthly status reports to the lender incorporating the following:
- a.) A report showing the cost of work completed to date, the amount of holdbacks for contracts, the value of any change orders and the current estimate of the cost to complete the project. The certificate will segregate construction costs from soft costs and its appendices will identify the contractors on the project and quantify the amounts of holdbacks in respect of their contract retained and release from time to time pursuant to the Construction Lien Act. The certificate will be premised upon a borrower's certificate that the monies advanced by the lender have been used on the project and that all bills have been paid. The certificate shall also confirm the amount of each draw requested by the borrower based on information made available to the project monitor.
 - b.) A list of approved cheques to be issued by the borrower in the following month in payment of project payables, if required by the lender. Cancelled cheque review for previous month's payables to be provided.
 - c.) Identification of apparent or identified potential problem areas relating to the project which might affect its completion within the project budget and the project construction schedule, along with recommendations for budget and schedule revisions.
 - d.) Update the projected cash flow from time to time as discussed and directed by the lender to ensure project expenditures are in line with original projections.
 - e.) Confirmation that:
 - (i) architect's certificates, and where appropriate, engineer's or other consultants' certificates, have been issued certifying:
 - that construction is being performed in accordance with the plans and specifications;
 - that construction has been completed in a good, workmanlike manner, that the plans and specifications and construction comply with all applicable zoning and building laws and ordinances;
 - that all required certificates, rules and permits of governmental authorities have been issued and are in force.
 - (ii) to the best of the design consultant's knowledge all the materials and fixtures customarily furnished and installed at the current stage of construction have been furnished and installed.
 - (iii) identified deficiencies are being attended to.
11. Such other services as the project monitor may be directed to perform from time to time by the borrower or the bank.

**SCHEDULE "C":
MINIMUM SELLING PRICES**

Unit #	SQFT	Minimum Price
101	1235	\$489,990
102	1110	\$449,990
103	1110	\$449,990
104	1110	\$449,990
105	1110	\$449,990
106	1110	\$449,990
107	1110	\$464,990
108	1110	\$449,990
109	1110	\$449,990
110	1235	\$489,990
111	994	\$464,990
112	1298	\$579,990
113	1298	\$579,990
114	932	\$439,990
115	1298	\$549,990
116	1298	\$549,990
117	932	\$439,990
118	1298	\$549,990
119	1298	\$579,990
120	932	\$439,990
121	1298	\$579,990
122	1298	\$579,990
123	994	\$464,990
124	1407	\$614,990
125	1407	\$614,990
126	994	\$464,990
127	1298	\$579,990
128	1298	\$579,990
129	932	\$439,990
130	1298	\$579,990
131	1298	\$579,990
132	932	\$439,990
133	1298	\$579,990
134	1298	\$579,990
135	932	\$439,990
136	1298	\$579,990
137	1298	\$579,990
138	994	\$464,990
139	1407	\$614,990
140	1407	\$624,990
202	1111	\$559,990
204	1173	\$534,990
205	555	\$299,990
206	555	\$299,990
207	1173	\$539,990
208	994	\$499,990
209	1298	\$589,990
210	1298	\$559,990
211	932	\$469,990
212	1298	\$589,990
213	1298	\$584,990
214	994	\$494,990
215	1407	\$664,990
216	1407	\$614,990
217	994	\$464,990
218	1298	\$579,990
219	1298	\$579,990
220	932	\$439,990
221	1298	\$579,990
222	1298	\$549,990
223	994	\$469,990
224	1407	\$619,990
225	1407	\$669,990
302	1111	\$539,990
304	1173	\$534,990
305	555	\$309,990
306	555	\$309,990
307	1173	\$534,990
308	994	\$514,990
309	1298	\$624,990

310	1298	\$624,990
311	932	\$479,990
312	1298	\$624,990
313	1298	\$624,990
314	994	\$504,990
315	1407	\$674,990
316	1407	\$639,990
317	994	\$474,990
318	1298	\$589,990
319	1298	\$589,990
320	932	\$449,990
321	1298	\$589,990
322	1298	\$589,990
323	994	\$474,990
324	1407	\$639,990
325	1407	\$674,990
401	1173	\$584,990
402	1111	\$539,990
403	1173	\$564,990
404	1173	\$534,990
405	555	\$314,990
406	555	\$314,990
407	1173	\$534,990
408	994	\$504,990
409	1298	\$599,990
410	1298	\$624,990
411	932	\$479,990
412	1298	\$624,990
413	1298	\$624,990
414	994	\$514,990
415	1407	\$674,990
416	1407	\$639,990
417	994	\$484,990
418	1298	\$564,990
419	1298	\$594,990
420	932	\$459,990
421	1298	\$589,990
422	1298	\$594,990
423	994	\$474,990
424	1407	\$639,990
425	1407	\$674,990
501	1173	\$584,990
502	1111	\$539,990
503	1173	\$584,990
504	1173	\$544,990
505	555	\$334,990
506	555	\$344,990
507	1173	\$544,990
508	994	\$539,990
509	1298	\$594,990
510	1298	\$624,990
511	932	\$529,990
512	1298	\$624,990
513	1298	\$629,990
514	994	\$539,990
515	1407	\$669,990
516	1407	\$634,990
517	994	\$499,990
518	1298	\$594,990
519	1298	\$594,990
520	932	\$479,990
521	1298	\$594,990
522	1298	\$564,990
523	994	\$509,990
524	1407	\$639,990
525	1407	\$669,990
602	1111	\$559,990
604	1173	\$544,990
605	555	\$349,990
606	555	\$399,990
607	1173	\$544,990
608	994	\$539,990

609	1298	\$624,990
610	1298	\$624,990
611	932	\$509,990
612	1298	\$624,990
613	1298	\$594,990
614	994	\$559,990
615	1407	\$699,990
616	1407	\$634,990
617	994	\$499,990
618	1298	\$559,990
619	1298	\$589,990
620	932	\$499,990
621	1298	\$589,990
622	1298	\$589,990
623	994	\$499,990
624	1407	\$639,990
625	1407	\$669,990
701	1173	\$584,990
702	1111	\$559,990
703	1173	\$574,990
704	1173	\$544,990
705	555	\$367,990
706	555	\$399,990
707	1173	\$544,990
708	994	\$539,990
709	1298	\$624,990
710	1298	\$594,990
711	932	\$549,990
712	1298	\$619,990
713	1298	\$589,990
714	994	\$539,990
715	1407	\$664,990
716	1407	\$639,990
717	994	\$509,990
718	1298	\$589,990
719	1298	\$589,990
720	932	\$499,990
721	1298	\$589,990
722	1298	\$589,990
723	994	\$509,990
724	1407	\$634,990
725	1407	\$664,990
801	1173	\$549,990
802	1173	\$619,990
803	1173	\$619,990
804	1173	\$549,990
805	994	\$514,990
806	1407	\$669,990
807	1407	\$704,990
808	994	\$594,990
809	1298	\$659,990
810	1298	\$659,990
811	994	\$594,990
812	1407	\$704,990
813	1407	\$669,990
814	994	\$514,990
815	1298	\$569,990
816	1298	\$599,990
901	1173	\$549,990
902	1173	\$619,990
903	1173	\$619,990
904	1173	\$549,990
905	994	\$514,990
906	1407	\$669,990
907	1407	\$704,990
908	994	\$594,990
909	1298	\$659,990
910	1298	\$659,990
911	994	\$594,990
912	1407	\$699,990
913	1407	\$669,990
914	994	\$534,990

915	1298	\$594,990
916	1298	\$599,990
1002	1111	\$509,990
1003	1111	\$509,990
1005	1173	\$539,990
1006	555	\$329,990
1007	555	\$329,990
1008	555	\$329,990
1009	555	\$329,990
1010	1173	\$544,990
1011	994	\$514,990
1012	1298	\$569,990
1013	1298	\$569,990
1014	932	\$479,990
1015	1298	\$569,990
1016	1298	\$539,990
1017	932	\$479,990
1018	1298	\$594,990
1019	1298	\$569,990
1020	994	\$509,990
1021	1407	\$639,990
1022	1407	\$629,990
1023	994	\$504,990
1024	1298	\$544,990
1025	1298	\$544,990
1026	932	\$484,990
1027	1298	\$549,990
1028	1298	\$589,990
1029	932	\$484,990
1030	1298	\$574,990
1031	1298	\$574,990
1032	994	\$514,990
1033	1407	\$639,990
1034	1407	\$639,990
1102	1111	\$509,990
1104	1173	\$544,990
1105	555	\$314,990
1106	555	\$314,990
1107	1173	\$539,990
1108	994	\$474,990
1109	1298	\$539,990
1110	1298	\$539,990
1111	932	\$459,990
1112	1298	\$569,990
1113	1298	\$579,990
1114	994	\$484,990
1115	1407	\$639,990
1116	1407	\$639,990
1117	994	\$534,990
1118	1298	\$594,990
1119	1298	\$589,990
1120	932	\$454,990
1121	1298	\$594,990
1122	1298	\$584,990
1123	994	\$479,990
1124	1407	\$639,990
1125	1407	\$639,990
1202	1111	\$509,990
1204	1173	\$539,990
1205	555	\$299,990
1206	555	\$299,990
1207	1173	\$539,990
1208	994	\$464,990
1209	1298	\$569,990
1210	1298	\$539,990
1211	932	\$439,990
1212	1298	\$539,990
1213	1298	\$539,990
1214	994	\$464,990
1215	1407	\$624,990
1216	1407	\$619,990
1217	994	\$469,990

1218	1298	\$544,990
1219	1298	\$589,990
1220	932	\$444,990
1221	1298	\$584,990
1222	1298	\$574,990
1223	994	\$469,990
1224	1407	\$619,990
1225	1407	\$614,990
1402	1111	\$509,990
1404	1173	\$534,990
1405	555	\$299,990
1406	555	\$299,990
1407	1173	\$549,990
1408	994	\$469,990
1409	1298	\$594,990
1410	1298	\$594,990
1411	932	\$439,990
1412	1298	\$594,990
1413	1298	\$564,990
1414	994	\$464,990
1415	1407	\$614,990
1416	1407	\$624,990
1417	994	\$474,990
1418	1298	\$594,990
1419	1298	\$594,990
1420	932	\$449,990
1421	1298	\$594,990
1422	1298	\$589,990
1423	994	\$479,990
1424	1407	\$629,990
1425	1407	\$619,990
1001A	555	\$324,990
1001B	617	\$334,990
1004A	555	\$344,990
1004B	617	\$334,990
1101A	555	\$319,990
1101B	617	\$329,990
1103A	555	\$324,990
1103B	617	\$329,990
1201A	555	\$319,990
1201B	617	\$329,990
1203A	555	\$319,990
1203B	617	\$329,990
1401A	555	\$319,990
1401B	617	\$334,990
1403A	555	\$319,990
1403B	617	\$329,990
201A	555	\$324,990
201B	617	\$339,990
203A	555	\$324,990
203B	617	\$334,990
301A	555	\$324,990
301B	617	\$334,990
303A	555	\$324,990
303B	617	\$334,990
601A	555	\$369,990
601B	617	\$379,990
603A	555	\$369,990
603B	617	\$389,990
TOTAL	382586	\$182,649,550

*Including HST

**SCHEDULE "D":
PERSONAL NET WORTH STATEMENT**

PERSONAL & EMPLOYMENT INFORMATION

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

SUMMARY ~ FINANCIAL INFORMATION

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

(Supporting Schedules)

ASSETS

Page 2 of 2

SECTION "A" ~ SECURITIES AND TAX SHELTERS

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

SECTION "B" ~ REAL ESTATE

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

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

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

LIABILITIES

SECTION "D" ~ SECURITY

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

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

Dated this _____ day of _____, _____
Signature (in ink)

**SCHEDULE "E":
FORM OF RELIANCE CERTIFICATE**

TO: **MCAP Financial Corporation, [specifically name other addresses]** 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: **[Describe agreement in respect of which reliance is being permitted]** dated **[insert date]**, prepared by **[insert name of consultant]** and addressed to **[name addresses of report]** (the "Report")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby certifies, agrees and confirms that the addressees hereof, and their respective successors and assigns, shall be entitled to rely on the Report to the same extent and with such effect as if such Report were prepared for and addressed to them.

DATED the ____ day of _____, 2019.

By: _____
Name:
Title:

**SCHEDULE "F":
CORPORATE BUSINESS IDENTIFICATION VERIFICATION & ATTESTATION FORM**



Corporate Business Identification Verification & Attestation Form ("IVF")

Project Name	Property Address	Mortgage Number
Purpose of Loan (check all applicable)		
<input type="checkbox"/> Land Loan	<input type="checkbox"/> Freehold Residential Construction Loan	<input type="checkbox"/> Equity/Mezzanine Financing
<input type="checkbox"/> Land Development Loan	<input type="checkbox"/> Commercial Construction Loan	<input type="checkbox"/> Other (describe on separate sheet and attach to this form)
<input type="checkbox"/> Condominium Construction Loan	<input type="checkbox"/> Residential Inventory Loan	
<input type="checkbox"/> Industrial Property Term Loan	<input type="checkbox"/> Multi-Unit Residential Term Loan	
<input type="checkbox"/> Commercial Term Loan	<input type="checkbox"/> Conventional Loan	
<input type="checkbox"/> Insured Loan		

In order for this loan/mortgage to be considered for approval, the Borrower(s) and Beneficial Owner(s) must complete and return their IVFs & any applicable IVF - Appendix "A"s (Politically Exposed Persons - PEP) to MCAP Financial Corporation, together with all available supporting documentation. Prior to any advance of funds, MCAP must receive the completed IVF Schedule "1" and all remaining supporting documentation. The completed IVFs, IVF – Appendix "A"s , IVF-Schedule "1" and supporting documentation is required for MCAP, any third party that may fund any part of the loan/mortgage and any servicer of the loan, in order to be compliant with Canada's *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (the "Act")* and/or their internal procedures. Note that for the purposes of the Act, a Beneficial Owner is defined as any individual or entity that owns or controls 25% or more of the company.

Please note that by returning this IVF and accepting the Commitment Letter and any Amendments or Offers of Renewal (if applicable), the Borrower(s) and Guarantor(s) have authorized the collection of personal information to be used to ascertain their identity in accordance with the requirements of the Act.

SECTION A – CORPORATE IDENTIFICATION INFORMATION

This IVF Pertains to (check one): **The Borrowing Entity** or **A Beneficial Owner** or **A Corporate Guarantor**

Legal Name of Company	Date of Incorporation
Trade Name of Company (if different)	Nature of Business
Civic Address	BIN

Legal Names of All Directors/Officers ¹	City/Town of Personal Residence	Occupation ²	PEP ³	
			Yes	No
			Yes	No
			Yes	No
			Yes	No
			Yes	No
			Yes	No

1. For more than (7) Directors, please list the necessary information on a separate sheet and attach to this form.
 2. Occupation must be specific i.e. engineer, accountant. General descriptions such as businessman, investor or corporate position such as "President" are not acceptable
 3. For definition of PEP (Politically Exposed Person) and requirements for confirmed PEP's, refer to Appendix A.

Required Attachments	Yes	No
Chart illustrating the Ownership Structure	<input type="checkbox"/>	<input type="checkbox"/>
Articles of Incorporation	<input type="checkbox"/>	<input type="checkbox"/>
Certificate of Status	<input type="checkbox"/>	<input type="checkbox"/>
Officer's Certificate (re: directors, officers, bylaws, borrowing authority)	<input type="checkbox"/>	<input type="checkbox"/>
Shareholder Register	<input type="checkbox"/>	<input type="checkbox"/>
Other:	<input type="checkbox"/>	<input type="checkbox"/>



Corporate Business Identification Verification & Attestation Form ("IVF")

Section B(i) – BENEFICIAL OWNERSHIP IDENTIFICATION INFORMATION (for Individuals)

To Be Completed by Individuals who own or control 25% or more of the business identified in Section A, directly or indirectly.

Check here if no Individual owns or controls 25% or more of the business identified in Section A, directly or indirectly.

Legal Names of Individual	Home Address	Occupation ¹	PEP ²	
			Yes	No
			<input type="radio"/>	<input type="radio"/>
			<input type="radio"/>	<input type="radio"/>
			<input type="radio"/>	<input type="radio"/>
			<input type="radio"/>	<input type="radio"/>

1. Occupation must be specific i.e. engineer, accountant. General descriptions such as businessman, investor or corporate position such as "President" are not acceptable.
2. For definition of PEP (Politically Exposed Person) and requirements for confirmed PEP's, refer to Appendix A.

SECTION B(ii) – BENEFICIAL OWNERSHIP INFORMATION (for Entities)

To Be Completed by Entities who own or control 25% or more of the business identified in Section A, directly or indirectly.

Any Entity that owns or controls 25% or more (directly or indirectly) of the business identified in Section A must also complete a separate Identification Verification Form (IVF) in order to identify the Beneficial Ownership of said entity.

Legal Name of Entity	Business Address	Owns/Controls 25% or More of Borrowing Entity		Separate IVF Attached?	
		Yes	No	Yes	No
		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SECTION C(i) – GUARANTOR(S) IDENTIFICATION INFORMATION (for Individuals)

To Be Completed by Individuals.

Legal Names of Individual	Home Address	Occupation ¹	PEP ²	
			Yes	No
			<input type="radio"/>	<input type="radio"/>
			<input type="radio"/>	<input type="radio"/>
			<input type="radio"/>	<input type="radio"/>
			<input type="radio"/>	<input type="radio"/>

1. Occupation must be specific i.e. engineer, accountant. General descriptions such as businessman, investor or corporate position such as "President" are not acceptable.
2. For definition of PEP (Politically Exposed Person) and requirements for confirmed PEP's, refer to Appendix A.

SECTION C(ii) – GUARANTOR(S) IDENTIFICATION INFORMATION (for Entities)

To Be Completed by Entities. Entity guarantors must complete a separate Identification Verification Form (IVF)

Legal Name of Entity	Business Address


Corporate Business Identification Verification & Attestation Form ("IVF")
SECTION D – ACKNOWLEDGEMENT

You acknowledge that MCAP Financial Corporation, any third party that may fund any part of the loan/mortgage and any servicer of the loan/mortgage (hereinafter "we" "us" and "our" or similar meanings as the case may be) as well as their agents and service providers may:

- Collect, maintain, use and disclose the information contained herein, including Personal Information, to identify or locate you, protect us from fraud and error, determine eligibility for the loan/mortgage, and your ongoing creditworthiness as well as to administer your loan/mortgage, provide ongoing service and to comply with our internal procedures as well as legal and regulatory requirements
- Collect from and confirm with various sources, your identity, financial and other personal information during the course of your relationship with us. These sources may include credit reporting agencies, your mortgage broker, government registries, employer(s), other financial institutions, references that you may provide to us and other sources we consider appropriate.
- Disclose and exchange your Personal Information with our agents, service providers, credit reporting agencies and financial institutions as well as any entity, or prospective entity that purchases, invests in or takes an assignment of all or part of the loan/mortgage
- You understand that, to the extent permitted by law, the persons concerned are entitled to confirm the Personal Information we have about them and may request the correction of their Personal Information if inaccurate or out of date as set out in the MCAP Privacy Code, a copy of which is posted on our website (www.mcap.com).
- I declare that the information in Sections A, B, C and D of this form is full, complete and true. I confirm having obtained the consent of all individuals mentioned herein with respect to the collection, retention, use and disclosure of their Personal Information by you as described herein.
- I acknowledge that when requested, I will provide updated identification documentation to MCAP Financial Corporation to meet its regulatory obligations as well as additional information as may be required from time to time.
- I acknowledge that the subject loan is solely for the benefit of the Borrower and Beneficial Owner and not for the benefit of any third party.

Name (Print): _____

Signature: _____

Date: _____



Corporate Business Identification Verification & Attestation Form ("IVF")

Appendix A

POLITICALLY EXPOSED PERSONS (Domestic and Foreign "PEP")
(Completion is MANDATORY for any individual identified in the IVF as a PEP as defined below)

Please use additional copies of this form for each PEP

To the best of your knowledge, have you or any close relative, or any close associate, ever held any of the following positions or offices in or on behalf of a country/ province/ state or Public Body, listed in 1 through 11 below?

Note: a close relative means a spouse, civil union spouse or common-law partner, children/ step children, siblings/ half siblings/ step siblings of the Borrower(s), biological/ adoptive/ step parent of the Borrower(s), biological/ adoptive/ step parent of spouse, civil union spouse or common-law partner

Note: a close associate is any natural person who is known to have a joint beneficial ownership of legal entities or legal arrangements, or any close business relationships with a PEP

Note: a Public Body means an incorporated city, town, village, metropolitan authority, township, district, county, rural municipality or other incorporated municipal body, or an agent or mandatary of any of them.

It is a criminal offense to intentionally provide false information.

- | | |
|---|--|
| 1. Head of State or Head of Government | 7. Head of a Government Agency |
| 2. Member of Executive Council of Government | 8. Judge |
| 3. Deputy Minister or Equivalent Rank | 9. Leader or President of a Political Party represented in the Legislature |
| 4. Ambassador; or Attaché; or Counsellor of an Ambassador; or High Commissioner | 10. Holder of any prescribed/elected office or position |
| 5. Military Officer with a rank of General or above | 11. Head of an International Organization |
| 6. President of a State-Owned Company or State Owned Bank | |

Borrower / Guarantor Name		PEP's Full Name (Borrowers, Guarantors, Directors and Officers of Borrowers and Guarantors)	
Relationship	Position Held	Office/Institution/Organization	Country Where Position Held



Corporate Business Identification Verification & Attestation Form ("IVF")

SCHEDULE "1"

Mortgage Number _____

Project Name	Property Address

SCHEDULE "1" – SIGNING AUTHORITIES (no more than 3)

To be completed for authorized individuals who have the power to bind the Borrowing Entity and instruct MCAP. Include those individuals who will be executing the Commitment Letter and the security.

SIGNING OFFICER - #1				
Last Name	First Name	Middle Name	Date of Birth	Sex
Occupation/Position (Descriptive Title Required)		Politically Exposed Person (PEP) Status		
		Yes <input type="radio"/> No <input type="radio"/> (Refer to Appendix A for Guidance)		
If "Yes", individual must complete a separate Appendix A				
Home Address				
Primary Type of Document (Refer to Exhibit 1 for acceptable forms of ID)			Document Number	
Expiry Date	Place of Issue		Issuing Authority	
Secondary Type of Document (Refer to Exhibit 1 for acceptable forms of ID)	Document Number	Expiry Date	Place of Issue	

You acknowledge that MCAP Financial Corporation, any third party that may fund any part of the loan/mortgage and any servicer of the loan/mortgage (hereinafter "we" "us" and "our" or similar meanings as the case may be) as well as their agents and service providers may:

- Collect, maintain, use and disclose the information contained herein, including Personal Information, to identify or locate you, protect us from fraud and error, determine eligibility for the loan/mortgage, and your ongoing creditworthiness as well as to administer your loan/mortgage, provide ongoing service and to comply with our internal procedures as well as legal and regulatory requirements.
- Collect from and confirm with various sources, your identity, financial and other personal information during the course of your relationship with us. These sources may include credit reporting agencies, your mortgage broker, government registries, employer(s), other financial institutions, references that you may provide to us and other sources we consider appropriate.
- Disclose and exchange your Personal Information with our agents, service providers, credit reporting agencies and financial institutions as well as any entity, or prospective entity that purchases, invests in or takes an assignment of all or part of the loan/mortgage.
- You understand that, to the extent permitted by law, the persons concerned are entitled to confirm the Personal Information we have about them and may request the correction of their Personal Information if inaccurate or out of date as set out in the MCAP Privacy Code, a copy of which is posted on our website (www.mcap.com).
- I declare that the information in Sections A, B, C and D of this form is full, complete and true. I confirm having obtained the consent of all individuals mentioned herein with respect to the collection, retention, use and disclosure of their Personal Information by you as described herein.
- I acknowledge that when requested, I will provide updated identification documentation to MCAP Financial Corporation to meet its regulatory obligations as well as additional information as may be required from time to time.
- I acknowledge that the subject loan is solely for the benefit of the Borrower and Beneficial Owner and not for the benefit of any third party.

Name (Print)	Signature	Date



Corporate Business Identification Verification & Attestation Form ("IVF")

SIGNING OFFICER - #2				
Last Name	First Name	Middle Name	Date of Birth	Sex
Occupation/Position (Descriptive Title Required)		Politically Exposed Person (PEP) Status		
		Yes <input type="radio"/> No <input type="radio"/> (Refer to Appendix A for Guidance) If "Yes", individual must complete a separate Appendix A		
Home Address				
Primary Type of Document (Refer to Exhibit 1 for acceptable forms of ID)			Document Number	
Expiry Date		Place of Issue	Issuing Authority	
Secondary Type of Document (Refer to Exhibit 1 for acceptable forms of ID)		Document Number	Expiry Date	Place of Issue
<p>You acknowledge that MCAP Financial Corporation, any third party that may fund any part of the loan/mortgage and any servicer of the loan/mortgage (hereinafter "we" "us" and "our" or similar meanings as the case may be) as well as their agents and service providers may:</p> <ul style="list-style-type: none"> - Collect, maintain, use and disclose the information contained herein, including Personal Information, to identify or locate you, protect us from fraud and error, determine eligibility for the loan/mortgage, and your ongoing creditworthiness as well as to administer your loan/mortgage, provide ongoing service and to comply with our internal procedures as well as legal and regulatory requirements. - Collect from and confirm with various sources, your identity, financial and other personal information during the course of your relationship with us. These sources may include credit reporting agencies, your mortgage broker, government registries, employer(s), other financial institutions, references that you may provide to us and other sources we consider appropriate. - Disclose and exchange your Personal Information with our agents, service providers, credit reporting agencies and financial institutions as well as any entity, or prospective entity that purchases, invests in or takes an assignment of all or part of the loan/mortgage. - You understand that, to the extent permitted by law, the persons concerned are entitled to confirm the Personal Information we have about them and may request the correction of their Personal Information if inaccurate or out of date as set out in the MCAP Privacy Code, a copy of which is posted on our website (www.mcap.com). - I declare that the information in Sections A, B, C and D of this form is full, complete and true. I confirm having obtained the consent of all individuals mentioned herein with respect to the collection, retention, use and disclosure of their Personal Information by you as described herein. - I acknowledge that when requested, I will provide updated identification documentation to MCAP Financial Corporation to meet its regulatory obligations as well as additional information as may be required from time to time. - I acknowledge that the subject loan is solely for the benefit of the Borrower and Beneficial Owner and not for the benefit of any third party. 				
Name (Print)		Signature		Date



Corporate Business Identification Verification & Attestation Form ("IVF")

SIGNING OFFICER - #3				
Last Name	First Name	Middle Name	Date of Birth	Sex
Occupation/Position (Descriptive Title Required)		Politically Exposed Person (PEP) Status		
		Yes <input type="radio"/> No <input type="radio"/> (Refer to Appendix A for Guidance) If "Yes", individual must complete a separate Appendix A		
Home Address				
Primary Type of Document (Refer to Exhibit 1 for acceptable forms of ID)		Document Number		
Expiry Date	Place of Issue	Issuing Authority		
Secondary Type of Document (Refer to Exhibit 1 for acceptable forms of ID)		Document Number	Expiry Date	Place of Issue
You acknowledge that MCAP Financial Corporation, any third party that may fund any part of the loan/mortgage and any servicer of the loan/mortgage (hereinafter "we" "us" and "our" or similar meanings as the case may be) as well as their agents and service providers may:				
<ul style="list-style-type: none"> - Collect, maintain, use and disclose the information contained herein, including Personal Information, to identify or locate you, protect us from fraud and error, determine eligibility for the loan/mortgage, and your ongoing creditworthiness as well as to administer your loan/mortgage, provide ongoing service and to comply with our internal procedures as well as legal and regulatory requirements. - Collect from and confirm with various sources, your identity, financial and other personal information during the course of your relationship with us. These sources may include credit reporting agencies, your mortgage broker, government registries, employer(s), other financial institutions, references that you may provide to us and other sources we consider appropriate. - Disclose and exchange your Personal Information with our agents, service providers, credit reporting agencies and financial institutions as well as any entity, or prospective entity that purchases, invests in or takes an assignment of all or part of the loan/mortgage. - You understand that, to the extent permitted by law, the persons concerned are entitled to confirm the Personal Information we have about them and may request the correction of their Personal Information if inaccurate or out of date as set out in the MCAP Privacy Code, a copy of which is posted on our website (www.mcap.com). - I declare that the information in Sections A, B, C and D of this form is full, complete and true. I confirm having obtained the consent of all individuals mentioned herein with respect to the collection, retention, use and disclosure of their Personal Information by you as described herein. - I acknowledge that when requested, I will provide updated identification documentation to MCAP Financial Corporation to meet its regulatory obligations as well as additional information as may be required from time to time. - I acknowledge that the subject loan is solely for the benefit of the Borrower and Beneficial Owner and not for the benefit of any third party. 				
Name (Print)		Signature		Date



Corporate Business Identification Verification & Attestation Form ("IVF")

AGENT ATTESTATION			
<p>I confirm that I, _____ of the firm _____ have been appointed as solicitor/agent for the Borrower noted on the Loan Commitment provided by MCAP Financial Corporation ("MCAP"). I understand that, as a condition of MCAP's Loan Commitment to the Borrower, MCAP has required me to confirm that I have personally met with each person named above, examined the original personal identification documentation disclosed herein with respect to each such person, and, accordingly, I can confirm that the information matches the original personal identification documentation provided to me by such persons. I further confirm that, having made reasonable inquiries, I have no reason to believe that the Borrowers are acting on behalf of any undisclosed third parties. I acknowledge and agree that MCAP, and any funder or servicer with respect to the Loan Commitment and the related loan/mortgage (if advanced), may rely on the foregoing to meet applicable legal requirements.</p>			
Name:	Signature:	Telephone:	Date: (DD/ MM/ YYYY)

Return this completed form to MCAP, **ALONG WITH CLEAR AND LEGIBLE COPIES OF BOTH SIDES OF THE "PRIMARY IDENTIFICATION" EXAMINED.** "Secondary Identification" only needs to be recorded above.



Corporate Business Identification Verification & Attestation Form ("IVF")

Appendix A

POLITICALLY EXPOSED PERSONS (Domestic and Foreign "PEP")
Completion is MANDATORY for any individual identified in the IVF as a PEP as defined below*
 Please use additional copies of this form for each PEP

To the best of your knowledge, have you or any close relative, or any close associate, ever held any of the following positions or offices in or on behalf of a country/ province/ state or Public Body, listed in 1 through 11 below?

Note: a close relative means a spouse, civil union spouse or common-law partner, children/ step children, siblings/ half siblings/ step siblings of the Borrower(s), biological/ adoptive/ step parent of the Borrower(s), biological/ adoptive/ step parent of spouse, civil union spouse or common-law partner

Note: a close associate is any natural person who is known to have a joint beneficial ownership of legal entities or legal arrangements, or any close business relationships with a PEP

Note: a Public Body means an incorporated city, town, village, metropolitan authority, township, district, county, rural municipality or other incorporated municipal body, or an agent or mandatory of any of them.

*It is a criminal offense to intentionally provide false information.

1. Head of State or Head of Government	7. Head of a Government Agency
2. Member of Executive Council of Government	8. Judge
3. Deputy Minister or Equivalent Rank	9. Leader or President of a Political Party represented in the Legislature
4. Ambassador; or Attaché; or Counsellor of an Ambassador; or High Commissioner	10. Holder of any prescribed/elected office or position
5. Military Officer with a rank of General or above	11. Head of an International Organization
6. President of a State-Owned Company or State Owned Bank	

Borrower / Guarantor Name		PEP's Full Name (Borrowers, Guarantors, Directors and Officers of Borrowers and Guarantors)	
Relationship	Position Held	Office/Institution/Organization	Country Where Position Held



Corporate Business Identification Verification & Attestation Form ("IVF")

EXHIBIT 1: ACCEPTABLE FORMS OF IDENTIFICATION

Each Signatory must present to the solicitor/notary for examination:

1. One piece of "Primary Identification" and one piece of "Secondary Identification" or
2. Two pieces of "Primary Identification"

No other form of identification is acceptable. All identification must be original, valid, legible and in good condition. Each Signing Officer is required to be physically present when you ascertain his or her identity.

Canadian Residents

Primary Identification	Secondary Identification
<ul style="list-style-type: none"> • A valid driver's licence¹ issued in Canada; • Current Canadian Passport; • Nexus/ CANPASS card; • A Federally issued Firearms Licence • A Certificate of Canadian Citizenship (containing your photograph) or Certification of Naturalization (containing your photograph); • A Federally issued Permanent Resident Card; • A Certificate of Indian Status issued by the Government of Canada; • A Provincial Health Insurance Card (with photo); or • A Provincial Government issued Photo ID Card. 	<ul style="list-style-type: none"> • An employee identity card with a photograph from an employer well known in the community; • A signed automated banking machine (ABM) card or client card issued by a member of the Canadian Payments Association; • A signed credit card issued by a member of the Canadian Payments Association; • A signed Canadian Institute for the Blind (CNIB) client card with a photograph; • A birth certificate issued in Canada; • A Social Insurance Number(SIN) card issued by the Government of Canada; • A Certificate of Canadian Citizenship; or • Métis Nation ID Card.

NOTE:
¹ In Quebec, never request a driver's licence. Accept and record the number only if offered.
² In Ontario, Manitoba, Nova Scotia and Prince Edward Island, the Provincial Health Card is NOT an acceptable form of identification. In Quebec, never ask to see a Health Card; if offered, record the particulars.



400-200 King Street West
Toronto, ON M5H 3T4
416-598-2665

August 24, 2021

Vandyk Group of Companies
1944 Fowler Drive,
Mississauga, ON,
L5K 0A1

ATTENTION: Mr. Richard Ma

RE: "Uptowns Brampton", L#:18-5898-T41/91, 345 stacked townhouse units, Brampton, ON.

MCAP Financial Corporation (hereinafter referred to as the "Lender") is pleased to provide the following amendment (the "Amendment") subject to the terms and conditions set out below. Save and except as amended hereby, all other terms and conditions of the Commitment Letter dated June 25, 2019 shall remain unchanged and in effect. Together, this Amendment Letter, and the aforementioned Commitment Letter shall collectively be known as the "Commitment Letter".

Borrower: Vandyk – Uptowns Limited

(the "Borrower")

Guarantor: (Unchanged):

The personal guarantee of John Vandyk in the amount of \$50,000,000

(the "Guarantor")

Amended Project Description:

"Uptowns Brampton": being a ~6.50 acre site located at 10302 Heart Lake Road, north of the intersection of Highway 410 and Bovaird Drive East, Brampton, ON. The Project will include ~~345~~ stacked townhouse units contained in 13 blocks and 383,203 SF (NSA). The 4 storey blocks will have ~~a concrete superstructure~~ a **steel frame structure with concrete floors and walls**. The first floor is approximately 50% below grade. ~~and will sit on top of 1 level of underground parking~~ **3 levels of underground parking will be located below one building and contain 538 parking stalls**. The unit mix is as follows:

Unit Type	Total Units	Avg \$/Unit	Avg. Size (sf.)	Avg. \$/sf.
1 Br.	50	\$ 332,050	572	\$ 580
2 Br.	123 108	\$ 542,818	1158	\$ 469
3 Br.	169 07	\$ 603,804	1291	\$ 468
Total	345 342	\$ 529,419	1111	\$ 477

(the "Project")

Loan Amount/Type:

Unchanged

Facility 1: \$107,000,000 1st Mortgage Non-Revolving Construction Loan

Facility 2: \$ 5,000,000 Letters of Credit

Collectively, Facilities 1 & 2 shall be defined as the "Loan Facility".

Purpose:

1. To amend the budget and Financing Program for a +/- \$1.8MM cost overrun to be covered by Borrower cash equity
2. To renew the loan for 30 months
3. To amend the interest rate for Facility 1
4. To amend the Renewal Fee payable
5. To amend the Project description for changes to the built form / building materials

Amendment Letter
Vandyk Uptowns

August 24, 2021

Interest Rate:	<p><u>Current</u> The greater of RBC Prime + 1.75% per annum or 5.70% per annum</p> <p><u>Amended</u> The greater of RBC Prime + 1.75% per annum or 5.00% per annum</p>
Renewal Fee:	\$1,444,500
Placement Fee:	\$55,500
Term:	<p><u>Facility 1 - Current</u> 18 months (being August 1, 2021) from the initial advance with three, 6-month extension periods available subject to payment of the Extension Fee and Lender approval.</p> <p><u>Facility 1 – Amended</u> Maturity of February 1, 2024.</p> <p><u>Facility 2 - Unchanged</u> Automatic annual renewals by the beneficiary(s)</p>
Security:	Amended as recommended by the Lender's Solicitor
Renewal Conditions:	<p><u>Facilities 1 & 2:</u></p> <ol style="list-style-type: none"> 1. Receipt and satisfactory review of the updated budget by the Lender's Cost Consultant confirming total project costs of \$155,707,000 2. Satisfactory confirmation that the Project filed for Tarion Unavoidable Delay as per Tarion Regulations. 3. Satisfactory confirmation of a cash equity injection by the Borrower of \$1,827,000. 4. Receipt and satisfactory review of an updated personal net worth statement from the Guarantor and financial statements from the Borrower. 5. Payment of the Renewal Fee. 6. Payment of the Placement Fee.
Availability:	<p><u>Facility 1 Current</u> Progress draws to a maximum of \$107,000,000 on a cost-to-complete basis for work-in-place less Borrower's equity in the amount of \$13,000,000, mezzanine financing in the amount of \$13,000,000 (principal only), deferred costs incurred of up to \$4,275,250, staged purchaser deposits utilized in the Project of \$16,604,750, and applicable lien holdback, based on Project Monitor's recommendation and title search confirming absence of liens.</p> <p><u>Facility 1 Amended</u> Progress draws to a maximum of \$107,000,000 on a cost-to-complete basis for work-in-place less Borrower's equity in the amount of \$14,827,000, mezzanine financing in the amount of \$13,000,000 (principal only), deferred costs incurred of up to \$4,275,250, staged purchaser deposits utilized in the Project of \$16,604,750, and applicable lien holdback, based on Project Monitor's recommendation and title search confirming absence of liens.</p>
Subsequent Financing:	<p><u>No Change</u> Save and except for a 2nd mortgage in favour of the deposit insurer and a 3rd mortgage in favour of HRJL Heart Lake GP Inc., no financing subsequent to the Loan Facility shall be permitted, without the prior written consent of the Lender, which may be unreasonably withheld.</p>

Amendment Letter
Vandyk Uptowns

August 24, 2021

Project Economics:

Project Economics	Current	Variance	Revised
Residential Revenue	\$ 182,649,550		\$ 182,649,550
Recoveries	\$ 448,500	\$ -	\$ 448,500
Less: HST	\$ (13,634,312)	\$ -	\$ (13,634,312)
Net Revenue	\$ 169,463,738	\$ -	\$ 169,463,738
Land Cost	\$ 6,000,000	\$ -	\$ 6,000,000
Land Appraisal Surplus	\$ 11,000,000	\$ -	\$ 11,000,000
Land Closing and Realty Taxes	\$ 379,282	\$ 109,542	\$ 488,824
Construction Costs	\$ 83,183,417	\$ 1,626,680	\$ 84,810,097
Contingency (Construction)	\$ 4,087,000	\$ (1,540,400)	\$ 2,546,600
Construction Management Fee	\$ 1,837,300	\$ -	\$ 1,837,300
Selling Costs	\$ 6,206,950	\$ 142,864	\$ 6,349,814
Development Charges	\$ 25,961,495	\$ 1,275,755	\$ 27,237,250
Soft Costs	\$ 3,156,165	\$ 451,011	\$ 3,607,176
Soft Cost Contingency	\$ 2,722,836	\$ (706,374)	\$ 2,016,462
Interest Cost	\$ 8,168,555	\$ (1,032,078)	\$ 7,136,477
Commitment Fee	\$ 1,177,000	\$ 1,500,000	\$ 2,677,000
Total Project Costs	\$ 153,880,000	\$ 1,827,000	\$ 155,707,000
Projected Profit	\$ 15,583,738		\$ 13,756,738
<i>Profit %</i>	<i>9.20%</i>		<i>8.12%</i>

Financing Program:

Financing Program	Current	Variance	Amended
MCAP Loan	\$ 107,000,000	\$ -	\$ 107,000,000
Purchaser Deposits	\$ 16,604,750	\$ -	\$ 16,604,750
Deferred Costs	\$ 4,275,250	\$ -	\$ 4,275,250
Mezzanine Loan	\$ 13,000,000	\$ -	\$ 13,000,000
Appraisal Surplus Equity	\$ 11,000,000	\$ -	\$ 11,000,000
Cash Equity	\$ 2,000,000	\$ 1,827,000	\$ 3,827,000
Total	\$ 153,880,000	\$ 1,827,000	\$ 155,707,000

If you are in agreement with the foregoing terms and conditions, please indicate by signing and emailing one (1) copy of this Amendment to bruno.iacovetta@mcap.com by August 30, 2021 along with a wire transfer to MCAP via the instructions below in the amount of \$1,500,000 representing the Renewal Fee and Placement Fee due and payable, failing which this letter shall be deemed null and void.

Yours truly,

MCAP FINANCIAL CORPORATION

Bruno Iacovetta
Bruno Iacovetta
Managing Director

Philip Frank
Philip Frank
National Director Funding & Servicing



Amendment Letter
Vandyk Uptowns

August 24, 2021

Borrower and Guarantor hereby accept the terms and conditions of the above-mentioned 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. By signing this Commitment Letter, the Borrower acknowledges that the loan is solely for its own benefit, and not for the benefit of any third party, except as specifically disclosed herein.

ACCEPTANCE

I/WE HEREBY accept the terms and conditions as stated herein.

DATED AT Mississauga, this 30th day of Aug, 2021

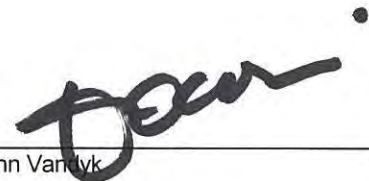
Vandyk – Uptowns Limited


Per:
I have the authority to bind the corporation

Per:
I have the authority to bind the corporation

Guarantor


Witness



John Vandyk

Account Holder:	MCAP Financial Corporation
	200 King Street West, Suite 400, Toronto, Ontario, M5H 3T4
Bank:	Bank of Montreal
	100 King Street West, Toronto, Ontario, M5X 1A3
Bank Number	001
Transit Number	00022
Account Number	1357-893
Swift Number	BOFMCAM2





MCAP

May 24, 2022

Vandyk – Uptowns Limited
 c/o Vandyk Group of Companies
 1944 Fowler Dr.
 Mississauga, ON
 L5K 0A1

ATTENTION: Mr. John Vandyk

RE: Uptowns Brampton; 18-5898-T41; 10302 Heart Lake Road, Brampton, ON

MCAP Financial Corporation (hereinafter referred to as the "Lender") is pleased to provide the following amendment (the "Amendment") subject to the terms and conditions set out below. Save and except as amended hereby, all other terms and conditions of the Commitment Letter dated June 25, 2019 and the Amendment Letter dated August 24, 2021 shall remain unchanged and in effect. Together, this Amendment, and the aforementioned letters shall collectively be known as the "Commitment Letter".

Borrower: Vandyk-Uptowns Limited

(the "Borrower")

Lender: MCAP

(the "Lender")

Guarantor: Facilities 1 & 2 (Unchanged)

The personal guarantee of John Vandyk in the amount of \$50,000,000.

Amended Project Description:

"Uptowns Brampton": being a ~ 6.50 acre site located at 10302 Heart Lake Road, north of the intersection of Highway 410 and Bovaird Drive East, Brampton, ON. The Project will include 342 stacked townhouse units contained in 13 blocks and 383,203 SF (NSA). The 4 storey blocks will have a steel frame structure with concrete floors and walls. The first floor is approximately 50% below grade. 3 levels of underground parking will be located below the eastern portion of the site containing 538 parking stalls. The unit mix is as follows:

Current

Unit Type	Total Units	Avg \$/Unit	Avg. Size (sf.)	Avg. \$/sf.
1 Br.	50	\$ 332,050	572	\$ 580
2 Br.	198	\$ 542,818	1158	\$ 469
3 Br.	97	\$ 603,804	1291	\$ 468
Total	345	\$ 529,419	1111	\$ 477

Amended

Unit Type	Total Units	Total				Sold			Unsold			
		Avg \$/Unit	Avg Size (sf.)	Avg \$/sf.	# of Units	Avg \$/Unit	Avg Size (sf.)	Avg \$/sf.	# of Units	Avg \$/Unit	Avg Size (sf.)	Avg \$/sf.
1 Br.	50	\$ 337,389	588	\$ 584	46	\$ 329,294	571	\$ 577	4	\$ 430,600	538	\$ 800
2 Br.	123	\$ 532,787	1075	\$ 496	113	\$ 505,688	1078	\$ 469	10	\$ 838,896	1048	\$ 800
3 Br.	169	\$ 707,183	1296	\$ 546	126	\$ 590,625	1291	\$ 457	43	\$ 1,048,763	1311	\$ 800
Total	342	\$ 590,404	1111	\$ 532	285	\$ 514,772	1088	\$ 473	57	\$ 868,564	1238	\$ 800

(the Project)

Amendment Letter
Vandyk – Uptowns Brampton

May 24, 2022

Amended Loan Facility/Type:

		<u>Current</u>	<u>Outstanding</u>	<u>Revised</u>
Facility 1	Non-Revolving Construction Loan	\$107,000,000	\$20,576,764	\$121,100,000
Facility 2	Letters of Credit	\$5,000,000	\$290,000	\$5,000,000

(the "Loan Facility")

Purpose:

To amend the following:

1. Add 2 three-month extensions to the Term with a fee of 0.25% per extension
2. To amend the budget and financing program for a \$27,293,000 cost overrun to be covered by
 - a. Increased Loan of \$14,100,000
 - b. Additional Cash Equity of \$9,593,000
 - c. Additional purchaser deposit use of \$3,600,000
3. To approve replacement Mezzanine Lender
4. To amend funding conditions to require 25 additional sales

Interest Rate:

Unchanged

The greater of RBC Prime + 1.75% per annum or 5.00% per annum

Amendment Fee:

\$282,000

Loan Term:

Facility 1 - Current

Maturity date of February 1, 2024

Facility 1 – Amended

Maturity date of February 1, 2024 with two, 3-month extension periods available subject to payment of the Extension Fee and Lender approval.

Extension Fee:

New

0.25% per 3-month extension

Amended Security:

1. Satisfactory Postponement and Standstill Agreement from the 3rd mortgage lender in favour of the MCAP first mortgage and the Deposit Insurer.
2. Such other and further security and documentation as may be required by the Lender or its counsel to complete and perfect the Security.

Amended Funding Conditions:

Facilities 1 & 2:

1. Satisfactory confirmation that HRJL has been replaced as the mezzanine lender by Dorr Capital Corporation
2. Satisfactory confirmation of the updated budget by the Lender's Cost Consultant not to exceed \$183,000,000 and supported by the following:

Contracts/Quotes	\$ 72,120,033	68.63%
Change Orders	\$ 3,099,171	2.95%
Purchase Orders	\$ 932,811	0.89%
Unit Rates	\$ 7,312,730	7.00%
<u>Uncommitted</u>	<u>\$ 21,629,198</u>	<u>20.58%</u>
Subtotal	\$105,093,943	100.00%
General Site Overheads	\$ 1,538,390	
Total	\$106,632,333	

3. Receipt and satisfactory review of an Appraisal on the 57 inventory units confirming a gross sale value of \$55,208,160
4. Satisfactory confirmation of a cash equity injection by the Borrower of \$9,593,000 to bring total cash equity to \$13,420,000

5. Receipt and satisfactory review of an updated personal net worth statement from the Guarantor and financial statements from the Borrower.
6. Receipt and satisfactory review of a commitment from a satisfactory Deposit Insurer permitting the release of deposits to fund project costs to be not less than \$20,204,750
7. Confirmation of an additional 25 firm pre-sales at a minimum of +/- \$800 psf with staged deposits of not less than 15% prior to occupancy as follows:
 - a. \$5,000 on signing
 - b. Balance to 5% within 30 days
 - c. 5% in 180 days
 - d. 5% in 360 days

A firm pre-sale is defined as:

- 1) The sale is arms-length as determined by the Lender;
- 2) The Borrower has provided a copy of the executed purchase and sale agreement with all schedules and amendments to the Lender;
- 3) The purchaser has provided evidence of mortgage financing or has otherwise demonstrated their ability to close; and
- 4) The Borrower has received into the lawyers trust a minimum of 5% deposit on the unit, with a further 10% due prior to occupancy.

The 25 additional presale units will bring total sales to a minimum of 310 units and ~\$170,900,000 of gross revenue.

8. Receipt of a satisfactory and fully executed subordination and standstill agreement with Dorr Capital Corporation.
9. Payment of the amendment fee.

Amended Availability:

Facility 1 Current

Progress draws to a maximum of \$107,000,000 on a cost-to-complete basis for work-in-place less Borrower's equity in the amount of \$14,827,000, mezzanine financing in the amount of \$13,000,000 (principal only), deferred costs incurred of up to \$4,275,250, staged purchaser deposits utilized in the Project of \$16,604,750, and applicable lien holdback, based on Project Monitor's recommendation and title search confirming absence of liens.

Facility 1 Amended

Progress draws to a maximum of \$121,100,000 on a cost-to-complete basis for work-in-place less Borrower's equity in the amount of \$24,420,000 which is split between \$11,000,000 of appraisal surplus and \$13,420,000 of cash equity, mezzanine financing in the amount of \$13,000,000 (principal only), deferred costs incurred of up to \$4,275,250, staged purchaser deposits utilized in the Project of \$20,204,750, and applicable lien holdback, based on Project Monitor's recommendation and title search confirming absence of liens.

Subsequent Financing:**Current**

Save and except for a 2nd mortgage in favour of the deposit insurer and a 3rd mortgage in favour of HRJL Heart Lake GP Inc., no financing subsequent to the Loan Facility shall be permitted, without the prior written consent of the Lender, which may be unreasonably withheld.

Amended

Save and except for a 2nd mortgage in favour of the deposit insurer and a 3rd mortgage in favour of Dorr Capital Corporation, for an amount not to exceed \$55,000,000 in financing inclusive of interest reserve, no financing subsequent to the Loan Facility shall be permitted, without the prior written consent of the Lender, which may be unreasonably withheld.

Amended Project Economics:

Project Economics	Last Approved	Variance	Revised
Residential Revenue	\$ 182,649,550	\$ 19,268,760	\$ 201,918,310
Recoveries	\$ 448,500	\$ 3,770,512	\$ 4,219,012
Less: HST	\$ (13,634,312)	\$ (2,256,141)	\$ (15,890,453)
Net Revenue	\$ 169,463,738	\$ 20,783,131	\$ 190,246,869
Land Cost	\$ 6,000,000	\$ -	\$ 6,000,000
Land Appraisal Surplus	\$ 11,000,000	\$ -	\$ 11,000,000
Land Closing and Realty Taxes	\$ 488,824	\$ 119,976	\$ 608,800
Construction Costs	\$ 84,810,097	\$ 23,139,193	\$ 107,949,290
Contingency (Construction)	\$ 2,546,600	\$ 1,000,000	\$ 3,546,600
Construction Management Fees	\$ 1,837,300	\$ (155,386)	\$ 1,681,914
Selling Costs	\$ 6,349,814	\$ 780,784	\$ 7,130,598
Development Charges	\$ 27,237,250	\$ -	\$ 27,237,250
Soft Costs	\$ 3,607,176	\$ 153,188	\$ 3,760,364
Soft Cost Contingency	\$ 2,016,462	\$ 161,562	\$ 2,178,024
Interest Cost	\$ 7,136,477	\$ 1,800,683	\$ 8,937,160
Historical Commitment Fee	\$ 2,677,000	\$ (107,000)	\$ 2,570,000
Amendment Fee	\$ -	\$ 400,000	\$ 400,000
Total Project Costs	\$ 155,707,000	\$ 27,293,000	\$ 183,000,000
Projected Profit	\$ 13,756,738		\$ 7,246,869

Amended Financing Program:

Financing Program	Current	Variance	Amended	
MCAP Loan	\$ 107,000,000	\$ 14,100,000	\$ 121,100,000	66.17%
Purchaser Deposits	\$ 16,604,750	\$ 3,600,000	\$ 20,204,750	11.04%
Deferred Costs	\$ 4,275,250	\$ -	\$ 4,275,250	2.34%
Mezzanine Loan	\$ 13,000,000	\$ -	\$ 13,000,000	7.10%
Appraisal Surplus Equity	\$ 11,000,000	\$ -	\$ 11,000,000	6.01%
Cash Equity	\$ 3,827,000	\$ 9,593,000	\$ 13,420,000	7.33%
Total	\$ 155,707,000	\$ 27,293,000	\$ 183,000,000	100.00%

Note:

Deferred costs are broken down as follows:

Legal Documents	\$76,780
Legals on Closing	\$379,500
Commissions	\$2,685,272
Discharge Fee	\$85,500
Construction Management Fee	\$1,076,194
Landscaping	<u>-\$27,996</u>
Total Deferrals	\$4,275,250

If you are in agreement with the foregoing terms and conditions, please indicate by signing and returning one (1) copy of this Amendment by email to ryan.topple@mcap.com by June 3, 2022, failing which this letter shall be deemed null and void.

Yours truly,

MCAP FINANCIAL CORPORATION

Bruno Iacovetta
Bruno Iacovetta
Managing Director

Ryan Topple
Ryan Topple
Senior Director

Borrower and Guarantor hereby accept the terms and conditions of the above-mentioned 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. By signing this Amendment Letter, the Borrower acknowledges that the loan is solely for its own benefit, and not for the benefit of any third party, except as specifically disclosed herein.

ACCEPTANCE

I/WE HEREBY accept the terms and conditions as stated herein.

DATED AT Mississauga, this 1st day of Jun, 2022

Vandyk Uptowns Limited

[Signature]
Per _____
I have the authority to bind the corporation

Per: _____
I have the authority to bind the corporation

K. G.
Witness

[Signature]
John Vandyk



MCAP

August 25, 2022

Vandyk – Uptowns Limited
c/o Vandyk Group of Companies
1944 Fowler Dr.
Mississauga, ON
L5K 0A1

ATTENTION: Mr. John Vandyk

RE: Uptowns Brampton; 18-5898-T41; 10302 Heart Lake Road, Brampton, ON

MCAP Financial Corporation (hereinafter referred to as the "Lender") is pleased to provide the following amendment (the "Amendment") subject to the terms and conditions set out below. Save and except as amended hereby, all other terms and conditions of the Commitment Letter dated June 25, 2019 and the Amendment Letters dated August 24, 2021 and May 24, 2022 shall remain unchanged and in effect. Together, this Amendment, and the aforementioned letters shall collectively be known as the "Commitment Letter".

Borrower: Vandyk-Uptowns Limited
(the "Borrower")

Lender: MCAP
(the "Lender")

Guarantor: Facilities 1 & 2 (Unchanged)
The personal guarantee of John Vandyk in the amount of \$50,000,000.

Amended Project Description: "**Uptowns Brampton**": being a ~ 6.50 acre site located at 10302 Heart Lake Road, north of the intersection of Highway 410 and Bovaird Drive East, Brampton, ON. The Project will include 342 stacked townhouse units contained in 13 blocks and 383,203 SF (NSA). The 4 storey blocks will have a steel frame structure with concrete floors and walls. The first floor is approximately 50% below grade. 3 levels of underground parking will be located below the eastern portion of the site containing 538 parking stalls. The unit mix is as follows:

Old Deal:

Unit Type	Total Units	Total			Sold			Unsold				
		Avg \$/Unit	Avg Size (sf)	Avg \$/sf	# of Units	Avg \$/Unit	Avg Size (sf)	Avg \$/sf	# of Units	Avg \$/Unit	Avg Size (sf)	Avg \$/sf
1 Br	50	\$ 337,399	568	\$ 594	46	\$ 329,284	571	\$ 577	4	\$ 430,600	538	\$ 800
2 Br	123	\$ 532,787	1075	\$ 496	113	\$ 505,698	1078	\$ 469	10	\$ 638,896	1048	\$ 800
3 Br	169	\$ 707,193	1296	\$ 546	126	\$ 590,625	1291	\$ 457	43	\$ 1,048,763	1311	\$ 800
Total	342	\$ 580,484	1111	\$ 532	285	\$ 514,772	1088	\$ 473	57	\$ 968,564	1238	\$ 800

New Deal:

Unit Type	Total Units	Total			Sold			Unsold				
		Avg \$/Unit	Avg Size (sf)	Avg \$/sf	# of Units	Avg \$/Unit	Avg Size (sf)	Avg \$/sf	# of Units	Avg \$/Unit	Avg Size (sf)	Avg \$/sf
1 Br	50	\$ 350,750	568	\$ 618	49	\$ 344,643	568	\$ 607	1	\$ 640,990	617	\$ 1,053
2 Br	123	\$ 540,071	1075	\$ 502	116	\$ 515,421	1086	\$ 476	7	\$ 948,561	1081	\$ 877
3 Br	169	\$ 695,769	1296	\$ 537	161	\$ 679,742	1297	\$ 524	8	\$ 1,018,740	1276	\$ 797
Total	342	\$ 689,341	1111	\$ 531	326	\$ 670,804	1169	\$ 516	16	\$ 964,930	1154	\$ 836

("the Project")

Loan Facility/Type:

Facility 1: \$121,100,000 Non-revolving construction loan
Facility 2: \$ 5,000,000 Letters of Credit

(the "Loan Facility")

Purpose:

To amend the budget and financing program for a \$7,698,677 cost overrun to be covered by

- a. Additional Cash Equity of \$4,200,000
- b. Additional purchaser deposit use of \$3,498,677

Interest Rate:Unchanged

The greater of RBC Prime + 1.75% per annum or 5.00% per annum

Amendment Fee:

\$282,000

Loan Term:Facility 1 – Unchanged

Maturity date of February 1, 2024 with two, 3-month extension periods available subject to payment of the Extension Fee and Lender approval.

Extension Fee:Unchanged;

0.25% per 3-month extension

Amended Funding Conditions:Facilities 1 & 2:

1. Satisfactory confirmation that the HRJL Mezzanine Loan has been replaced and the related Receivership Application has been dismissed.
2. Satisfactory confirmation of the updated budget by the Lender's Cost Consultant not to exceed \$190,698,677 and supported by the following:

Contracts/Quotes	\$ 78,008,333	66.8%
Change Orders	\$ 6,361,586	5.4%
Purchase Orders	\$ 1,115,089	1.0%
Unit Rates	\$ 7,228,002	6.2%
<u>Uncommitted</u>	<u>\$ 24,044,946</u>	<u>20.6%</u>
Subtotal	\$116,757,956	100.00%
General Site Overheads	<u>\$ 1,450,452</u>	
Total	\$118,208,408	

3. Receipt and satisfactory review of an Appraisal on the 57 inventory units confirming a gross sale value of \$55,208,160
4. Satisfactory confirmation of cash equity of \$17,620,000 has been injected into the project to pay for project costs.
5. Receipt and satisfactory review of an updated personal net worth statement from the Guarantor and financial statements from the Borrower.
6. Receipt and satisfactory review of a commitment from a satisfactory Deposit insurer permitting the release of deposits to fund project costs to be not less than \$23,703,427
7. Confirmation of an additional 41 firm pre-sales at an average of \$778 psf with staged deposits of not less than 15% prior to occupancy as follows:
 - a. \$5,000 on signing
 - b. Balance to 5% within 30 days
 - c. 5% in 180 days
 - d. 5% in 360 days

A firm pre-sale is defined as:

- 1) The sale is arms-length as determined by the Lender;
- 2) The Borrower has provided a copy of the executed purchase and sale agreement with all schedules and amendments to the Lender;
- 3) The purchaser has provided evidence of mortgage financing or has otherwise demonstrated their ability to close; and
- 4) The Borrower has received into the lawyer's trust account a minimum of 5% deposit on the unit, with a further 10% due prior to occupancy.

The 41 additional presale units will bring total sales to a minimum of 326 units and ~\$186,114,740 of gross revenue.

8. Confirmation of a minimum of **\$23,703,427** of purchaser deposits from the sales in place will be received prior to occupancy. Any shortfall in contracted deposits to be covered on a temporary basis with additional cash equity until sufficient contracted deposits are in place that will provided for the amount as set out in the Financing Program.
9. Receipt of an Escrow Agreement with the Borrower's solicitor confirming that they will hold any surplus closing proceeds from the Phase 1 closings, with those funds to be released to the Borrower to pay for project costs as approved by the Lender in writing.
10. Confirmation from Lender's legal counsel that the Project can be phased into two separate condominium registrations permitting staged closings and that purchaser's approval will not be required for the revised phasing of the condominium.
11. Confirmation from the Lender's insurance consultant that the Builders Risk insurance coverage amounts are sufficient.
12. Payment of the amendment fee.
13. The Lender will require receipt of a Cost Consultant report at least once every two months regardless if a loan advance is not requested.
14. Lender to be satisfied with the Cost Consultant prepared cashflow which is to revise interest rate assumptions to reflect a current prime rate of 4.7% and 3 additional 25bps rate increases in September 2022, November 2022 and January 2023.

Amended Availability:

Facility 1- Old Deal

Progress draws to a maximum of \$121,100,000 on a cost-to-complete basis for work-in-place less Borrower's equity in the amount of \$24,420,000 which is split between \$11,000,000 of appraisal surplus and \$13,420,000 of cash equity, mezzanine financing in the amount of \$13,000,000 (principal only), deferred costs incurred of up to \$4,275,250, staged purchaser deposits utilized in the Project of \$20,204,750, and applicable lien holdback, based on Project Monitor's recommendation and title search confirming absence of liens.

Facility 1 - New Deal

Progress draws to a maximum of \$121,100,000 on a cost-to-complete basis for work-in-place less Borrower's equity in the amount of \$28,620,000 which is split between \$11,000,000 of appraisal surplus and \$17,620,000 of cash equity, mezzanine financing in the amount of \$13,000,000 (principal only), deferred costs incurred of up to \$4,275,250, staged purchaser deposits utilized in the Project of \$23,703,427, and applicable lien holdback, based on Project Monitor's recommendation and title search confirming absence of liens.

In the event that the Borrower realizes surplus closing proceeds from the phased closings of the units in the Project, those funds are to remain in the Solicitor's trust account to fund future project costs. Funds are only to be released to fund project costs as supported by a CB Ross report which the Lender is to review and confirm acceptance of prior to the release of funds. Any surplus funds released to pay project costs will cause a dollar-for-dollar reduction the in availability of the Construction Loan

Subsequent Financing:Unchanged:

Save and except for a 2nd mortgage in favour of the deposit insurer and a 3rd mortgage in favour of Dorr Capital Corporation, for an amount not to exceed \$68,750,000 in financing inclusive of interest reserve, no financing subsequent to the Loan Facility shall be permitted, without the prior written consent of the Lender, which may be unreasonably withheld.

Amended Project Economics:

Project Economics	Original Approval	Variance	Last Approval	Variance	Revised
Residential Revenue	\$ 182,649,550	\$ 19,268,760	\$ 201,918,310	\$ (363,730)	\$ 201,554,580
Upgrades / Additional Parking			\$ -	\$ 6,572,500	\$ 6,572,500
Recoveries	\$ 448,500	\$ 3,770,512	\$ 4,219,012		\$ 4,219,012
Less: HST	\$ (13,634,312)	\$ (2,256,141)	\$ (15,890,453)	\$ 34,225	\$ (15,856,228)
Net Revenue	\$ 169,463,738	\$ 20,783,131	\$ 190,246,869	\$ 6,242,995	\$ 196,489,864
Land Cost	\$ 6,000,000	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000
Land Appraisal Surplus	\$ 11,000,000	\$ -	\$ 11,000,000	\$ -	\$ 11,000,000
Land Closing and Realty Taxes	\$ 488,824	\$ 119,976	\$ 608,800	\$ 39,224	\$ 648,024
Construction Costs	\$ 84,810,097	\$ 23,139,193	\$ 107,949,290	\$ 11,586,793	\$ 119,536,083
Contingency (Construction)	\$ 2,546,600	\$ 1,000,000	\$ 3,546,600	\$ (100,960)	\$ 3,445,640
Construction Management Fees	\$ 1,837,300	\$ (155,386)	\$ 1,681,914	\$ -	\$ 1,681,914
Selling Costs	\$ 6,349,814	\$ 780,784	\$ 7,130,598	\$ 37,927	\$ 7,168,525
Development Charges	\$ 27,237,250	\$ -	\$ 27,237,250	\$ -	\$ 27,237,250
Soft Costs	\$ 3,607,176	\$ 153,188	\$ 3,760,364	\$ 518,069	\$ 4,278,433
Soft Cost Contingency	\$ 2,016,462	\$ 161,562	\$ 2,178,024	\$ (745,216)	\$ 1,432,808
Interest Cost	\$ 7,136,477	\$ 1,800,683	\$ 8,937,160	\$ (3,237,160)	\$ 5,700,000
Historical Commitment Fee	\$ 2,677,000	\$ (107,000)	\$ 2,570,000	\$ -	\$ 2,570,000
Amendment Fee	\$ -	\$ 400,000	\$ 400,000	\$ (400,000)	\$ -
Total Project Costs	\$ 155,707,000	\$ 27,293,000	\$ 183,000,000	\$ 7,698,677	\$ 190,698,677
Projected Profit	\$ 13,756,738	\$ (6,509,869)	\$ 7,246,869	\$ (1,455,682)	\$ 5,791,187
<i>Profit % of Net Rev.</i>	<i>8.12%</i>		<i>3.81%</i>		<i>2.95%</i>
Add Appraisal Surplus	\$ 11,000,000		\$ 11,000,000		\$ 11,000,000
Total Profit	\$ 24,756,738	\$ (6,509,869)	\$ 18,246,869	\$ (1,455,682)	\$ 16,791,187
<i>Profit + recapture as % of Net Rev.</i>	<i>14.61%</i>		<i>9.59%</i>		<i>8.55%</i>

Amended Financing Program:

Financing Program	Original	Variance	Last Approval	Variance	Revised
MCAP Loan	\$ 107,000,000	\$ 14,100,000	\$ 121,100,000	\$ -	\$ 121,100,000
Purchaser Deposits	\$ 16,604,750	\$ 3,600,000	\$ 20,204,750	\$ 3,498,677	\$ 23,703,427
Deferred Costs	\$ 4,275,250	\$ -	\$ 4,275,250	\$ -	\$ 4,275,250
Mezzanine Loan	\$ 13,000,000	\$ -	\$ 13,000,000	\$ -	\$ 13,000,000
Appraisal Surplus Equity	\$ 11,000,000	\$ -	\$ 11,000,000	\$ -	\$ 11,000,000
Cash Equity	\$ 3,827,000	\$ 9,593,000	\$ 13,420,000	\$ 4,200,000	\$ 17,620,000
Total	\$ 155,707,000	\$ 27,293,000	\$ 183,000,000	\$ 7,698,677	\$ 190,698,677

Note:

Deferred costs are broken down as follows:

Legal Documents	\$76,780
Legals on Closing	\$379,500
Commissions	\$2,685,272
Discharge Fee	\$85,500
Construction Management Fee	\$1,076,194
Landscaping	-\$27,996
Total Deferrals	\$4,275,250

If you are in agreement with the foregoing terms and conditions, please indicate by signing and returning one (1) copy of this Amendment by email to ryan.topple@mcap.com by August 31, 2022, failing which this letter shall be deemed null and void.

Yours truly,

MCAP FINANCIAL CORPORATION

Bruno Iacovetta
 Bruno Iacovetta
 Managing Director

Ryan Topple
 Ryan Topple
 Senior Director

Amendment Letter
Vandyk – Uptowns Brampton

August 25, 2022

Borrower and Guarantor hereby accept the terms and conditions of the above-mentioned 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. By signing this Amendment Letter, the Borrower acknowledges that the loan is solely for its own benefit, and not for the benefit of any third party, except as specifically disclosed herein.

ACCEPTANCE

I/WE HEREBY accept the terms and conditions as stated herein.

DATED AT _____, this 31st day of Sept, 2022
Aug

Vandyk Uptowns Limited

Per: [Signature]
I have the authority to bind the corporation John Vandyk

Per:
I have the authority to bind the corporation

[Signature]
Witness

[Signature]
John Vandyk

TAB L

THIS IS **EXHIBIT "L"** 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 AND POSTPONEMENT OF CLAIM

TO: MCAP FINANCIAL CORPORATION

WHEREAS MCAP FINANCIAL CORPORATION (hereinafter called the "Lender") has advanced funds or is about to advance funds to VANDYK-UPTOWNS LIMITED (hereinafter called the "Borrower") and in consideration of your intention to advance the said funds to the Borrower, and other good and valuable consideration and the sum of Two Dollars (\$2.00), the receipt and sufficiency of which are hereby acknowledged, the undersigned (hereinafter called the "Guarantor") hereby, jointly and severally, declares, covenants and agrees as follows:

1. In this Guarantee and Postponement of Claim the following words shall have the meaning as indicated opposite such word:

- (a) "Credit" - means financial accommodation of any kind whatsoever.
- (b) "Indebtedness" - means in its broadest sense all obligations of the Borrower to the Lender, alone or with others heretofore or hereafter incurred, whether voluntarily or involuntarily, whether due or not due, whether absolute, inchoate, contingent, liquidated or unliquidated together with interest on each and every such obligation. Notwithstanding the foregoing, this Guarantee shall relate only to a loan made by the Lender to the Borrower pursuant to a Letter of Commitment dated June 25, 2019 and any amendments thereto, if applicable (the "Letter of Commitment").

2. Without further authorization from or notice to the Guarantor, you may grant Credit and advance funds to the Borrower from time to time, either before or after revocation hereof, and in such manner, upon such terms and for such times as you deem best, and with or without notice to the Guarantor you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Borrower or by any person or persons liable to you of any Indebtedness hereby guaranteed, increase or reduce the rate of interest thereon, release or add one or more guarantors or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or non-exercise by you of any right hereby given you, no failure by you to record, complete or otherwise perfect any securities given you by the Borrower or the Guarantor or any person, firm or corporation, no dealing by you with the Borrower or any guarantor or endorser and no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the Guarantor's obligations hereunder or any security furnished by the Guarantor or give the Guarantor any recourse against you.

3. The Guarantor, guarantees unconditionally and promises to pay to you or your order each item of Indebtedness hereby guaranteed, interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any Indebtedness of the Borrower hereby guaranteed or in enforcing this Guarantee against the Guarantor and, promises to perform each guaranteed obligation when due.

The Guarantor's liability under this Guarantee shall not exceed at any time the sum of \$50,000,000.00 plus interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any Indebtedness of the Borrower hereby guaranteed or in enforcing this Guarantee against the Guarantor.

4. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Borrower, any other Guarantor, any other person, firm or corporation, or any securities you may hold at any time nor to value such securities before requiring or being entitled to payment from the Guarantor of all Indebtedness hereby guaranteed. Provided always, this Guarantee shall not be determined or affected or your rights thereunder prejudiced by the discontinuance of this Guarantee as to one or more other Guarantors or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of the Borrower, or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of any other Guarantor.

5. Upon this Guarantee bearing the signature of the Guarantor coming into your hands or the hands of any officer, agent or employee thereof the same shall be deemed to be finally executed and delivered by the Guarantor and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor's liability except as set forth herein, and no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect the Guarantor's liability hereunder.
6. No alteration or waiver of this Guarantee or any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of your duly authorized officers in that regard.
7. Until all Indebtedness hereby guaranteed has been paid in full the Guarantor shall not have any right of subrogation unless expressly given the Guarantor in writing by one of your duly authorized officers in that regard.
8. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or moneys received to any portion of the Indebtedness hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.
9. No change in the name, objects, share capital, business, membership, directorate powers, organization or management of the Borrower shall in any way affect the obligations of the Guarantor, either with respect to transactions occurring before or after any such change, it being understood that where the Borrower is a partnership or corporation this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Borrower notwithstanding any change or changes in the name or membership of the Borrower's firm or in the name of the Corporate Borrower, and notwithstanding any reorganization of the Corporate Borrower, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.
10. Where the Borrower is a corporation or partnership or an entity, you shall not be concerned to see or inquire into the powers of the Borrower or its directors, partners or agents acting or purporting to act on its behalf, and Credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the Indebtedness hereby guaranteed even though the borrowing or obtaining of such Credit was irregularly, fraudulently, defectively or informally effected, or in excess of the powers of the Borrower or of the directors, partners or agents thereof. The Guarantor warrants and represents that it is fully authorized by law to execute this Guarantee.
11. The statement in writing of any of your authorized officers from time to time of the Indebtedness of the Borrower to you and covered by this Guarantee shall be received as prima facie evidence as against the Guarantor that such amount is at such time so due and payable to you and is covered hereby.
12. All indebtedness, present and future, of the Borrower to the Guarantor is hereby assigned to you and postponed to the present and future Indebtedness of the Borrower to you and all moneys received from the Borrower or for his account by the Guarantor shall be received in trust for you, and forthwith upon receipt, paid over to you until the Borrower's Indebtedness to you is fully paid and satisfied, all without prejudice to you and without in any way limiting or lessening the liability of the undersigned to you under this Guarantee. If the Borrower is a partnership of which the Guarantor is a member, the Guarantor will not without the prior written consent of one of your duly authorized officers withdraw any capital of the Guarantor invested with the Borrower.
13. Upon the bankruptcy or winding up or other distribution of assets of the Borrower or any surety or guarantor for any Indebtedness of the Borrower to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you see fit and may refrain from proving any claim, and in your discretion you

may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the Guarantor's liability to you and until all Indebtedness of the Borrower to you has been fully paid to you, you shall have the right to include in your claim the amount of all sums paid by the Guarantor to you under this Guarantee and to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you. The Guarantor shall not be released from liability if recovery from the Borrower, any other Guarantor or any other person becomes barred by any Statute of Limitations or is otherwise prevented.

14. The Guarantor will file all claims against the Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law upon any Indebtedness of the Borrower to the Guarantor and will assign to you all of the Guarantor's rights thereunder. If the Guarantor does not file any such claim, you, as attorney in fact of the Guarantor, are hereby authorized to do so in the name of the Guarantor or in your discretion to assign the claim to and cause proof of claim to be filed in the name of your nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to you the full amount payable on the claim in the proceeding before making any payment to the Guarantor, and to the full extent necessary for that purpose the Guarantor hereby assigns to you all the Guarantor's right to any payments or distributions to which the Guarantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, you will pay the amount of the excess to the party entitled thereto.

15. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law and, without restricting the generality of the foregoing, if you hold one or more guarantees executed by the Guarantor relating to Credit extended to the Borrower by you, the amount of the Guarantor's liability imposed by such other guarantee or guarantees shall be added to the amount of the Guarantor's liability imposed by the provisions hereof and the resulting total shall be the amount of the Guarantor's liability.

16. The Guarantor shall pay to you on demand (in addition to all debts and liabilities of the Borrower hereby guaranteed) all costs, charges and expenses (including without limitation, lawyer's fees as between Solicitor and client) incurred by you for the preparation, execution and perfection and enforcement of this Guarantee and of any securities collateral thereto, together with interest calculated from the date of payment by you of each such costs, charges and expenses until payment by the Guarantor hereunder.

17. In case of default you may maintain an action upon this Guarantee whether or not the Borrower is joined therein or separate action is brought against the Borrower or judgement obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the Guarantor or by any number of successive actions until and unless all Indebtedness hereby guaranteed has been paid and each of the Guarantor's obligations hereunder has been fully performed.

18. If any provision of this Guarantee is determined in any proceeding by a Court of Jurisdiction to be invalid or to be wholly or partially unenforceable, that provision shall, for the purposes of such a proceeding, be severed from this Guarantee at the Lender's option and shall be treated as not forming a part hereof and all the remaining provisions of this Guarantee shall remain in full force and shall be unaffected thereby.

19. Any notice or demand which you may wish to give may be served on the Guarantor either personally or on his legal personal representative or in the case of a corporation on an officer of the corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address of the person to be served as it appears on your records, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed.

20. This Guarantee shall be construed in accordance with the laws of the Province of Ontario and in any action thereon the Guarantor shall be estopped from denying the same; any judgement

recovered in the Courts of such Province against any Guarantor or his executors, administrators, legal personal representatives, successors and/or assigns shall be binding on him and them.


21. Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine gender and any word importing a person shall include a corporation, partnership, firm and any entity.

22. In the event of your making a demand upon the undersigned or any or all of the undersigned upon this Guarantee each of the undersigned shall be held and bound to you directly as principal debtor in respect of the payment of the amounts hereby guaranteed and if there be more than one undersigned then liability hereunder shall be joint and several.

23. This Guarantee and agreement on the part of the Guarantor shall extend to and enure to your benefit and the benefit of your successors and assigns and shall be binding on the Guarantor and his executors, administrators, legal personal representatives, successors and assigns.

IN WITNESS WHEREOF the Guarantor has hereto set his hand and seal, this 26th day of July, 2019.

WITNESS:


Name: (print) BRUCE MILBURN
as to the signature of John C. Vandy

)
)
)
)
)
)


John C. Vandyk

GUARANTEE AND POSTPONEMENT OF CLAIM

TO: MCAP Financial Corporation

WHEREAS MCAP FINANCIAL CORPORATION (hereinafter called the "Lender") has advanced funds or is about to advance funds to **Vandyk-Uptowns Limited** (hereinafter called the "Borrower") and in consideration of your intention to advance the said funds to the Borrower, and other good and valuable consideration and the sum of Two Dollars (\$2.00), the receipt and sufficiency of which are hereby acknowledged, the undersigned (hereinafter collectively called the "Guarantor") hereby, jointly and severally, declares, covenants and agrees as follows:

1. In this Guarantee and Postponement of Claim the following words shall have the meaning as indicated opposite such word:

- (a) "Credit" - means financial accommodation of any kind whatsoever.
- (b) "Indebtedness" - means all obligations of the Borrower to the Lender, alone or with others heretofore or hereafter incurred, whether voluntarily or involuntarily, whether due or not due, whether absolute, inchoate, contingent, liquidated or unliquidated together with interest on each and every such obligation. Notwithstanding the foregoing, this Guarantee shall relate only to a loan made by the Lender to the Borrower pursuant to a Letter of Commitment dated June 25, 2019 and any amendments thereto, if applicable (the "Letter of Commitment").

2. Without further authorization from or notice to the Guarantor, you may grant Credit and advance funds to the Borrower from time to time, either before or after revocation hereof, and in such manner, upon such terms and for such times as you deem best, and with or without notice to the Guarantor you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Borrower or by any person or persons liable to you of any Indebtedness hereby guaranteed, increase or reduce the rate of interest thereon, release or add one or more guarantors or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or non-exercise by you of any right hereby given you, no failure by you to record, complete or otherwise perfect any securities given you by the Borrower or the Guarantor or any person, firm or corporation, no dealing by you with the Borrower or any guarantor or endorser and no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the Guarantor's obligations hereunder or any security furnished by the Guarantor or give the Guarantor any recourse against you.

3. The Guarantor, guarantees unconditionally and promises to pay to you or your order each item of Indebtedness hereby guaranteed, interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any Indebtedness of the Borrower hereby guaranteed or in enforcing this Guarantee against the Guarantor and, promises to perform each guaranteed obligation when due.

4. Subject to Paragraph No. 24 hereof, this shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Borrower, any other Guarantor, any other person, firm or corporation, or any securities you may hold at any time nor to value such securities before requiring or being entitled to payment from the Guarantor of all Indebtedness hereby guaranteed. Provided always, this Guarantee shall not be determined or affected or your rights thereunder prejudiced by the discontinuance of this Guarantee as to one or more other Guarantors or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of the Borrower, or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of any other Guarantor.

5. Upon this Guarantee bearing the signature of the Guarantor coming into your hands or the hands of any officer, agent or employee thereof the same shall be deemed to be finally executed and delivered by the Guarantor and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor's liability except as set forth herein, and no statement, representation, agreement or promise on the part of any officer, employee or agent of

the Lender, unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect the Guarantor's liability hereunder.

6. No alteration or waiver of this Guarantee or any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of your duly authorized officers in that regard.

7. Until all Indebtedness hereby guaranteed has been paid in full the Guarantor shall not have any right of subrogation unless expressly given the Guarantor in writing by one of your duly authorized officers in that regard.

8. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or moneys received to any portion of the Indebtedness hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.

9. No change in the name, objects, share capital, business, membership, directorate powers, organization or management of the Borrower shall in any way affect the obligations of the Guarantor, either with respect to transactions occurring before or after any such change, it being understood that where the Borrower is a partnership or corporation this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Borrower notwithstanding any change or changes in the name or membership of the Borrower's firm or in the name of the Corporate Borrower, and notwithstanding any reorganization of the Corporate Borrower, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.

10. Where the Borrower is a corporation or partnership or an entity, you shall not be concerned to see or inquire into the powers of the Borrower or its directors, partners or agents acting or purporting to act on its behalf, and Credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the Indebtedness hereby guaranteed even though the borrowing or obtaining of such Credit was irregularly, fraudulently, defectively or informally effected, or in excess of the powers of the Borrower or of the directors, partners or agents thereof. The Guarantor warrants and represents that it is fully authorized by law to execute this Guarantee of Credit to be granted to the Borrower.

11. The statement in writing of any of your authorized officers from time to time of the Indebtedness of the Borrower to you and covered by this Guarantee shall be received as prima facie evidence as against the Guarantor that such amount is at such time so due and payable to you and is covered hereby.

12. All indebtedness, present and future, of the Borrower to the Guarantor is hereby assigned to you and postponed to the present and future Indebtedness of the Borrower to you and all moneys received from the Borrower or for his account by the Guarantor shall be received in trust for you, and forthwith upon receipt, paid over to you until the Borrower's Indebtedness to you is fully paid and satisfied, all without prejudice to you and without in any way limiting or lessening the liability of the undersigned to you under this Guarantee. If the Borrower is a partnership of which the Guarantor is a member, the Guarantor will not without the prior written consent of one of your duly authorized officers withdraw any capital of the Guarantor invested with the Borrower.

13. Upon the bankruptcy or winding up or other distribution of assets of the Borrower or any surety or guarantor for any Indebtedness of the Borrower to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you see fit and may refrain from proving any claim, and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the Guarantor's liability to you and until all Indebtedness of the Borrower to you has been fully paid to you, you shall have the right to include in your claim the amount of all sums paid by the Guarantor to you under this Guarantee and to prove and rank for such sums paid by the Guarantor and to receive the full amount of all

dividends in respect thereto being hereby assigned and transferred to you. The Guarantor shall not be released from liability if recovery from the Borrower, any other Guarantor or any other person becomes barred by any Statute of Limitations or is otherwise prevented.

14. The Guarantor will file all claims against the Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law upon any Indebtedness of the Borrower to the Guarantor and will assign to you all of the Guarantor's rights thereunder. If the Guarantor does not file any such claim, you, as attorney in fact of the Guarantor, are hereby authorized to do so in the name of the Guarantor or in your discretion to assign the claim to and cause proof of claim to be filed in the name of your nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to you the full amount payable on the claim in the proceeding before making any payment to the Guarantor, and to the full extent necessary for that purpose the Guarantor hereby assigns to you all the Guarantor's right to any payments or distributions to which the Guarantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, you will pay the amount of the excess to the party entitled thereto.

15. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law and, without restricting the generality of the foregoing, if you hold one or more guarantees executed by the Guarantor relating to Credit extended to the Borrower by you, the amount of the Guarantor's liability imposed by such other guarantee or guarantees shall be added to the amount of the Guarantor's liability imposed by the provisions hereof and the resulting total shall be the amount of the Guarantor's liability.

16. The Guarantor shall pay to you on demand (in addition to all debts and liabilities of the Borrower hereby guaranteed) all costs, charges and expenses (including without limitation, lawyer's fees as between Solicitor and client) incurred by you for the preparation, execution and perfection and enforcement of this Guarantee and of any securities collateral thereto, together with interest calculated from the date of payment by you of each such costs, charges and expenses until payment by the Guarantor hereunder.

17. In case of default you may maintain an action upon this Guarantee whether or not the Borrower is joined therein or separate action is brought against the Borrower or judgement obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the Guarantor or by any number of successive actions until and unless all Indebtedness hereby guaranteed has been paid and each of the Guarantor's obligations hereunder has been fully performed.

18. If any provision of this Guarantee is determined in any proceeding by a Court of Jurisdiction to be invalid or to be wholly or partially unenforceable, that provision shall, for the purposes of such a proceeding, be severed from this Guarantee at the Lender's option and shall be treated as not forming a part hereof and all the remaining provisions of this Guarantee shall remain in full force and shall be unaffected thereby.

19. Any notice or demand which you may wish to give may be served on the Guarantor either personally or on his legal personal representative or in the case of a corporation on an officer of the corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address of the person to be served as it appears on your records, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed.

20. This Guarantee shall be construed in accordance with the laws of the Province of Ontario and in any action thereon the Guarantor shall be estopped from denying the same; any judgement recovered in the Courts of such Province against any Guarantor or his executors, administrators, legal personal representatives, successors and/or assigns shall be binding on him and them.

21. Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine gender and any word

importing a person shall include a corporation, partnership, firm and any entity.

22. In the event of your making a demand upon the undersigned or any or all of the undersigned upon this Guarantee each of the undersigned shall be held and bound to you directly as principal debtor in respect of the payment of the amounts hereby guaranteed and if there be more than one undersigned then liability hereunder shall be joint and several.

23. This Guarantee and agreement on the part of the Guarantor shall extend to and enure to your benefit and the benefit of your successors and assigns and shall be binding on the Guarantor and his executors, administrators, legal personal representatives, successors and assigns.

24. Notwithstanding anything contained in this document, you, for the purpose of enforcing your rights against the undersigned with regard to its guarantee, shall have recourse only to the One Hundred (100) common shares of the capital stock of the Borrower pledged by the undersigned in favour of the Lender on the terms and conditions set out in a certain Share Pledge Agreement made as of the 26th day of July, 2019 and the obligations of the undersigned shall be performed, satisfied and paid only out of the said pledged shares. You shall have no resort or recourse to any other asset of the undersigned to satisfy the guarantee obligations of the undersigned hereunder and you shall have no right whatsoever to levy execution or other process against any other asset of the undersigned to satisfy the obligations of the undersigned hereunder.

Nothing contained in this Paragraph No. 24 however, shall in any way limit any assignment or postponement referred to in Paragraph No. 12 herein, for the entire duration of the Indebtedness.

IN WITNESS WHEREOF the Guarantor has hereto set his hand and seal, this 26th day of July, 2019.

**VANDYK HOLDINGS
INCORPORATED**

Per: 

Name: Richard Ma

Title: Authorized Signing Officer

I have authority to bind the Corporation.

TAB M

THIS IS **EXHIBIT "M"** 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 *Interest/Estate* Fee Simple
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; CITY OF BRAMPTON
Address 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, ON L5K 0A1

I, Richard Ma, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name MCAP FINANCIAL CORPORATION
Address for Service 200 King Street West
Suite 400
Toronto, ON M5H 3T4

Statements

Schedule: See Schedules

Provisions

Principal \$140,000,000.00 *Currency* CDN
Calculation Period monthly, not in advance
Balance Due Date ON DEMAND
Interest Rate see Schedule
Payments
Interest Adjustment Date
Payment Date interest only, on the 1st day of each month
First Payment Date
Last Payment Date
Standard Charge Terms 8629
Insurance Amount Full insurable value
Guarantor

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2020 01 14
Toronto Chargor(s)
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2020 01 14
Toronto
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.05

Fees/Taxes/Payment

Total Paid \$65.05

File Number

Chargee Client File Number : 9150-079

ADDITIONAL PROVISIONS

1. Letter of Commitment

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated June 25, 2019 (and any amendments thereto, if applicable).

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

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

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

2. Due on Demand

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

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

3. Interest Rate

The mortgage shall bear interest at the greater rate of: (i) Royal Bank of Canada Prime rate of interest plus 1.75% per annum, adjusted daily and compounded and payable monthly, not in advance, and (ii) 5.70% per annum, compounded and payable monthly, not in advance.

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

4. Default

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (e) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed or presented against the Chargor;
- (f) any proceedings with respect to the Chargor are commenced under the

Companies' Creditors Arrangement Act;

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

5. Chargee May Remedy Default

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

6. Construction Liens

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

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

7. Construction Loan

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

- (a) the Chargor further covenants that all installation of services and construction on the lands hereby secured shall be carried out by reputable contractors with sufficient experience in a project of this nature and size, which contractors must be approved by the Chargee and which approval shall not be unreasonably withheld.

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

8. Environmental

- (a) The following terms have the following meanings in this Section:
 - (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the *Environmental Protection Act (Ontario)*, as amended from time to time (the "EPA"), and the *Canadian Environmental Protection Act*, as amended from time to time (the "CEPA"); and
 - (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the *Transportation of Dangerous Goods Act (Canada)*, as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:

- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;
 - (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
 - (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
 - (vii) the Chargor will not install on the Lands, nor knowingly permit to be

installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and

(viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

(i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;

(ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:

a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and

b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;

(iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommissioning or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

a. resulted by, through or under the Chargor; or

b. occurred with the Chargor's knowledge and consent; or

c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all

other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. Letters of Credit

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

10. Miscellaneous

The Chargor agrees as follows:

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

11. Amendments to Standard Charge Terms

The Standard Charge Terms No. 8629 referred to in this document were filed by The Mutual Trust Company, and for purposes of this document, any reference in the said Standard Charge Terms to The Mutual Trust Company should be deemed to be replaced by the name of the Chargee.

12. Prepayment Provisions

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

13. Restriction on Transfer

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

14. Assignment of Condominium Voting Rights

In the event that the property or any part thereof is or becomes a unit within a

Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Condominium Corporation, in the place of and on behalf of the Chargor, and the Chargor hereby assigns unto the Chargee all such voting rights, exercisable only in the event of default.

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

15. Subsequent Financing

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

16. Partial Discharges

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

17. Voting Control

The Chargor agrees that voting control of the Chargor or of any beneficial owner shall not change during the currency of this loan without the prior written consent of the Chargee.

TAB N

THIS IS **EXHIBIT "N"** 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; CITY OF BRAMPTON
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, ON L5K 0A1

I, Richard Ma, Authorized Signing Officer, have the authority to bind the corporation.

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

Party To(s)*Capacity**Share*

Name MCAP FINANCIAL CORPORATION
Address for Service 200 King Street West
 Suite 400
 Toronto, ON M5H 3T4

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, PR3599910 registered on 2020/01/14 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2020 01 14
 Toronto Applicant(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

I have the authority to sign and register the document on behalf of all parties to the document.

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2020 01 14
 Toronto Party To(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2020 01 14
 Toronto
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.05

Total Paid \$65.05

File Number

Party To Client File Number : 9150-079

ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made as of the 26th day of July, 2019.

B E T W E E N:

VANDYK-UPTOWNS LIMITED

(hereinafter called the "Assignor"),

OF THE FIRST PART,

- AND -

MCAP FINANCIAL CORPORATION

(hereinafter called the "Assignee"),

OF THE SECOND PART.

WHEREAS:

A. VANDYK-UPTOWNS LIMITED is the registered and beneficial owner of the lands described as Part Lot 12, Concession 2, EHS designated as Part 1, Plan 43R33117, City of Brampton, Regional Municipality of Peel and municipally known as: 10302 Heart Lake Road, Brampton, Ontario ("Lands");

B. pursuant to the Mortgage, the Assignor mortgaged and charged in favour of the Assignee all of its right, title and interest in and to the Project as security, inter alia, for the due payment of all principal, interest and other monies payable under the Mortgage;

C. as additional security for the Assignor's covenants and obligations as set out in the Mortgage and set out in all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee pursuant to the Mortgage, the Assignor agreed to assign to the Assignee the Rents and the Leases, together with all benefits, powers and advantages of the Assignor to be derived therefrom.

NOW THEREFORE THIS ASSIGNMENT WITNESSES that in consideration of the sum of Ten Dollars (\$10.00) paid by the Assignee to the Assignor (the receipt and sufficiency of which are hereby acknowledged) the parties covenant and agree with each other as follows:

1. **Recitals Correct:** The Assignor confirms that validity and truth of the above-noted recitals, which have the same force and effect as if repeated herein at length.
2. **Definitions:** In this Agreement the following capitalized terms have the respective meanings set out below:
 - (a) **"Agreement"**, **"this Agreement"**, **"the Agreement"**, **"hereto"**, **"hereof"**, **"hereby"**, **"hereunder"** and similar expressions mean or refer to this entire agreement as amended from time to time and any agreement or instrument supplemental or ancillary hereto or in implementation hereof;
 - (b) **"Building"** means any construction, erection or structure located on, placed upon or erected in, under or on the Lands, any additions, alterations, expansions, improvements and replacements thereof and includes, without limitation, all equipment, chattels and fixtures which may be owned by the Assignor and may now or hereafter be located in the Building or in any additions, alterations, expansions, improvements and replacements of the foregoing;
 - (c) **"Default"** has the meaning ascribed thereto in Section 8 hereof;

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

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

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

the Assignor, upon and subject to the terms of this Agreement, assigns, sets over and transfers to the Assignee all its rights, benefits, title and interest under, in and to, and all claims of whatsoever nature or kind which the Assignor now has or may hereafter have under or pursuant to:

- (c) the Leases;
- (d) the Rents;
- (e) the benefit of any and all present and future guarantees of and indemnities with respect to

any Lease and the performance of any or all of the obligations of any Tenant thereunder; and

- (f) all books, accounts, invoices, letters, papers, drawings and documents in any way evidencing or relating to the Leases, the Rents and any guarantees or indemnities of any Lease;

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

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

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

5. **Positive Covenants of Assignor:** The Assignor covenants and agrees:

- (a) to observe, perform and satisfy each and every term, agreement, provision, condition, obligation and covenant set out in, or required to be observed, performed and satisfied by the Assignor under or pursuant to, the Premises Hereby Assigned;
- (b) to deliver to the Assignee a copy of all written notices, demands or requests given under, in connection with or pursuant to the Premises Hereby Assigned that are:
 - (i) received by the Assignor, forthwith upon receipt of same; and
 - (ii) delivered by the Assignor, contemporaneously with the delivery of same;
- (c) to indemnify and save the Assignee harmless from and against any liabilities, losses, costs, charges, expenses (including legal fees and disbursements on a solicitor and his own client basis) damages, claims, demands actions, suits, proceedings, judgments and forfeitures suffered or incurred by the Assignee in connection with, on account of or by reason of:

- (i) the assignment to the Assignee of the Premises Hereby Assigned;
 - (ii) any alleged obligation of the Assignee to observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant set out in any of the Premises Hereby Assigned;
 - (iii) any failure of the Assignor to observe, perform or satisfy its covenants, agreements, warranties and representations set out in this Agreement including without limitation, subparagraphs 5(a), (b), (d), (e), (f), (g), (h), (i), (j) and (k) hereof; and
 - (iv) the enforcement of the assignment constituted by this Agreement;
- (d) to notify the Assignee in writing as soon as the Assignor becomes aware of any Dispute, claim or litigation in respect of any of the Premises Hereby Assigned or of any breach of default by the Assignor or any other person, firm or corporation in the observance, performance or satisfaction of any of the terms, agreements, provisions, conditions, obligations or covenants set out in the Premises Hereby Assigned;
- (e) to obtain such consents from third parties including, without limitation, Tenants as may be necessary or required by the Assignee in connection with the assignment constituted by this Agreement;
- (f) upon the written request of the Assignee, to execute and deliver to the Assignee specific assignments of any of the Leases duly acknowledged by the respective Tenants under such Leases, which specific assignments shall be in form and substance acceptable to the Assignee;
- (g) to use its best efforts to ensure that each Lease shall be entered into by it in good faith, at arm's length, at a rent and otherwise upon such terms and conditions as are reasonable and proper in the circumstances and are upon prevailing market terms and conditions;
- (h) to deliver to the Assignee, at the request of the Assignee from time to time, a notarial copy of any Lease and of any guarantee or indemnity in respect of the obligations of any Tenant under a Lease;
- (i) to execute and deliver to each Tenant and the Assignee, at the request of the Assignee from time to time, a written notice to each Tenant directing such Tenants to pay the Rents and all other sums owing under the Leases to the Assignee;
- (j) that each of the warranties and representations of the Assignor set out in this Agreement is now and will continue to be true and correct until the Indebtedness is paid in full; and
- (k) that it will pay or cause to be paid to the Assignee or pursuant to the Assignee's direction, upon demand, all costs, charges, fees and expenses including, without limitation, legal fees and disbursements on a solicitor and his own client basis, court costs and any other out-of-pocket costs and expenses incurred by the Assignee in connection with or arising out of or with respect to this Agreement including, without limitation, any one or more of the following:
- (i) the negotiation, preparation, execution and enforcement of this Agreement and all documents, agreements and other writings incidental or ancillary hereto;
 - (ii) any act done or taken pursuant to this Agreement including, without limitation, recovering the Indebtedness and registering, discharging and reassigning this Agreement;
 - (iii) the preservation, protection, enforcement or realization of the Premises

Hereby Assigned including, without limitation, retaking, holding, repairing, preparing for disposition and disposing of the Premises Hereby Assigned;

- (iv) any action or other proceeding instituted by the Assignor, the Assignee or any other person, firm or corporation in connection with or in any way relating to:
 - (1) this Agreement or any part hereof;
 - (2) the preservation, protection, enforcement or realization of the Premises Hereby Assigned; or
 - (3) the recovery of the Indebtedness; and
- (v) all amounts incurred or paid by the Assignor pursuant to paragraph 8 hereof;

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

6. **Negative Covenants of Assignor:** The Assignor covenants and agrees that it shall not:

- (a) sell, assign, transfer, dispose of, collect, receive or accept any of the Premises Hereby Assigned including, without limitation, the Rents except as may be permitted in this Agreement, nor do, nor permit to be done, any act or thing whereby the Assignee may be prevented or hindered from so doing;
- (b) pledge, charge, mortgage, hypothecate, create a security interest in or otherwise encumber the Premises Hereby Assigned or any part thereof in any manner whatsoever other than to the Assignee;
- (c) cancel, terminate or forfeit or take any action to cancel, terminate or forfeit or suffer or permit anything allowing any Tenant under any Lease to cancel, terminate, forfeit any of the Premises Hereby Assigned, or accept or agree to the surrender of, or take any action or suffer or permit anything allowing the surrender of any of the Premises Hereby Assigned;
- (d) waive, amend, modify or vary any of the terms, agreements, provisions, conditions, obligations and covenants set out in the Premises Hereby Assigned, or otherwise agree or consent to any waiver, amendment, modification or variation of any of them, whether by way of collateral agreement or otherwise; or
- (e) waive or agree to waive any failure of any party to any of the Premises Hereby Assigned including, without limitation, any Tenants, to observe, perform or satisfy any of the terms, agreements, provisions, conditions, obligations or covenants set out in any of the Premises Hereby Assigned;

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

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

7. **Representations and Warranties of Assignor:** The Assignor represents and warrants to the Assignee that:

- (a) each of the Premises Hereby Assigned including, without limitation, each of the Leases in effect as of the date hereof, is valid and subsisting, is in full force and effect, unamended, in good standing and there are no defaults thereunder;
- (b) the Assignor has good, valid and legal right to absolutely assign and transfer to the Assignee the Premises Hereby Assigned, free and clear of all assignments, mortgages, charges, pledges, security interest and other encumbrances other than those in favour of the Assignee;
- (c) the Assignor has taken all necessary action, corporate or otherwise, to authorize the execution and delivery of this Agreement and the performance of its obligations set out in this Agreement and in each of the Leases;
- (d) the execution, delivery and performance of this Agreement and the assignment constituted hereby will not conflict with, be in or contribute to a contravention, breach or default under the Assignor's constating documents, by-laws, resolutions or the provisions of any indenture, instrument, agreement or undertaking to which the Assignor is a party or by which it is bound, or under any valid regulation, order, writ or decree of any court, tribunal, arbitration panel or governmental authority;
- (e) this Agreement has been duly executed and when delivered, will be in full force and effect and constitutes a legal, valid and binding obligation of the Assignor, enforceable in accordance with its terms;
- (f) there is no pending or threatened litigation, action, claim or fact known to the Assignor and not disclosed to the Assignee in writing which adversely affect or could adversely affect any of the Premises Hereby Assigned or the rights of the Assignor or any other party thereunder or the rights of the Assignee under this Agreement;
- (g) none of the Premises Hereby Assigned in existence on the date hereof is incapable of assignment to the Assignee in accordance with the provisions of this Agreement, nor is any of the Premises Hereby Assigned incapable of further assignment by the Assignee or by any receiver or receiver and manager, nor is the consent of any third party required for any assignment set out in this Agreement or in connection with any further assignment by the Assignee; and
- (h) no Rents, payments, proceeds, receipts or other distributions due or to become due on any date subsequent to the date of this Agreement have been collected in advance of the time when the same become due under the terms of any of the Premises Hereby Assigned.

8. **Enforcement Upon Default:** Without limiting in any manner whatsoever the Assignee's rights, remedies, and recourses pursuant to this Agreement, by operation of law or otherwise, if the Assignor has defaulted in the performance, fulfillment or satisfaction of any of the terms, agreements, provisions, conditions, obligations or covenants set out in this Agreement, the mortgage or any other agreement, document, instrument, commitment or undertaking entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee or if the Assignor is otherwise in breach of or in default (hereinafter collectively called a "Default") under this Agreement, the Mortgage or any other agreement, document, instrument, commitment or undertaking entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee, then the Assignee and any receiver or any receiver and manager appointed by the Assignee, may from time to time and at any time, in its own name or in the name of the Assignor and without notice to the Assignor, do any one or more of the following:

- (a) observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant which, pursuant to any of the Premises Hereby Assigned, could or should be

observed, performed or satisfied by the Assignor;

- (b) exercise any of the rights, powers, authority and discretion which, pursuant to any of the Premises Hereby Assigned, by operation of law or otherwise, could be exercised, observed, performed or satisfied by the Assignor including, without limitation, amending and renewing the Leases and otherwise dealing with the Tenants and others and participating in all settlement negotiations and arbitration proceedings resulting from a dispute (the "Dispute") arising out of, in connection with or pursuant to any of the Premises Hereby Assigned; and
- (c) collect any Rents, proceeds, receipts or income arising from or out of the Premises Hereby Assigned including, without limitation, the institution of proceedings, whether in the name of the Assignor or the Assignee or both, for the collection of same.

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

9. **Assignee Not Liable:** The Assignee shall not be bound to exercise any of the rights afforded to it hereunder nor to collect, dispose of, realize, preserve or enforce any of the Premises Hereby Assigned. The Assignee shall not be liable or responsible to the Assignor or any other person for the fulfillment or non-fulfillment of this Agreement or the terms, obligations, covenants or agreements set out in this Agreement or for any loss or damage incurred or suffered by the Assignor or any other person, firm or corporation as a result of:

- (a) any delay by, or any failure of, the Assignee to:
 - (i) exercise any of the rights afforded to it under this Agreement; or
 - (ii) collect, dispose of, realize, preserve or enforce any of the Premises Hereby Assigned; or
- (b) the negligence (but not the willful misconduct) of any officer, servant, agent, counsel or other attorney or substitute employed by the Assignee in the exercise of the rights afforded to the Assignee hereunder, or in the collection disposition, realization, preservation or enforcement of the Premises Hereby Assigned.

10. **Application of Funds:** Any amount received by the Assignee arising out of or from the collection, disposition, realization or enforcement of any of the Premises Hereby Assigned, after all costs, charges and expenses incurred by the Assignee in connection therewith have been deducted therefrom, shall be applied in reduction of the Indebtedness. Notwithstanding the generality of the foregoing, the Assignee shall be entitled to apply all or any part of such amounts received by it on account of such part or parts of the Indebtedness, in such manner and at such times or from time to time, as the Assignee deems best and the Assignee may at any time and from time to time change any such application.

11. **Further Assurances:** The Assignor covenants and agrees to execute all such further assignments and other documents and to do all such further acts and things including, without limitation, obtaining any consent which are required by the Assignee, from time to time, to more effectively assign, set over and transfer the Premises Hereby Assigned to the Assignee including, without limitation, execute and deliver one or more specific assignments of the Assignor's rights, benefits, title and interest in any of the agreements, documents, commitments and other writings that constitute the Premises Hereby Assigned in form, substance and execution satisfactory to the Assignee, to perfect and keep perfected the security interest constituted hereby and to assist in the collection, disposition, realization or enforcement thereof, and the Assignee is hereby irrevocably constituted the true and lawful attorney of the Assignor, with full power of substitution, to execute in the name of the Assignor any assignment or other document for such purposes.

12. **Information:** The Assignor covenants and agrees that from time to time forthwith upon the request of the Assignee it shall furnish to the Assignee in writing all information requested by the Assignee relating to the Premises Hereby Assigned.

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

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

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

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

- (a) is continuing security granted to the Assignee without novation or impairment of any other existing or future security held by the Assignee in order to secure payment to the Assignee of the Indebtedness and the due performance of the Assignor's obligations under the Mortgage and all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee relating to the Project;
- (b) is in addition to and not in substitution for any other security now or hereafter granted to or held by the Assignee in connection with the Indebtedness; and
- (c) shall remain in full force and effect without regard to and shall not be affected or impaired by:
 - (i) any amendment or modification of or addition or supplement to the Mortgage or any other security or securities (the "Additional Securities") now or hereafter held by or on behalf of the Assignee in connection with the Indebtedness or any part thereof;
 - (ii) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement, the Mortgage or the Additional Securities;
 - (iii) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement, the Mortgage or the Additional Securities;
 - (iv) any default by the Assignor under, or any invalidity or unenforceability of, or any limitation on the liability of the Assignor or on the method or terms of payment under, or any irregularity or other defect in, the Mortgage or the Additional Security;
 - (v) any merger, consolidation or amalgamation of the Assignor into or with any

other company or corporation; or

- (vi) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor.

15. **Re-assignment:** Upon the Indebtedness being paid in full, the Assignee shall, within a reasonable time following its receipt of a written request from the Assignor and at the sole cost and expense of the Assignor, reassign the Premises Hereby Assigned to the Assignor including, without limitation, all of the Assignee's rights, benefits, title and interest in and to the Premises Hereby Assigned.

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

17. **Notices:** Any notice, demand, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if served personally upon the party for whom it is intended, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail:

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

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

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

MCAP Financial Corporation
200 King Street West, Suite 400
Toronto, ON M5H 3T4

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

18. **Waiver:** No consent or waiver, express or implied, by the Assignee to or of any breach or default by the Assignor in the performance of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by the Assignor of its obligations hereunder. Failure on the part of the Assignee to complain of any act or failure to act of the Assignor or to declare the Assignor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Assignee of its rights hereunder.

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

20. **Entire Agreement:** This Agreement constitutes the entire agreement between the Assignee and the Assignor pertaining to the assignment of the Premises Hereby Assigned and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, relating thereto.

21. **Assignment:** The Assignee may assign, transfer, negotiate, pledge or otherwise hypothecate this Agreement, any of the Premises Hereby Assigned, any of its rights hereunder or any part thereof and all rights and remedies of the Assignee in connection with the interest so

assigned shall be enforceable against the Assignor as the same would have been by the Assignee but for such assignment.

22. **No Agency, Joint Venture or Partnership:** The Assignee is not the agent, representative, partner of or joint-venturer with the Assignor, and the Assignor is not the agent, representative, partner of or joint-venturer with the Assignee, and this Agreement shall not be construed to make the Assignee liable to any person or persons for goods or services furnished to, on behalf of or for the benefit of the Assignor nor for debts, liability or claims accruing therefrom against the Assignor.

23. **Rights, Powers and Remedies:** Each right, power and remedy of the Assignee provided for herein or available at law or in equity or in any other agreement shall be separate and in addition to every other such right, power and remedy. Any one or more and/or any combination of such rights, remedies and powers may be exercised by the Assignee from time to time and no such exercise shall exhaust the rights, remedies or powers of the Assignee or preclude the Assignee from exercising any one or more of such rights, remedies and powers or any combination thereof from time to time thereafter or simultaneously.

24. **Survival:** All covenants, undertakings, agreements, representations and warranties made by the Assignor in this Agreement and any instruments delivered pursuant to or in connection herewith, shall survive the execution and delivery of this Agreement and any advances made by the Assignee to the Assignor, and shall continue in full force and effect until the Indebtedness is paid in full. All representations and warranties made by the Assignor shall be deemed to have been relied upon by the Assignee.

25. **Severability:** Any term, condition or provision of this Agreement which is or is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom, be ineffective to the extent of such avoidance, prohibition or unenforceability without invalidating the remaining terms, conditions, and provisions hereof and any such avoidance, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such term, condition or provision in any other jurisdiction.

26. **Governing Law:** This Agreement, and the interpretation, construction, application and enforcement of this Agreement, shall be governed by and construed, in all respects, exclusively in accordance with the laws of the Province of Ontario.

27. **Headings:** The insertion in this Agreement of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.

28. **Number and Gender:** All nouns and personal pronouns relating thereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun.

29. **Registrations:** Neither the preparation, execution nor any registrations or filings with respect hereto, shall bind the Assignee to make an advance under the Mortgage.

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

TAB O

THIS IS **EXHIBIT "O"** 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

1. SECURITY INTEREST

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

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

2. **INDEBTEDNESS SECURED**

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Lender arising out of a Letter of Commitment dated June 25, 2019 and pursuant thereto, a mortgage between the Debtor as Mortgagor and the Lender as Mortgagee charging the lands described in Schedule "A" hereto and securing for principal the sum of \$140,000,000.00 ("Charge") which indebtedness shall be fully satisfied upon payment in full of the said mortgage (hereinafter collectively called the "Indebtedness").

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

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

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

4. **COVENANTS OF THE DEBTOR**

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

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

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

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

5. USE AND VERIFICATION OF COLLATERAL

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

6. ASSIGNMENT OF RIGHTS UNDER AGREEMENTS OF PURCHASE AND SALE

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

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

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

7. ASSIGNMENT OF CASH SECURITY

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

- v. **"Commitment Letter"** means the Commitment Letter referred to between the parties referable to this transaction dated June 25, 2019, and any amendments thereto;
 - vi. **"Charge"** means the Charge issued by the Debtor to the Lender in the principal amount of \$140,000,000.00;
 - vii. **"Deposit"** means the sum to be deducted from the advance of funds or otherwise held by the Lender pursuant to the Commitment Letter, together with any and all interest actually earned thereon, to be invested pursuant to this Agreement, as security for the Debtor's Liabilities;
 - viii. **"Interest Bearing Accounts"** means one or more bank accounts now or hereafter established by the Lender in the name of or on behalf of the Debtor in which the Debtor deposits monies on a current basis from time to time at such rate of interest as is established, quoted or announced from time to time by the Lender;
 - ix. **"Letter of Credit"** means the letter or letters of credit now or hereafter issued or arranged by the Lender at the request of or on behalf of the Debtor in favour of parties as contemplated in the Commitment Letter;
 - x. **"Loan Documents"** means all present and future agreements, instruments and other documents, as same may be amended from time to time, made or assigned by the Debtor to the Lender in connection with the issue of the Letter of Credit; and
 - xi. **"Securities"** means all Interest Bearing Accounts and Certificates together with all renewals, replacements and substitutions therefore and all proceeds therefrom.
- (b) As continuing security for the payment of the Debtor's Liabilities, and for the performance, fulfilment and satisfaction of all covenants, obligations and conditions on the part of the Debtor set out herein, the Debtor:
- i. assigns, transfers and pledges the Deposit and the Securities to and in favour of the Lender; and
 - ii. grants a security interest in the Deposit and the Securities to and in favour of the Lender;
- as and by way of a fixed charge.
- (c) The Lender's only responsibility hereunder in regard to the Securities is limited to exercising the same degree of care which it gives valuable property of the Lender or any other customer of the Lender at the office where the Securities are held.
- (d) The Debtor acknowledges and agrees that the Lender is authorized and directed to invest and reinvest the Deposit and any other funds represented by the Securities in one or more Certificates or Interest Bearing Accounts from time to time for such periods as may be requested in writing by the Debtor; provided that none of the Certificates may be reinvested until its respective maturity date; and provided further that if the Lender has not received such written instructions before 1:00 o'clock in the afternoon on any date that the Deposit or any of the Certificates mature, then all of such funds may be invested or reinvested, as the case may be, for any period determined by the Lender from time to time in its absolute discretion, at rates of interest quoted by the Lender for the respective period or periods of any such Interest Bearing Account or Certificate on the date of any such investment or reinvestment.
- (e) All interest earned on the Securities shall accrue to the account of the Debtor and shall be held by the Lender in accordance with and subject to the same terms and conditions set out in this agreement.
- (f) The Lender and every employee or agent thereof, as the irrevocable attorney of the Debtor, may deal with all or any of the Securities and may fill in all blanks in any

documents delivered to it and may complete Schedule "C" annexed hereto with the particulars of the Securities and the Lender may delegate its powers and any delegate may subdelegate the same, and any of the powers hereby given may be exercised in the name and on behalf of the successors of the Debtor.

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

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

8. COLLECTION OF DEBTS

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

9. DISPOSITION OF MONIES

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

10. EVENTS OF DEFAULT

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

- (a) The nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision, or condition contained in this Security Agreement or any other document or agreement between the Debtor and the Lender relating to the Indebtedness;
- (b) The bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;
- (c) Abandonment of the premises by the Debtor for a period in excess of eight (8) consecutive days and which the Debtor has not rectified within ten (10) days after delivery by the Lender to the Debtor of written notice of any abandonment.

11. REMEDIES

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

possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

- (f) The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in preparing or enforcing this Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.
- (h) Upon failure of the Debtor to have the Premises professionally managed in accordance with clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or managers, as it may deem necessary in its sole discretion, to manage the Premises at the sole expense of the Debtor.

12. MISCELLANEOUS

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

hereto and their respective successors and assigns.

- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (h) Subject to any provisions of this Agreement to the contrary, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purpose hereof.

The address of each party is as follows:

Debtor:

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

Lender:

MCAP Financial Corporation
200 King Street West, Suite 400
Toronto, ON M5H 3T4

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

13. **COPY OF AGREEMENT**

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

IN WITNESS WHEREOF the Debtor has executed this Security Agreement under the hand of its authorized signing officers as of this 26th day of July, 2019.

VANDYK-UPTOWNS LIMITED

Per: 

Name: Richard Ma

Title: Authorized Signing Officer

I have authority to bind the corporation.

F:\CONVEYDOCS\9150-079.MMC-GSAC.DOC

SCHEDULE "A"

PIN No. 14227-1291 (LT):

Part Lot 12, Concession 2, EHS designated as Part 1, Plan 43R33117,
City of Brampton
Regional Municipality of Peel

SCHEDULE "B"

- NIL -

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

TAB P

THIS IS **EXHIBIT "P"** 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)

LOAN PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made the 3rd day of November, 2023.

B E T W E E N:

MCAP FINANCIAL CORPORATION

(the "**Seller**")

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Purchaser**")

RECITALS:

- A. **WHEREAS** the Seller owns the Purchased Assets (as defined herein);
- B. **AND WHEREAS** the Seller has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from the Seller all of the Seller's right, title and interest in the Purchase Assets for the consideration, and the parties hereto have agreed to enter into the terms and conditions set out in this Agreement to effect the sale of the Purchased Assets.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of Ten Dollars (\$10.00), the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Seller and the Purchaser), the parties hereto covenant and agree as follows:

ARTICLE 1
Definitions

1.1 Definitions

In this Agreement,

"Acquired Files" has the meaning assigned to such term in Section 8.4.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person Specified.

"Agreement" means this loan purchase and sale agreement, all exhibits and schedules hereto and all amendments hereof and supplements hereto.

"**Applicable Laws**" means any applicable federal, provincial, territorial or local, law, statute, code, rule, regulation, order, writ, ordinance, judgment, decree, treaty or other pronouncement of any Governmental Authority having the effect of law, including common law.

"**Assignment and Assumption Agreement**" has the meaning assigned to such term in Section 8.2(a).

"**Assumed Liabilities**" means all of the Liabilities of the Seller arising after the Closing Effective Time under or in respect of the Loan and all Loan Documents.

"**Borrower**" means Vandyk – Uptowns Limited.

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

"**Closing**" means the completion of the purchase of the Purchase Assets by the Purchaser from the Seller in accordance with this Agreement.

"**Closing Date**" means the date hereof or such other date as the parties mutually agree.

"**Closing Documents**" means, collectively, the Seller Closing Documents and the Purchaser Closing Document.

"**Closing Effective Time**" means 11:59 p.m. on the Business Day immediately preceding the Closing Date.

"**Commitment Letter**" means the commitment letter dated June 25, 2019 issued by the Seller, as lender, to and accepted July 5, 2019 by the Borrower and the Guarantor, as amended by amendment letters dated August 24, 2021, May 24, 2022 and August 25, 2022.

"**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.

"**Governmental Authority**" means any government, parliament, legislature, or any regulatory authority, agency, commission, board or rulemaking entity of any government, parliament or legislature, or any court or (without limitation to the foregoing) any other law, regulation or rule-making entity (including, without limitation, any central bank, fiscal or monetary authority or authority regulating banks), having or purporting to have jurisdiction in the relevant circumstances, or any person acting or purporting to act under the authority of any of the foregoing (including any arbitrator).

"**Guarantor**" means John Vandyk.

"**LC Undertaking and Guarantee**" has the meaning assigned to such term in Section 6.2.

"**Legal Proceeding**" means, inclusive of the Lien Claims, any formal litigation, action, application, suit, investigation, hearing, claim, grievance, or civil, administrative, regulatory, criminal, or

arbitration proceeding or other similar proceeding, as well as any proceeding before or by any Governmental Authority, and includes any appeal or review thereof and any application for leave for appeal or review or any legal proceeding related solely to the Sellers interest in the Purchased Assets.

"Letters of Credit" mean, collectively the following letters of credit issued by Royal Bank of Canada (a) dated August 19, 2020 in favour of The Corporation of the City of Brampton in the amount of \$100,000 being Standby letter of Credit No.: 2519589, (b) dated September 28, 2020 in favour of The Corporation of the City of Brampton in the amount of \$70,000 being Standby letter of Credit No.: 2520520, and (c) dated November 5, 2020 in favour of The Corporation of the City of Brampton in the amount of \$120,000 being Standby letter of Credit No.: 2521771.

"Liabilities" means any and all debts, losses, charges, damages, expenses, costs, claims, demands, fees (including legal fees on a full indemnity basis), liabilities and obligations, whether accrued or fixed, absolute or contingent, known or unknown, matured or unmatured or determined or determinable, including, without limitation, those arising under any Applicable Laws, Legal Proceeding, Governmental Authority, contract, arrangement or undertaking pursuant to which the Seller is a party.

"Lien Claims" means any and all existing and future claims made by any "contractor" as this term is defined under the *Construction Act* (Ontario), which includes, without limitation, any and all registered notices of lien and certificates of action registered by any lien claimant on title to the Property.

"Loan" means a non-revolving construction loan facility and a letter of credit facility provided by the Seller, as lender, to the Borrower, as borrower, pursuant to the Commitment Letter as guaranteed by the Guarantor.

"Loan Amount" means the original principal amount of up to \$112,000,000.

"Loan Documents" means, with respect to the Loan, Commitment Letter, the Mortgage, and all other documents which create, evidence or secure the Loan or that were delivered pursuant to the Commitment Letter.

"Loan Files" means, with respect to the Loan, copies of the following that are in the possession of the Seller, but only to the extent applicable:

- (a) all Loan Documents;
- (b) all credit information obtained by the Seller in connection with the Loan, the Borrower, the Guarantor and any direct debit agreement with the Borrower with respect to amounts owing under or in respect of the Loan; and
- (c) any and all other material correspondence and documents relating to the Loan.

"Mortgage" means a mortgage in the principal amount of \$140,000,000 granted by the Borrower to and in favour of the Seller and registered January 14, 2020 in the Land Registry Office for the Land Titles Division of Peel (No. 43) as Instrument No. PR3599910 against title to the Property.

"Person" means any individual, partnership, limited partnership, limited liability partnership, limited liability company, unlimited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority, or other entity or body, whether or not having independent legal status.

"Personal Information" means the type of information regulated by Privacy Laws and collected, used, disclosed or retained by the Seller including, where applicable, information regarding the borrowers, such as an individual's name, address, age, gender, identification number, income, family status, citizenship, employment, assets, Liabilities, source of funds, payment records, credit information, personal references and health records.

"Personal Information Consent" means any consent regarding the collection, disclosure and use of Personal Information obtained from the Borrower or the Guarantor in connection with the Purchased Assets.

"PPSA Financing Statements" means, collectively, the following:

- (a) Registration No. 20190725 1002 1462 7722 being Reference File No. 753720714 against the Borrower, as business debtor, in favour of the Seller, as secured party, with respect to a security interest in the personal property situated on, used in connection with or derived from the Property;
- (b) Registration No. 20190725 1002 1462 7723 being Reference File No. 753720723 against the Guarantor, as business debtor, in favour of the Seller, as secured party, relating to a subordination and assignment of claim by the Guarantor with respect to debts of the Borrower; and
- (c) Registration No. 20190725 1002 1462 7724 being Reference File No. 753720732 against Vandyk Holdings Incorporated, as business debtor, in favour of the Seller, as secured party, relating to a pledge of shares of the Borrower.

"Privacy Laws" means all Applicable Laws governing the collection, use, disclosure and retention of Personal Information include the *Personal Information Protection and Electronic Documents Act* (Canada).

"Property" means the property municipally known as 10302 Heart Lake Road, Brampton, Ontario and legally described as 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; CITY OF BRAMPTON, being the whole of PIN 14227-1291 (LT).

"Purchase Assets" means all of the Seller's right, title and interest in and to the Loan, together with the Seller's interest in all Loan Files (including without limitation all Loan Documents) and all amounts due to the Seller thereunder as of or at any time following the Closing Effective Time.

"Purchase Price" has the meaning assigned to such term in Section 3.1.

"**Purchaser**" has the meaning set out in the Preamble.

"**Purchaser Closing Document**" has the meaning assigned to such term in Section 8.3.

"**Representative**" means, in respect of a Person, such Person's officers, directors, employees, Affiliates, financial advisors, agents or representatives.

"**Seller**" has the meaning set out in the Preamble.

"**Seller Closing Documents**" has the meaning assigned to such term in Section 8.2.

ARTICLE 2 **Purchased Assets**

2.1 Purchase and Sale

Effective as of the Closing Date and subject to the terms and conditions of this Agreement, the Seller shall sell, transfer, quit claim, assign and convey to the Purchaser, and the Purchaser shall purchase and accept such transfer, assignment and conveyance from the Seller of all of the Seller's right, title and interest in, to and under the Purchased Assets, without recourse, representation or warranty, whether express or implied, except for the express covenants, representations and warranties contained in this Agreement.

2.2 Assumed Liabilities

On and following the Closing, the Purchaser shall agree to accept, be solely responsible for, assume, pay, discharge and perform the Assumed Liabilities (and the Seller shall no longer have any responsibility or obligation in respect thereof).

ARTICLE 3 **Purchase Price**

3.1 Purchase Price

The aggregate purchase price payable by the Purchaser to the Seller in consideration for the Purchased Assets (the "**Purchase Price**") shall be an amount equal to \$23,333,205.20.

3.2 Payment of the Purchase Price

On Closing, the Purchaser shall pay or cause to be paid to the Seller the Purchase Price.

ARTICLE 4 **As Is, Where Is**

4.1 As Is Where Is

The Purchaser acknowledges that (a) it is acquiring the Purchase Assets on an "as is, where is" basis without any representation or warranty from the Seller, save and except for those specifically given in Section 5.1, and (b) it has completed its own due diligence with respect to the purchase

of the Purchase Assets and has not relied on any representation or warranty, direct or implied, on the part of the Seller with respect to the purchase of the Purchase Assets, save and except for those specifically given in Section 5.1.

ARTICLE 5

Representations and Warranties

5.1 Representations of the Seller

The Seller represents and warrants to the Purchaser as of the date hereof and as of the Closing Date that:

- (a) the Seller is a corporation duly incorporated under the laws of its jurisdiction of formation, and is in possession of all licenses and authorizations necessary to carry on its business (including the ownership and all dealings with the Purchase Assets);
- (b) the Seller has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder;
- (c) the Seller is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and it will not become an insolvent person as result of the transaction contemplated in this Agreement;
- (d) the Seller is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada) and shall receive the Purchase Price for its own account and not as agent, trustee or nominee for any other person or entity who is a non-resident of Canada;
- (e) the execution and delivery of this Agreement by the Seller as contemplated herein and the completion of the transaction contemplated hereby has been duly authorized by all necessary corporate or partnership action on the part of the Seller;
- (f) this Agreement and the Seller Closing Documents delivered on Closing have been executed and delivered by the Seller and constitutes a valid and legally binding obligation of the Seller, enforceable against the Seller in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general or specific application limiting enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court;
- (g) neither the entering into nor the delivery of this Agreement nor the completion of the transaction contemplated hereby by the Seller shall result in the violation of (i) any of the provisions of its constating documents or by-laws, or (ii) any Applicable Laws, except, in each case, for any violation that would not be material;
- (h) the Seller has not dealt with any broker, investment banker, agent or other person that may be entitled to any commission or compensation in connection with the sale of the Purchase Assets;

- (i) immediately prior to Closing, the Seller shall be the sole legal and beneficial owner of the Purchased Assets which Purchased Assets shall be sold, assigned or transferred, as the case may be, to the Purchaser free and clear of all liens save and except for the Lien Claims;
- (j) to the knowledge of the Seller, and except for this Agreement or as set out in the Loan Documents, there is no contract or option, right of first refusal or right to purchase of another Person binding upon the Seller to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the Purchased Assets;
- (k) the Loan was funded by the Seller in the ordinary course of business and, to the knowledge of the Seller, has been serviced and administered in all material respects in accordance with the applicable Loan Documents; and
- (l) to the knowledge of the Seller, the Seller has performed, in all material respects, all obligations required to be performed by it under the Commitment Letter, the Mortgage and the other Loan Documents.

Upon discovery by the Seller of a breach of any of the representations and warranties set forth herein, the Seller shall give prompt written notice thereof to Purchaser;

5.2 Representations of the Purchaser

The Purchaser represents and warrants to the Seller as of the date hereof and as of the Closing Date that:

- (a) the Purchaser is aware and has full knowledge that (i) the Borrower is in default of the Commitment Letter, is unable to meet its financial obligations thereunder or to comply with other terms, conditions and covenants contained in the Commitment Letter, (ii) the Seller has issued written demand to the Borrower, the Guarantor and Vandyk-Uptowns Limited, and (iii) that numerous Lien Claims have been registered against title to the Property and asserted against the Seller in its capacity as lender;
- (b) the Purchaser is a corporation duly incorporated under the laws of its jurisdiction of incorporation, and is in possession of all licenses and authorizations necessary to carry on its business (including the ownership of and all dealings with the Purchase Assets);
- (c) the Purchaser has the power, authority and right to execute and deliver this Agreement and to perform its obligations hereunder;
- (d) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly authorized by all necessary corporate or partnership action on the part of the Purchaser;

- (e) this Agreement and the Purchaser Closing Documents delivered on Closing have been executed and delivered by the Purchaser or KingSett Real Estate Mortgage LP No. 3, as applicable, and constitute a valid and legally binding obligation of the Purchaser and KingSett Real Estate Mortgage LP No. 3, as applicable, enforceable against the Purchaser and KingSett Real Estate Mortgage LP No. 3, as applicable, in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general or specific application limiting enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court;
- (f) neither the entering into nor the delivery of this Agreement nor the completion of the transaction contemplated hereby by the Purchaser shall result in the violation of (i) any of the provisions of its constating documents or by-laws, or (ii) any Applicable Laws, except, in each case, for any violation that would not be material;
- (g) the Purchaser has not dealt with any broker, investment banker, agent or other person that may be entitled to any commission or compensation in connection with the purchase of the Purchase Assets;
- (h) no consent, approval, authorization or order of, registration or filing with, or notice to, any governmental authority or court is required for the execution, delivery and performance of or compliance by the Purchaser with this Agreement or the consummation by Purchaser of any transaction contemplated hereby, other than such consents, approvals; authorizations, qualifications, registrations, filings or notices as have already been obtained or made; and
- (i) the purchaser has conducted its own independent investigation, review and analysis of the Seller, the Purchased Assets and the Assumed Liabilities, and acknowledges that it has been provided access to the personnel of the Seller and such reasonably requested information provided by the Seller for such purpose. The Purchaser acknowledges and agrees that (i) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, the Purchaser has relied solely upon its own investigation and the express representations and warranties of the Seller set forth in this Agreement, and (ii) neither the Seller nor any other Person has made any representation or warranty as to the Seller, the Purchased Assets, the Assumed Liabilities or this Agreement, except as expressly set forth in this Agreement.

Upon discovery by the Purchaser that any of the representations and warranties set forth herein was not true when given, the Purchaser shall give prompt written notice thereof to the Seller.

The representations and warranties given by the Seller and the Purchaser in this Article 5 shall survive for a period of three (3) months after the Closing Date. Notwithstanding the foregoing, the representation and warranty given by the Purchaser in Section 5.2(i) shall survive for an indefinite period from and after the Closing Date.

ARTICLE 6

Covenants and General Provisions

6.1 Payments

The Purchaser shall be entitled to receive all payments and recoveries of principal, interest and other amounts due or received in respect of the Purchased Assets on or after the Closing Effective Time and properly attributable to such period. The Seller agrees to forthwith deliver to the Purchaser all notices and communications it receives with respect to the Purchased Assets from and after the Closing Effective Time.

The Seller shall be entitled to receive all payments and recoveries of principal, interest and other amounts due or received in respect of the Purchased Assets prior to the Closing Effective Time and properly attributable to such period (including, for greater certainty, those amounts comprising the Purchase Price). If any such amounts are received by the Purchaser on or after such time in respect of amounts owing to the Seller prior to such time, the Purchaser agrees that it shall pay (or cause to be paid) such amounts to the Seller as otherwise provided for in this Agreement or promptly upon receipt (and in the case of any amount received in the form of a cheque or other instrument, shall promptly deliver the same in the form received, with all appropriate endorsements, to the Seller), and until doing so, the Purchaser shall hold the amount thereof in trust for the Seller.

6.2 Letters of Credit

The Seller and the Purchaser acknowledge that the Letters of Credit remain outstanding as of the Closing Effective Time. The Purchaser hereby covenants and agreed to cause its Affiliate, KingSett Real Estate Mortgage LP No. 3 to provide, on Closing, an undertaking and guarantee (the "**LC Undertaking and Guarantee**") to and in favour of the Seller pursuant to which KingSett Real Estate Mortgage LP No. 3 agrees to, *inter alia* (a) undertake to, by no later than six (6) months following the date hereof, cause the Letters of Credit to be returned to RBC for cancellation, and (b) to guarantee, performance of any and all payment obligations under the Letters of Credit.

6.3 Covenants of the Purchaser

The Purchaser shall:

- (a) be liable for and shall pay, or shall cause to be paid (i) all transfer, excise, goods or services, harmonized sales or other similar taxes or duties payable under any Applicable Laws, and (ii) all of its out-of-pocket costs, including without limitation, its legal costs, with respect to the completion of the transactions contemplated by this Agreement;
- (b) prepare and file any affidavits or returns required in connection with the foregoing at its own cost and expense;
- (c) use Personal Information which the Seller provided to the Purchaser in connection with the transactions contemplated hereby only for purposes related to the

transactions contemplated hereby and, if this Agreement is not terminated as provided herein, for the completion of the transactions contemplated hereby;

- (d) not use or disclose any Personal Information provided to it by the Seller in any manner other than (i) in any manner that is consistent in all material respects with the Personal Information Consents or such other consents relating thereto as the Seller has obtained, or (ii) in any other manner that the Purchaser determines, acting reasonably, is not in violation in any material respect with any applicable Privacy Laws;
- (e) protect all Personal Information with security safeguards appropriate to the sensitivity of the Personal Information;
- (f) give effect to any withdrawal of consent to the use or disclosure of Personal Information by a Person; and
- (g) be liable for and shall pay, or shall cause to be paid, all of the Seller's out-of-pocket costs including, without limitation, its legal costs (on a full indemnity basis), with respect to the completion of the transaction contemplated by this Agreement.

6.4 Indemnity

The Purchaser hereby indemnifies, saves harmless and agrees to defend the Seller from and against any and all Liabilities arising under any (a) Legal Proceedings, and (b) agreement with CB Ross Partners concerning project monitoring services provided with respect to the Property including, without limitation, any and all fees (including, without limitation, legal fees on a full indemnity basis) incurred or to be incurred thereunder or obligations arising thereunder, whether prior to or after the Closing Date. The Purchaser acknowledges and agrees that in certain circumstances the Seller may choose to have its own legal counsel in addition to legal counsel selected by the Purchaser to defend against and/or respond to any of the Liabilities, and the reasonable cost of such separate legal counsel will be included in the Liabilities that the Purchaser has agreed to indemnify the Seller for. The indemnity contained in this Section 6.4 shall not merge on but rather shall survive Closing.

ARTICLE 7 **Closing conditions**

7.1 Conditions for the Benefit of the Purchaser

The obligations of the Purchaser to complete the Closing on the Closing Date shall be subject to the following conditions:

- (a) the representations and warranties of the Seller made pursuant to this Agreement shall be true and correct at the Closing Date with the same force and effect as if made at and as of the Closing Date, unless otherwise specified;

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- (b) the covenants contained in this Agreement to be performed by the Seller at or prior to the Closing Date shall have been performed and the Seller shall not be in breach of any agreement on its part contained in this Agreement; and
- (c) all of the Seller Closing Documents will have been prepared and executed and delivered to the Purchaser.

If any of the conditions contained in this section 7.1 shall not be fulfilled or performed at or prior to the Closing Date to the satisfaction of the Purchaser, acting reasonably, the Purchaser may, by notice to the Seller, terminate this Agreement.

7.2 Conditions for the Benefit of the Seller

The obligations of the Seller to complete the Closing on the Closing Date shall be subject to the following conditions:

- (a) the representations and warranties of the Purchaser made pursuant to this Agreement shall be true and correct at the Closing Date with the same force and effect as if made at and as of the Closing Date;
- (b) the covenants contained in this Agreement to be performed by the Purchaser, shall have been performed by the Purchaser and the Purchaser shall not be in breach of any agreement on its part contained in this Agreement;
- (c) the Purchaser Closing Document will have been prepared and executed and delivered to the Seller.

If any of the conditions contained in this section 7.2 shall not be fulfilled or performed at or prior to the Closing Date to the satisfaction of the Seller, acting reasonably, the Seller may, by notice to the Purchaser, terminate this Agreement.

ARTICLE 8 **Closing and Access**

8.1 Closing

The Closing shall be completed on the Closing Date at 2:00 p.m. (Toronto time) at the offices of the Seller's counsel in Toronto, Ontario, or at such other time on the Closing date or such other place as may be agreed by counsel for the Seller and counsel for the Purchaser. All proceedings to be taken, all documents to be executed and delivered, and all payments to be made and consideration to be delivered at Closing shall be deemed to have been taken, executed, delivered and made simultaneously, and, except as provided hereunder, no proceedings shall be deemed taken nor any documents executed or delivered until all have been taken, executed and delivered.

8.2 Seller Closing Documents

On Closing the Seller will deliver to the Purchaser, the following documents (collectively, the "**Seller Closing Documents**") fully executed by the Seller, in each case, on such reasonable trust conditions that are consistent with the provisions of this Agreement:

- (a) the assignment and assumption agreement attached hereto as Schedule "A" effecting the assignment to, and assumption by, the Purchaser of the Purchased Assets and the Assumed Liabilities (the "**Assignment and Assumption Agreement**");
- (b) a transfer of charge transferring granted by the Seller, as registered mortgagee, to the Purchaser, as transferee, transferring registered title to the Mortgage;
- (c) an assignment of the general assignment of rents granted by the Seller, as assignor, to the Purchaser, as assignee, transferring registered interest in the general assignment of rents;
- (d) PPSA financing change statements amending the PPSA Financing Statements to replace the Seller with the Purchaser, as secured party;
- (e) delivery of the original share certificate representing 100 common shares in the capital of the Borrower issued to Vandyk Holdings Incorporated; and
- (f) delivery of the Loan Files.

8.3 Purchaser Closing Document

On Closing the Purchaser will deliver to the Seller (collectively the "**Purchaser Closing Document**") fully executed by the Purchaser, on such reasonable trust conditions that are consistent with the provisions of this Agreement:

- (a) the Assignment and Assumption Agreement; and
- (b) the LC Undertaking and Guarantee.

8.4 Acquired Files

The Purchaser will, and will cause its Affiliates to, preserve and keep all such documents and all information relating to the accounting, legal, tax, regulatory, business and financial affairs in respect of the Purchased Assets received from the Seller (the "**Acquired Files**"), for such period as may be required by Applicable Laws (including any statute of limitations and applicable extensions thereof) or any Governmental Authority.

After Closing for so long as such Acquired Files are retained by the Purchaser or its Affiliates, upon reasonable prior notice, the Purchaser shall, and shall cause its Representatives and any applicable Affiliates (or their respective successors or assigns) to permit the Seller and its authorized Representatives to have reasonable access and duplication rights during normal

business hours to the Acquired files to the extent that such access may be reasonably requested by the Seller or its Representatives in connection with (a) the preparation of any tax return, accounting records or with any audits or similar proceedings, (b) any Legal Proceeding relating to the Seller or the Purchased Assets, (c) any governmental or regulatory matter, or (d) any other valid legal or business purpose.

Notwithstanding anything to the contrary set forth in this Agreement, neither the Purchaser nor any of its Affiliates shall be required to disclose to the Seller or any agent or Representative thereof any information, if doing so could reasonably violate any Applicable Laws or agreement to which the Purchaser or any of its Affiliates is a party or is subject, the Purchaser or such Affiliate of the Purchaser, as applicable, believes in good faith such disclosure could result in a loss of the ability to successfully assert a claim of privilege (including the attorney-client and work product privileges), or would result in the disclosure of any competitively sensitive information of the Purchaser or of any of its Affiliates.

After Closing the Seller will, and will cause its Affiliates to, preserve and keep all such documents and all information relating to the accounting, legal, tax, regulatory, business and financial affairs in respect of the applicable Purchased Assets, for such period as may be required of the Seller by Applicable Laws (including any statute of limitations and applicable extensions thereof) or any Governmental Authority, and shall provide reasonable access thereto to the Purchaser. Notwithstanding anything to the contrary set forth in this Agreement, neither the Seller nor any of its Affiliates shall be required to disclose to the Purchaser or any agent or Representative thereof any information, if doing so could reasonably violate any Applicable Laws or agreement to which the Seller or any of its Affiliates is a party or is subject, the Seller or such Affiliate of the Seller, as applicable, believes in good faith such disclosure could result in a loss of the ability to successfully assert a claim of privilege (including the attorney-client and work product privileges), or would result in the disclosure of any competitively sensitive information of the Seller or of any of its Affiliates.

ARTICLE 9 **Confidentiality**

9.1 Confidentiality

From and after Closing, the Purchaser shall not, and shall cause its Affiliates and its and its Affiliates' Representatives not to, disclose to any other Person any Seller Confidential Information (defined below), except that the Purchaser or its Affiliates may disclose Seller Confidential Information (a) to the extent requested or required by any Governmental Authority or Applicable Laws, in any report, statement, testimony or other submission to any such Governmental Authority having jurisdiction over the Purchaser or its Affiliates, as applicable, or (b) in order to comply with any Applicable Law applicable to the Purchaser or its Affiliates, as applicable, or in response to any summons, subpoena or other legal process or formal or informal investigative demand issued to the Purchaser or its Affiliates, as applicable, in the course of any litigation, investigation or administrative proceeding, provided that, in each case, such disclosure of Seller Confidential Information does not violate or is not inconsistent with any Applicable Laws or request or requirement of any Governmental Authority, in each case as applicable to the Seller or its Affiliates. Prior to the Purchaser or its Affiliates making any disclosure pursuant to Section 9.1(a)

or Section 9.1(b), the Purchaser shall provide the Seller with prompt prior written notice of such proposed disclosure, together with the reasons why it proposes to make such disclosure and, to the extent reasonably practicable, cooperate with the Seller and its Affiliates (at the Seller's expense) to obtain a protective order or similar remedy to cause such Seller Confidential Information not to be disclosed or to limit such disclosure, including interposing all available objections thereto, such as objections based on settlement privilege, it being agreed that neither the Purchaser or its Affiliates shall be required to commence, participate or continue in any Legal Proceedings against any Governmental Authority that has jurisdiction over the parties. If such protective order or other similar remedy is not obtained, the Purchaser or its applicable Affiliates shall furnish only that portion of Seller Confidential Information that has been legally compelled, and shall exercise its reasonable best efforts to obtain assurance that confidential treatment will be accorded such disclosed Seller Confidential Information. The Purchaser shall, and shall cause its Affiliates and its and its Affiliates' Representatives, to protect Seller Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized disclosure of Seller Confidential Information as the purchaser uses to protect its own confidential information of a like nature.

9.2 "Seller Confidential Information"

"**Seller Confidential Information**" expressly excludes any information in the Loan File, but otherwise means all non-public information disclosed prior to the Closing by the Seller or its Affiliates or their respective Representatives (including information disclosed in the course of negotiation of this Agreement) to the Purchaser or any of its Affiliates or their respective Representatives regarding the Seller or its Affiliates, except that "**Seller Confidential Information**" shall not include information which (a) is or becomes generally available to the public (other than as a result of its disclosure in violation of Section 9.1), or (b) after the Closing Date, relates exclusively to the Purchased Assets, or is lawfully made available or known to the Purchaser or its Affiliates by a Person not subject to any duty of confidentiality to the Seller or its Affiliates or their respective Representatives.

ARTICLE 10 **General**

10.1 Risk

Until Closing, the Purchase Assets will be and remain at the risk of the Seller.

10.2 Further Assurances

The Seller and the Purchaser each agrees to use reasonable efforts to execute, acknowledge and deliver to the other or otherwise facilitate such further acts or assurances or additional documents, instruments or agreements as may be reasonably required to effect the transactions herein contemplated at the cost of the party requesting same.

10.3 Interpretation

Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing genders included all genders. The insertion of headings are included

solely for convenience of reference and are not intended to affect the construction or interpretation of this Agreement nor are the headings intended to be full or accurate descriptions of the contents thereof.

10.4 Governing Law

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

10.5 Assignment

The Purchaser may not assign all or any part of its interest in this Agreement.

10.6 Successors

This Agreement and the covenants and agreements contained herein shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

10.7 Counterparts; Electronic Execution

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.

10.8 Notices

Any notice which a party is required or may desire to give the other shall be in writing and may be sent by facsimile transmission or other means of recorded electronic transmission, personal delivery, by registered or certified mail, return receipt requested, postage prepaid, or by Federal Express or similar generally recognized overnight carrier regularly providing proof of delivery, addressed as follows (subject to the right of a party to designate a different address for itself by notice similarly given):

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(a) to Seller:

MCAP Financial Corporation
200 King Street West
Suite
Toronto, Ontario
M5H 3Y2

Attention: Susan Feldman
Email: susan.feldman@mcap.com

(b) to the Purchaser:

KingSett Mortgage Corporation
40 King Street West
37th Floor, Scotia Plaza
Toronto, Ontario
M5H 3Y2

Attention: Scott Coates
Email: scoates@kingsettcapital.com

Such notice shall be deemed received upon the earlier of (a) if personally delivered, the date of delivery to the address of the person to receive such notice, (b) if mailed, three (3) business days after the date of posting by the post office, (c) if given by Federal Express or other overnight courier, twenty-four (24) hours after deposit thereof with such overnight courier, or (d) if given by fax or electronic transmission, one (1) business day following receipt at the addressee's location.

10.9 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by each of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

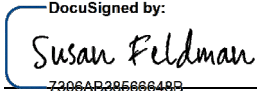
10.10 No Third Party Beneficiaries

This Agreement is for the sole benefit of the parties hereto and their permitted successors and assigns, and nothing herein express or implied shall give or be construed to give to any Person, other than the parties hereto and such permitted successors and assigns, any legal or equitable rights hereunder.

-- signatures follow on next page --

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first written above.

MCAP FINANCIAL CORPORATION

By: 
Name: Susan Feldman
Title: Senior Vice President

By: 
Name: Philip Frank
Title: Senior Director

We have authority to bind the corporation

KINGSETT MORTGAGE CORPORATION

By: _____
Name: Scott Coates
Title: Group Head, Mortgage Investment

I have authority to bind the corporation

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first written above.

MCAP FINANCIAL CORPORATION

By: _____

Name: Susan Feldman

Title: Vice President

By: _____

Name: Bruno Iacovetta

Title: Managing Director

We have authority to bind the corporation

KINGSETT MORTGAGE CORPORATION

By: _____



Name: Scott Coates

Title: President

I have authority to bind the corporation

SCHEDULE "A"

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "**Assignment and Assumption Agreement**") is made and entered into as of the ___ day of November, 2023, by and between, MCAP Financial Corporation (the "**Seller**") and KingSett Mortgage Corporation (the "**Purchaser**").

WHEREAS, the Seller and the Purchaser have entered into that certain loan purchase and sale agreement dated as of the date hereof (the "**Purchase Agreement**");

AND WHEREAS, pursuant to the Purchase Agreement, among other things, the Seller has agreed to sell, assign and transfer to the Purchaser at the Closing, and the Purchaser has agreed to purchase, acquire and accept from the Seller at the Closing, all right, title, benefit and interest of the Seller in and to the Purchased Assets which includes, but is not limited to, the Seller's interest in all Loan Documents in the manner and subject to the terms and conditions set forth therein;

AND WHEREAS, pursuant to the Purchase Agreement, among other things, the Purchaser has agreed to accept and assume the Assumed Liabilities in the manner and subject to the terms and conditions set forth therein.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, hereby agree, subject to the terms and conditions set forth herein and in the Purchase Agreement, as follows:

1. **Defined Terms; Interpretation**. Capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Purchase Agreement. Section 10.3 (Interpretation) of the Purchase Agreement is, *mutatis mutandis*, incorporated by reference into this Assignment and Assumption Agreement.

2. **Transfer of Purchased Assets**. Upon the terms and subject to the terms and conditions contained in the Purchase Agreement, for the consideration set forth in the Purchase Agreement and effective as of the date hereof, the Seller hereby irrevocably sells, assigns, conveys and transfers to the Purchaser and the Purchaser hereby irrevocably purchases, acquires, assumes and accepts from the Seller, all right, title, benefit and interest of the Seller in and to the Purchased Assets.

3. **Assumption of Assumed Liabilities**. Upon the terms and subject to the terms and conditions contained in the Purchase Agreement, for the consideration set forth in the Purchase Agreement and effective as of the date hereof, the Seller hereby irrevocably assigns, transfers and conveys, and the Purchaser hereby irrevocably accepts, assumes, undertakes and agrees to be solely responsible for and bound by and to pay, discharge and perform the Assumed Liabilities (and the Seller shall no longer have any responsibility or obligation in respect of the Assumed Liabilities).

4. **No Amendments.** None of the rights or remedies or disclosures and disclaimers of any party under the Purchase Agreement (or any schedule or exhibit attached thereto) shall be deemed to be enlarged, diminished, modified or altered in any way by this Assignment and Assumption Agreement. In the event of a conflict or inconsistency between the terms of the Purchase Agreement and the terms of this Assignment and Assumption Agreement, the terms of the Purchase Agreement (including all schedules and exhibits attached thereto) shall govern.

5. **Further Assurances.** Subject to Applicable Laws or requests of a Governmental Authority, the Seller and the Purchaser will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the date hereof, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Assignment and Assumption Agreement.

6. **Governing Law.** This Assignment and Assumption Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

7. **Assignment.** Without prejudice to Section 10.5 of the Purchase Agreement, this Assignment and Assumption Agreement and the rights hereunder are not assignable by either party unless such assignment is consented to in writing by the other party and any assignment in contravention to this provision shall be null and void. Subject to the preceding sentence, this Assignment and Assumption Agreement and all the provisions hereof shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.

8. **Entire Agreement.** Subject to Section 4 above, this Assignment and Assumption Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Assignment and Assumption Agreement.

9. **Waiver and Amendment.** No amendment to this Assignment and Assumption Agreement will be valid or binding unless set forth in writing and duly executed by each of the parties. No waiver of any breach of any provision of this Assignment and Assumption Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

10. **Third-Party Beneficiaries.** This Assignment and Assumption Agreement is for the sole benefit of the parties hereto and their permitted successors and assigns, and nothing herein express or implied shall give or be construed to give to any Person, other than the parties hereto and such permitted successors and assigns, any legal or equitable rights hereunder.

11. **Severability.** If any provision of this Assignment and Assumption Agreement or the application of any such provision to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

12. **Counterparts; Electronic Transmission.** 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.

-- signatures follow on next page --

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first written above.

MCAP FINANCIAL CORPORATION

By:

Name: Susan Feldman

Title: Senior Vice President

By:

Name: Philip Frank

Title: Senior Director

We have authority to bind the corporation

KINGSETT MORTGAGE CORPORATION

By:

Name: Scott Coates

Title: Group Head, Mortgage
Investments

I have authority to bind the corporation

TAB Q

THIS IS **EXHIBIT "Q"** 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)

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "**Assignment and Assumption Agreement**") is made and entered into as of the 3rd day of November, 2023, by and between, MCAP Financial Corporation (the "**Seller**") and KingSett Mortgage Corporation (the "**Purchaser**").

WHEREAS, the Seller and the Purchaser have entered into that certain loan purchase and sale agreement dated as of the date hereof (the "**Purchase Agreement**");

AND WHEREAS, pursuant to the Purchase Agreement, among other things, the Seller has agreed to sell, assign and transfer to the Purchaser at the Closing, and the Purchaser has agreed to purchase, acquire and accept from the Seller at the Closing, all right, title, benefit and interest of the Seller in and to the Purchased Assets which includes, but is not limited to, the Seller's interest in all Loan Documents in the manner and subject to the terms and conditions set forth therein;

AND WHEREAS, pursuant to the Purchase Agreement, among other things, the Purchaser has agreed to accept and assume the Assumed Liabilities in the manner and subject to the terms and conditions set forth therein.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, hereby agree, subject to the terms and conditions set forth herein and in the Purchase Agreement, as follows:

1. **Defined Terms; Interpretation.** Capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Purchase Agreement. Section 10.3 (Interpretation) of the Purchase Agreement is, *mutatis mutandis*, incorporated by reference into this Assignment and Assumption Agreement.
2. **Transfer of Purchased Assets.** Upon the terms and subject to the terms and conditions contained in the Purchase Agreement, for the consideration set forth in the Purchase Agreement and effective as of the date hereof, the Seller hereby irrevocably sells, assigns, conveys and transfers to the Purchaser and the Purchaser hereby irrevocably purchases, acquires, assumes and accepts from the Seller, all right, title, benefit and interest of the Seller in and to the Purchased Assets.
3. **Assumption of Assumed Liabilities.** Upon the terms and subject to the terms and conditions contained in the Purchase Agreement, for the consideration set forth in the Purchase Agreement and effective as of the date hereof, the Seller hereby irrevocably assigns, transfers and conveys, and the Purchaser hereby irrevocably accepts, assumes, undertakes and agrees to be solely responsible for and bound by and to pay, discharge and perform the Assumed Liabilities (and the Seller shall no longer have any responsibility or obligation in respect of the Assumed Liabilities).
4. **No Amendments.** None of the rights or remedies or disclosures and disclaimers of any party under the Purchase Agreement (or any schedule or exhibit attached thereto) shall be

deemed to be enlarged, diminished, modified or altered in any way by this Assignment and Assumption Agreement. In the event of a conflict or inconsistency between the terms of the Purchase Agreement and the terms of this Assignment and Assumption Agreement, the terms of the Purchase Agreement (including all schedules and exhibits attached thereto) shall govern.

5. **Further Assurances.** Subject to Applicable Laws or requests of a Governmental Authority, the Seller and the Purchaser will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the date hereof, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Assignment and Assumption Agreement.

6. **Governing Law.** This Assignment and Assumption Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

7. **Assignment.** Without prejudice to Section 10.5 of the Purchase Agreement, this Assignment and Assumption Agreement and the rights hereunder are not assignable by either party unless such assignment is consented to in writing by the other party and any assignment in contravention to this provision shall be null and void. Subject to the preceding sentence, this Assignment and Assumption Agreement and all the provisions hereof shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.

8. **Entire Agreement.** Subject to Section 4 above, this Assignment and Assumption Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Assignment and Assumption Agreement.

9. **Waiver and Amendment.** No amendment to this Assignment and Assumption Agreement will be valid or binding unless set forth in writing and duly executed by each of the parties. No waiver of any breach of any provision of this Assignment and Assumption Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

10. **Third-Party Beneficiaries.** This Assignment and Assumption Agreement is for the sole benefit of the parties hereto and their permitted successors and assigns, and nothing herein express or implied shall give or be construed to give to any Person, other than the parties hereto and such permitted successors and assigns, any legal or equitable rights hereunder.

11. **Severability.** If any provision of this Assignment and Assumption Agreement or the application of any such provision to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

12. **Counterparts; Electronic Transmission.** 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.

-- signatures follow on next page --

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first written above.

MCAP FINANCIAL CORPORATION

By: DocuSigned by:
Susan Feldman
7306A820666648D...
Name: Susan Feldman
Title: Senior Vice President

By: DocuSigned by:
Philip Frank
DCD72CD317854A8...
Name: Philip Frank
Title: Senior Director

We have authority to bind the corporation

KINGSETT MORTGAGE CORPORATION

By: _____
Name: Scott Coates
Title: Group Head, Mortgage
Investments

I have authority to bind the corporation

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first written above.

MCAP FINANCIAL CORPORATION

By: _____

Name: Susan Feldman

Title: Senior Vice President

By: _____

Name: Bruno Iacovetta

Title: Managing Director

We have authority to bind the corporation

KINGSETT MORTGAGE CORPORATION

By: _____



Name: Scott Coates

Title: President

I have authority to bind the corporation

TAB R

THIS IS **EXHIBIT "R"** 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)



September 8, 2021

2402871 Ontario Inc.
1944 Fowler Drive
Mississauga, ON
L5K 0A1

Attention: **Richard Ma**

Re: First mortgage land financing of 327 Royal York Road, Etobicoke, Ontario

A. LOAN TERMS

The Lender is pleased to offer a 1st Mortgage, non-revolving demand loan (the "**Loan**") in connection with the above noted matter, subject to the terms and conditions as described herein and within the Schedules attached hereto (the "**Commitment Letter**").

1. **Property:** Site located at 327 Royal York Road, Etobicoke, ON to be developed with a two-tower project comprised of 692 residential condo units, ~5,726sf of ground floor retail, ~~~107,456sf~~ of office space and ~16,416sf of Metrolinx station space (the "**Property**").
** ~ 516,000 sq ft residential.*
2. **Lender:** KingSett Mortgage Corporation (the "**Lender**").
3. **Borrower:** 2402871 Ontario Inc. (the "**Borrower**").
4. **Guarantor:** Unlimited Joint and Several Guarantee from John Vandyk, (the "**Guarantor**").
5. **Loan Amount:** \$45,000,000 (the "**Loan Amount**").
6. **Interest Rate:** Prime Rate + 4.30% (floor rate of 6.75%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to the Loan for each and every month of the Term (as such Term may be extended in accordance with this Commitment Letter), save and except for the last month of the Term, and 12.75% per annum for the last month of the Term and each and every month thereafter (as applicable, the "**Interest Rate**"), provided that "**Prime Rate**" shall mean, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada as the reference rate of interest for the determination of interest rates charged to its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans in Toronto, Ontario.
7. **Amortization:** Not applicable; monthly interest payments only.
8. **Lender's Fee:** \$562,500 (1.25% of the Loan Amount) non-refundable lender's fee (the "**Lender's Fee**") earned by the Lender upon the Borrower's execution of this Commitment Letter and payable by the Borrower to the Lender at the time of the initial advance of the

Loan. The Lender shall deduct the Lender's Fee, adjusted to reflect any credit for the remaining Good Faith Deposit, from the proceeds of the initial advance of the Loan.

9. **Term:** Any portion of the Loan Amount outstanding at any time is repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time and for any reason whatsoever, 25 months (the "**Term**") after the first calendar day of the month next following the date of the initial advance of the Loan (the "**Interest Adjustment Date**"), as may be extended in accordance with this Commitment Letter. The principal balance of the Loan outstanding on the last day of the Term (the "**Maturity Date**") together with all accrued and unpaid interest thereon and all other costs secured by the Security is repayable in full on the Maturity Date together with all accrued and unpaid interest, costs, fees and any other amount secured by the Security.
10. **Good Faith Deposit:** The Lender acknowledges prior receipt of a \$100,000 good faith deposit from the Borrower (the "**Good Faith Deposit**"). The Good Faith Deposit will be used for expenses that may be incurred by the Lender prior to the initial advance of the Loan with the remaining balance, if any, to be credited towards the Lender's Fee at the time of the initial advance of the Loan. The Borrower acknowledges that the Good Faith Deposit is a reasonable estimate of the Lender's cost incurred in sourcing, investigating, underwriting and preparing the Loan and holding monies available to fund the Loan and that the same may be retained by the Lender should the Loan not be funded as a result of non-performance by the Borrower.
11. **Extension Option:** Provided that no Event of Default as defined in the Mortgage and referred to in this Commitment Letter as an "**Event of Default**" has occurred which is continuing and subject to the consent of the Lender, in its sole, absolute and unfettered discretion, the Lender shall permit an extension of the Term by two extensions of three months each to the Maturity Date (each an "**Extension Option**"). The exercise of each Extension Option is subject to delivery of a written request from the Borrower to the Lender at least 30 days prior to the Maturity Date and payment of the Extension Fee.
12. **Extension Fee:** \$139,500 (0.31% of the Loan Amount) extension fee earned by the Lender upon the exercise of each Extension Option (the "**Extension Fee**") and payable on or before the date which is ten days prior to the Maturity Date. Should any Extension Option not be granted by the Lender, the Lender will return the applicable Extension Fee to the Borrower, if applicable.
13. **Monthly Payments:** Monthly payments of interest only are required to be made by the Borrower to the Lender in connection with the Loan at the Interest Rate and subject to the Interest Reserve provisions of this Commitment Letter (the "**Monthly Payments**"). Monthly Payments are to be made on the first calendar day of every month commencing on the Interest Adjustment Date until the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security is repaid in full. Non-Sufficient Fund payments will be subject to an administration fee of \$500.
14. **No. Interest Reserve.**
- ~~14. **Interest Reserve:** Provided an Event of Default has not occurred which is continuing, monthly interest shall be capitalized to the outstanding principal balance of the Loan until the earlier of repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security in full or the capitalization of a total of \$3,000,000 (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 Monthly Payments from its own financial resources and not from the Interest Reserve.~~

15. **Prepayment:** Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time and for any reason whatsoever this Loan is closed for prepayment from the date of the initial advance of the Loan until the date which is 12 months after the Interest Adjustment Date. The Loan will be open thereafter for prepayment, in whole but not in part, without penalty subject to a minimum of 30 days prior written notice to the Lender. Any prepayment penalty applicable within the first 12 months of the Term shall be waived so long as the takeout construction financing is provided by KingSett Mortgage Corporation.
16. **Mortgage Discharge:** The Lender shall charge a one-time administrative fee of \$1,000 for ongoing administration of the Loan including, but not limited to, providing a full discharge of the Security (the "**Administration Fee**"). The Administration Fee is earned by the Lender upon the Borrower's execution of this Commitment Letter and payable by the Borrower to the Lender on the Maturity Date. The Borrower's legal counsel shall prepare all documentation reasonably required to discharge the Security for review by the Lender and its legal counsel. Discharge statements will be provided to the Borrower within three business days after receipt of a written request for same.
17. **Permitted Encumbrances:** The Lender hereby acknowledges and consents to a Third mortgage, in an amount not to exceed \$7,500,000 on terms and conditions acceptable to the Lender (the "**Permitted Encumbrance**"). The 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 holder of the Permitted Encumbrance enters into a subordination and standstill agreement with the Lender in the Lender's prescribed form (the "**Subordination and Standstill Agreement**").
18. **No Further Encumbrances:** Additional financing (prior or subsequent) of the Property, secured or unsecured, or the registration of any other encumbrance save and except for Permitted Encumbrances is not permitted in connection with the Property without the prior written consent of the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.
19. **Costs and Expenses:** The Borrower shall bear all costs and expenses incurred by the Lender from time to time in connection with the Loan regardless of whether or not the Loan Amount is ever advanced and, such costs may include, but shall not be limited to, legal fees, payment of property taxes as a protective disbursement, environmental site assessment reports, appraisal reports, building condition reports, insurance consulting reviews, reliance letters, title insurance, out-of-pocket expenses for property inspections and any applicable sales taxes related to all such costs and expenses. The Lender shall apply the Good Faith Deposit in payment of the costs and expenses listed under this Section.

B. SECURITY

The Loan shall be secured by security set forth below which, prior to any advance under the Loan, shall be delivered by the Borrower and the Guarantor, (collectively, the "**Loan Parties**") to the

extent party thereto, to the Lender in form, scope and substance satisfactory to the Lender and its legal counsel in its sole, absolute and unfettered discretion (collectively, the "**Security**" and together with this Commitment Letter and the other documentation delivered in connection with this Commitment Letter and the Security, collectively, the "**Loan Documents**").

1. **Mortgage**: A \$56,250,000 mortgage/charge (~125% of the Loan Amount) granted by the Borrower, including, without limitation, a negative pledge by the Borrower not to repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Loan's sponsors or other non-arm's length parties until such time as the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security has been repaid in full.
2. **General Assignment of Rents**: A general assignment of leases and rents granted by the Borrower.
3. **General Security Agreement**: A general security agreement granted by the Borrower and/or the Nominee, as applicable, creating a first ranking security interest over all presently held and hereafter acquired personal property situated on, used in connection with or derived from the Property.
4. **General Assignment of Material Contracts**: A general assignment of all current and future material contracts for the Property granted by the Borrower and/or the Nominee, as applicable, provided that upon the request of the Lender the Borrower and/or the Nominee, as applicable, shall grant a specific assignment of any current or future material contract for the Property which shall be acknowledged and consented to in writing by all counterparties to such material contract.
5. **Specific Assignment of Property Management Agreement**: A specific assignment of the commercial or residential property management contract granted by the Borrower and/or the Nominee, as applicable, pursuant to which the Lender may assume or terminate, at its option, the rights of the Borrower and/or the Nominee, as applicable, under the same if an Event of Default has occurred or the Lender has made demand for repayment of the Loan which specific assignment shall be acknowledged and consented to in writing by the property manager.
6. **Assignment of Insurance**: An assignment of insurance granted by the Borrower and/or the Nominee, as applicable, with respect to any and all insurance proceeds arising in connection with all insurance for the Property maintained or cause to be maintained by the Borrower in accordance with the requirements set forth on Schedule A.
7. **Fraud, Misrepresentation and Environmental Indemnity**: A fraud, misrepresentation and environmental indemnity granted by the Loan Parties.
8. **Beneficial Security Agreement**: An acknowledgement, direction and security agreement, if applicable, whereby the Borrower acknowledges, consents to and directs the Nominee to provide all of the Security to which the Nominee is a party to the Lender.
9. **Guarantee**: An unlimited joint and several guarantee granted by the Guarantors for 100% of the Borrower's indebtedness to the Lender, including, without limitation, all accrued but unpaid fees, interest, and expenses incurred by the Lender together with a postponement of creditor and shareholder claims against the Borrower and an acknowledgement by the

Guarantors that it shall not accept the repayment of any shareholder loans, redemption of shares, payment of dividends, or any other compensation from the Borrower until such time as the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security has been repaid in full.

10. **Pledge Agreement**: A hypothecation and pledge to the Lender of any and all issued and outstanding common shares, preferred shares and limited partnership units of the Borrower (and any and all shares of a general partner of the Borrower), as applicable, by the holders thereof provided that:
 - (a) the Lender's interest in such securities shall be perfected by possession and control by the Lender (or its legal counsel on behalf of the Lender) of the original share and/or unit certificates;
 - (b) if the registered owners of such shares and units are not providing a guarantee of the Borrower's obligations to the Lender hereunder, then such registered owners shall be required to provide a limited recourse guarantee with recourse against such registered owners limited in scope to the pledge of such shares and/or unit certificates; and
 - (c) if the registered owners are different than the beneficial owners of such shares and/or unit certificates then the beneficial owners shall be required to enter into an acknowledgement, direction and security agreement authorizing the registered owner to pledge the shares and/or unit certificates to the Lender.
11. **Subordination and Standstill Agreement**: The Subordination and Standstill Agreement contemplated in Section A17.
12. **Other**: Such other Security as the Lender and/or its legal counsel may reasonably require.

C. **CONDITIONS PRECEDENT**

The obligation of the Lender to make available the advance of the Loan shall be subject to the pre-funding conditions below (collectively, the "**Conditions Precedent**") which shall be satisfied or waived by the Lender in its sole, absolute, and unfettered discretion at least two business days prior to the advance of the Loan.

1. **Inspection**: The Lender shall have completed an inspection of the Property.
2. **Financial Statements**: The Lender shall have received accountant prepared notice to reader statements for the Borrower and any corporate Guarantor, if applicable, for its last two fiscal year-ends.
3. **PNW Statements**: The Lender shall have received certified and current-dated net worth statements for any personal Guarantor, if applicable, with supporting documentation of asset values.
4. **Property Agreement of Purchase and Sale**: The Lender shall have received the agreement of purchase and sale for the acquisition of the Property, any amendments thereto, and the statement of adjustments delivered on closing collectively confirming a minimum aggregate purchase price of \$30,444,444.

5. **Appraisal**: The Lender shall have received an appraisal report for the Property from an acceptable appraisal firm reporting an "as is" minimum value of \$71,427,960 which appraisal report is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
6. **Third Party Contracts**: The Lender shall have received all third-party operating contracts, including but not limited to landscaping, snow removal, pest removal and the property management contract(s), if applicable. In the event that the property management agreement is non-arm's length, then such property management agreement shall have a termination right in favour of the Lender upon and during the continuance of an Event of Default.
7. **Environmental Site Assessment**: The Lender shall have received a phase I and, if applicable, a phase II environmental site assessment for the Property from an acceptable environmental consultant which environmental site assessment is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
8. **Geotechnical Soil Report**: The Lender shall have received a geotechnical report confirming the feasibility of the proposed construction on the Property under existing soil conditions from an acceptable engineering firm which geotechnical report is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
9. **Planning Approvals**: The Lender shall have received evidence confirming zoning approval, development permit and partial/full building permit availability to improve the Property together with evidence satisfactory to the Lender that the full building permit will be issued in time to meet the construction schedule.
10. **Delivery of Loan Documents**: The Lender shall have received the following:
 - (a) the Loan Documents duly executed by the parties thereto;
 - (b) a request for borrowing delivered in accordance with the provisions of Section D.1;
 - (c) certificates of each corporate Loan Party dated the closing date and executed by an appropriate officer of each such person, as applicable, certifying, among other things, the constating and organizational documents, an organizational chart, incumbency of signing officers and authorizing resolutions;
 - (d) a favourable corporate and enforceability opinion from the Borrower's legal counsel, including, without limitation, existence, power and capacity, authorization, execution and delivery, enforceability, creation of security interest, registration, share capital, and perfection, as applicable; and
 - (e) a favourable title opinion from the Borrower's legal counsel or a loan policy of title insurance in lieu thereof, respecting the ownership of the Property and the ranking of the liens constituted by the Security thereon.
11. **Permitted Encumbrance Loan Documents**: The Lender shall have received the following documentation:
 - (a) Commitment letters, loan amendments and extensions (if any);

- (b) Confirmation that all Permitted Encumbrance lender pre-funding conditions have been met, save and except for the full advance of the Loan; and
 - (c) If required, written acknowledgement and consent with respect to the subject Loan
- 12. **Registration of Security:** All registrations, recordings and filings of or with respect to the Security which in the opinion of the Lender's counsel are necessary to render effective and perfected, or to give notice of, the security intended to be created thereby shall have been completed.
- 13. **Title Insurance:** The Lender shall have received satisfactory coverage in a loan policy of title insurance.
- 14. **Clean Title:** The Lender shall be satisfied with title to the Property including, without limitation, the absence of liens and other encumbrances.
- 15. **No Litigation:** There shall exist no judicial, administrative or other proceeding, investigation or litigation affecting the Property or any of the Loan Parties that has, or could reasonably be expected to have, a material adverse effect on (i) the business, operations, property or financial or other condition of any of the Loan Parties which would materially negatively affect the ability of the Loan Parties, taken as a whole, to perform and discharge their obligations under the Loan Documents, (ii) the Property, the Lender's liens on the Property and other collateral pursuant to the Security, or the priority of those liens, or (iii) the Lender's ability to enforce its rights or remedies under any of the Loan Documents.
- 16. **AML/KYC:** The Lender shall have received all documentation and information in respect of the Loan Parties including each corporate Loan Party's ownership structure, and its respective authorized signing officers, including addresses and verified personal identification, as the Lender may reasonably require in respect of Loan, including in respect of compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.
- 17. **Insurance:** The Lender shall have received duly executed certificate(s) of insurance evidencing the insurance over the Property in accordance with the requirements set out in Schedule A showing the Lender as mortgagee and loss payee as its interest may appear and showing the Lender as an additional insured under all liability policies relating to the Property, all such insurance coverage and certificate(s) to be acceptable to the Lender's insurance consultant, as confirmed by a report to the Lender from its insurance consultant.
- 18. **Payout Statement:** Receipt and satisfactory review of a payout statement with respect to any loan secured by an existing mortgage/charge registered against title to the Property.
- 19. **Levies and Fees:** All levies, impost fees, local improvement charges, property taxes and other charges that are due and payable in connection with the Property shall have been paid to the date of the advance of the Loan.
- 20. **Notice to Property Tax Authority:** The Borrower shall have executed and delivered the Lender's Notice to Property Tax Authority set forth on Schedule D, which shall permit the Lender to request information from the municipality from time to time regarding the Property's realty taxes.

21. **Pre-Authorized Debit**: The Borrower shall have executed and delivered the Lender's Pre Authorized Debit Form set forth on Schedule E, which shall permit the Lender to debit the Borrower's applicable current account each month for the Monthly Payment should full utilization, suspension or cancelation of the Interest Reserve occur, including, but not limited to any applicable Lender's Fees and Extension Fees.
22. **Lender's Approvals**: The Lender shall have received the approval of its investment committee and any other approvals required by the Lender.
23. **Due Diligence**: The Lender shall have completed its business, financial and legal due diligence, including without limitation property level due diligence with respect to the Property.

D. FUNDING

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

1. • **Advance of the Loan**: The Loan shall be funded by way of a single advance of ~~\$42,000,000.~~ **\$45,000,000** •

Outside Funding Date: In the event that the initial advance of the Loan has not been made by ~~October 31, 2021,~~ *** Apr. 30th, 2022.** at the exclusive option of the Lender, its obligations under this Commitment Letter shall cease and be at an end and the Lender shall be released from any and all of its present and/or future obligations under this Commitment Letter and the Security including, without limitation, the obligation to make any advances under the Loan. Notwithstanding the foregoing, the Lender shall remain entitled to earn and receive full payment of the Lender's Fee and to fully recover from the Borrower and any Guarantor any expenses incurred by the Lender in connection with this Commitment Letter.

E. SPECIAL CONDITIONS

The Loan shall be subject to the following special conditions which shall each have been received, reviewed and/or met, as the context implies, to the satisfaction of the Lender in its sole, absolute, and unfettered discretion prior to any advance of the Loan:

1. **Lender Right of First Opportunity**: In connection with providing construction financing should the Property be rezoned for residential use the Lender shall be given the first right of opportunity to provide the Borrower with construction financing for the planned development.

F. **COUNSEL**

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

Robins Appleby LLP (Attention: Leor Margulies)
120 Adelaide Street West, Suite 2600
Toronto, Ontario
M5H 1T1

Phone: (416) 360-3372
Fax: (416) 868-0306
Email: lmargulies@robapp.com

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

If you are in agreement with the foregoing terms and conditions, please indicate this by signing and returning this Commitment Letter to the Lender's office by 3:00pm Eastern Standard Time on ~~September 15th, 2021~~, failing which this letter shall, at the Lender's option, be deemed null and void.

Handwritten mark resembling a stylized 'A' or '4'.

** April 4th, 2022 **

Yours truly,

KINGSETT MORTGAGE CORPORATION

Per: *Justin Walton*
Justin Walton (Sep 8, 2021 12:05 EDT)
Justin Walton
Managing Director, Mortgage
Investments

Per: *BS*
Bryan Salazar (Sep 8, 2021 12:19 EDT)
Bryan Salazar
Managing Director, Mortgage
Underwriting & Funding

ACKNOWLEDGEMENT

I/We hereby accept the terms and conditions of this Commitment Letter and any accompanying Schedules and each person executing this Commitment Letter on behalf of any Borrower or any Guarantor represents and warrants that he/she has the power and authority to bind such entity.

Accepted and agreed as of the 30th day of March, 2027.

BORROWER:
2402871 Ontario Inc.


WITNESS

Per:

Name:
Title:


John Vandyk
CEO

Name:


Natalie Chan

GUARANTOR:
John Vandyk

WITNESS

Per:

Name:
Title:


John Vandyk
CEO

Name:


Natalie Chan

SCHEDULE A
LAND INSURANCE REQUIREMENTS CHECKLIST

1. All insurance policies/certificates must be forwarded to our insurance consultant for review. The cost of such review shall be for the account of the Borrower.
2. All insurance policies shall be in form and with insurers reasonably acceptable to the Lender and contain the original signatures of the insurers (which may include being signed by certified electronic signature).
3. The Lender must be shown as an Additional Insured under all liability insurance covering the Property with respect to claims arising out of the operations of the Named Insured.
4. The Borrower or the Nominee, as applicable, must be shown as a Named Insured or Additional Named Insured under all policies of insurance in force with respect to the Property.
5. 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.
6. All policies of insurance must provide the Lender with at least 30 days' prior written notice of adverse material change or cancellation, except for the non-payment of premium, in which case the statutory conditions may apply.
7. There must be evidence of Commercial General Liability insurance, with a minimum limit of **\$5,000,000.00** per occurrence and **\$5,000,000.00** policy aggregate covering the Property. This may be in the form of primary insurance and/or Excess/Umbrella insurance and include Cross Liability, Severability of Interests, Contractual Liability, Non-Owned Automobile Liability, Tenant's Legal Liability, Limited Pollution Liability insurance to cover Sudden & Accidental Pollution (including with a Wording to be the IBC 2313 wording or equivalent) and include Waiver of Subrogation in favour of the Lender.
8. If Excess or Umbrella liability is evidenced, confirmation the Excess/Umbrella Liability ***follows form*** of the underlying Commercial General Liability.
9. The Lender will not accept evidence of insurance on a CSIO form, or an ACORD Form # 25 (or their equivalents), due to the limitation in the wording as to its efficacy, and the restrictive cancellation provisions, unless accompanied with an additional remarks schedule/comments ACORD 101 or CSIO equivalent.
10. Such other insurance as the Lender or the insurance consultant may reasonably require given the nature of the security and that which a prudent owner of similar security would purchase and maintain or cause to be purchased and maintained.

There must be full, original, certified, endorsed copies of the insurance policies provided to the Lender as soon as available from the insurers, which certified policy copies should be available within 60 to 90 days. Signed Certificates or binders of insurance addressing the above will suffice as insurance evidence for closing purposes.

In the instance that any portion of the property insurance coverage described above has expired or cancelled and evidence of adequate and satisfactory insurance coverage has not been provided to the Lender within 45 days (with the certified policy copies provided within 90 days) of the expiration or cancellation date, the Lender will have the option, without obligation, to place adequate and satisfactory insurance (at the Lender's sole, absolute and unfettered discretion) for the Property at the Borrower's expense.

Certificates or Binders of Insurance are not acceptable if they contain the words, "*This certificate is issued as a matter of information only and confers no rights upon the certificate holder*" and the words "*will endeavour to*" and "*but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives*" under the cancellation clause.

-- Insurance Broker contact information and release follows on next page --

Insurance Broker Contract Information and Release

Please provide the following information for our records:

Insurance Broker: Brokerage Name: Masters Insurance Limited
 Contact Name: Robert A. Circolini
 Address: 7501 Keele Street, Suite 400
 Vaughan, ON, L4K 1Y2
 Phone #: 905 738 4114 Fax # 1 888 673 6495
 Email Address: raciccolini@mastersinsurance.com

Please provide the following information if you would like to be copied on all correspondence addressed to your Insurance Broker from IN TECH RISK MANAGEMENT INC.

Contact Number: _____

Email Address: _____

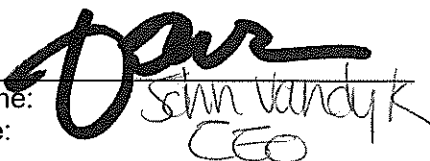
The Loan Parties hereby authorize the above noted Insurance Broker to release insurance information required by the Lender and its insurance consultant, IN TECH RISK MANAGEMENT INC. for this Loan and hereby authorize the Lender to release information necessary to determine insurance requirements, as needed, to IN TECH RISK MANAGEMENT INC. for the purposes of conducting an insurance review.

BORROWER:
2402871 Ontario Inc.

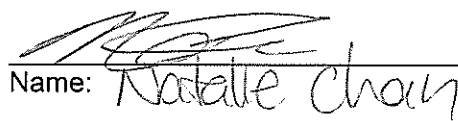
WITNESS

Per:

Name: _____
Title: _____


John Vandyk
CEO

Name: _____


Natalie Chan

GUARANTOR:
John Vandyk

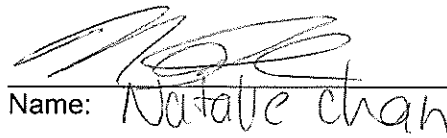
WITNESS

Per:

Name: _____
Title: _____


John Vandyk
CEO

Name: _____


Natalie Chan

**SCHEDULE B
OTHER CONDITIONS**

1. **Prohibition on Sale of Property:** Prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full on the Maturity Date or as otherwise contemplated in the Commitment Letter, the Borrower may not sell the Property, in whole or in part, without the Lender's prior written consent, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender. The assumption of the Loan by a purchaser of the Property, or part thereof, shall be subject to the prior written approval of the Lender, which approval may be arbitrarily withheld, delayed and/or conditioned by the Lender.
2. **Change of Ownership:** A direct or indirect change in ownership of the Borrower shall not be permitted without the Lender's prior written consent, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.
3. **Payment of Property Taxes:** The Borrower shall pay when due to the taxing authority or authorities having jurisdiction all property taxes and provide to the Lender evidence of such payment annually or as otherwise requested from time to time by the Lender.
4. **Indemnity:** The Loan Parties shall indemnify and save harmless the Lender and its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever arising out of the provisions of the Loan Documents, any letters of credit or letters of guarantee issued or indemnified, sale or lease of the Property and/or the use or occupation of the Property including, without limitation, those arising from the right to enter the Property from time to time and to carry out the various tests, inspections and other activities permitted by the Loan Documents.
5. **Environmental Liability:** In addition to any liability imposed on any of the Loan Parties under any of the Loan Documents, the Loan Parties shall be jointly and severally liable for any and all of the Lender's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances. The representations, warranties, covenants and agreements of the Loan Parties set forth in this subparagraph:
 - (a) are separate and distinct obligations from the Loan Parties' other obligations;
 - (b) survive the payment and satisfaction of the Loan Parties other obligations and the discharge of all or any of the Security
 - (c) are not discharged or satisfied by foreclosure against the Property pursuant to the Security; and
 - (d) shall continue in effect after any transfer of the Property including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

6. **Assignability:** The Loan Documents may not be assigned, transferred or otherwise disposed of by any of the Loan Parties without the Lender's prior written consent, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender. The Loan, any of the Loan Documents or any interest in the Loan or the Loan Documents may be assigned or participated by the Lender (and its successors and assigns), in whole or in part, without the consent of the Borrower. Except as hereinafter provided, the Borrower consents to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Loan, the Loan Documents, the Property and any of the Loan Parties within the possession or control of the Lender.
7. **Information:** For purposes of this Commitment Letter, "Information" means all information relating to the Loan Parties and their respective affiliates or any of their respective businesses, other than any such information that is available to the Lender on a non-confidential basis prior to such receipt. Any person required to maintain the confidentiality of Information in accordance with this Commitment Letter shall be considered to have complied with its obligation to do so if such person has exercised the same degree of care to maintain the confidentiality of such Information as such person would accord to its own confidential information. In addition, from time to time the Lender publishes advertisements or announcements of completed transactions which advertisements or announcements include, but are not limited to, press releases, paid advertisements, internally displayed tombstones, social media, investor brochures or information displayed on the internet or on the Lender's intranet. The Loan Parties consent to the publication of an advertisement or announcement of the Loan and agree to allow the Lender to photograph or utilize existing photographs or artistic renderings (for unfinished projects) of the Project for possible use in internal or external marketing programs.
8. **Confidentiality of Information:** The Lender agrees to maintain the confidentiality of the Information, except that Information may be disclosed (a) to it, its affiliates and its and its affiliates' respective partners, directors, officers, employees, agents, advisors and representatives to the extent necessary to administer or enforce any of the Loan Documents, it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and will be bound and instructed to keep such Information confidential, (b) to the extent requested by any regulatory authority having jurisdiction over it (including any self-regulatory authority), (c) to the extent required by any applicable law or other legal process, (d) to any other party hereto, (e) to the extent reasonable, in connection with the exercise of any remedies under any of the Loan Documents or any action or proceeding relating to any of the Loan Documents or the enforcement of rights thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under the Loan or any of the Loan Documents, (g) with the consent of the Borrower, or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section, or (ii) becomes available to the Lender on a non-confidential basis from a source other than any of the Loan Parties or their respective affiliates and provided such source has not, to the knowledge of the Lender, breached a duty or obligation of confidentiality owed to any of the Loan Parties or their respective affiliates, or the Lender. If the Lender is requested or required to disclose any Information pursuant to or as required by any applicable law or by an subpoena or similar legal process, the Lender shall use its reasonable commercial efforts to provide the Borrower with notice of such requests or obligation in sufficient time so that the Borrower may seek an appropriate protective order

or waive the Lender's compliance with the provisions of this Section, and the Lender shall co-operate with the Borrower in obtaining any such protective order.

9. **Use of Information:** The Lender shall be entitled to use any Information to assess the ability of the Loan Parties to obtain the Loan and to evaluate the ability of the Loan Parties to meet their respective financial obligations which includes, without limitation, disclosing and exchanging Information on an on-going basis with credit bureaus, credit reporting agencies and financial institutions or their agents, or to service providers, in order to determine and verify, on an on-going basis, the continuing eligibility of the Loan Parties for the Loan and the continuing ability of the Loan Parties to meet their respective financial obligations. This use, disclosure and exchange of Information will continue until the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security is repaid in full and will help protect the Loan Parties from fraud and will also protect the integrity of the credit-granting system.
10. **Right to Inspect:** The Borrower acknowledges that the Lender may inspect the Property at any time at the expense of the Borrower.
11. **Demand and Default:** Notwithstanding the Lender's right to demand repayment of the Loan at any time and for any reason, in the event of any of the Loan Parties failing to pay any amount when due or being in breach of any covenant, condition or term of any of the Loan Documents, or if any representation or warranty made by any of the Loan Parties, or any information provided by any of the Loan Parties or their respective agents is found to be untrue or incorrect in any material respect, if any Event of Default has occurred which is continuing, or if in the sole opinion of the Lender, a material adverse change occurs relating to any of the Loan Parties, the Property, or the risk associated with the Loan, then the Borrower shall, at the option of the Lender, be in default of its obligations to the Lender, the Lender may, at its option on notice to the Borrower, demand repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, cease or delay further funding, and/or may exercise any and/or all remedies available to it under the Security, at law and/or in equity. Furthermore, the Lender may, at its option, on notice to the Borrower, declare the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security forthwith due and payable, whereupon the same shall be and become immediately due and payable in full.
12. **Remedies Cumulative:** No extension, postponement, forbearance, delay, or failure on the part of the Lender in the exercise of any power, right or remedy under any of the Loan Documents, at law or in equity shall operate as a waiver thereof, nor shall a single or partial exercise of any power, right or remedy preclude other or further exercise thereof or the exercise of any other power, right or remedy. Neither the acceptance of any payment nor the making of any concession by the Lender at any time during the existence of a default shall be construed as a waiver of any continuing default or of any of the Lender's rights or remedies. All of the powers, rights and remedies of the Lender shall be cumulative and may be exercised simultaneously or from time to time in such order or manner as the Lender may elect. No waiver of any condition or covenant of any of the Loan Parties or of the breach of any such covenant or condition shall be deemed to constitute a waiver of any other covenant or condition or of any subsequent breach of such covenant or condition or justify or constitute a consent to or approval by the Lender of any violation, failure or default by the applicable Loan Party of the same or any other covenant or condition contained under any of the Loan Documents.

13. **Appointment of Receiver:** Upon and during the continuance of an Event of Default, in addition to any other rights which it may have, the Loan Parties each consent to the Lender's appointment of a receiver, or a receiver and manager either privately or by court appointment, to manage the Property and do all things necessary as an owner would be entitled to do.
14. **Severability:** Each of the Loan Parties agrees that if any one or more of the provisions contained in this Commitment Letter shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment Letter and this Commitment Letter shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
15. **Multiple Parties:** If any of the Loan Parties is comprised of more than one person or corporation, the obligations shall be the joint and several obligations of each such person or corporation unless otherwise specifically stated herein.
16. **Time of the Essence:** Time is of the essence in this Commitment Letter.
17. **Non-Merger:** The representations, warranties, covenants and obligations herein set out in any of the Loan Documents shall not merge or be extinguished by the execution or registration of the Security but shall survive until the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other amounts secured by the Security are repaid in full.
18. **Representations and Warranties:** Each of the Loan Parties will, as applicable, provide the usual representations and warranties in the Loan Documents including, without limitation (a) the accuracy of any financial statements provided to the Lender, (b) that there has been no material adverse change in the financial condition or operations, as reflected in the financial statements used to evaluate this Loan, (c) title to the Property, (d) such Loan Party's power and authority to execute and deliver the Loan Documents to which it is a party, (e) the accuracy of any documentation delivered to the Lender, (f) the accuracy of all representations and warranties made to the Lender in the Loan Documents to which it is a party, (g) that there are no pending adverse claims, no outstanding judgments, no defaults under other agreements relating to the Property, and no undefended material actions, suits or proceedings with respect to such Loan Party or the Property, (h) that such Loan Party is attending to the preservation of its assets, (i) the payment of all taxes, (j) that no consents, approvals or authorizations are necessary in connection with such Loan Party's business, (k) that there are no other encumbrances registered against title to the Property except for those approved by the Lender, (l) that all necessary services are available to the Property, and (m) that no hazardous substances used, stored, discharged or present on the Property other than in accordance with all applicable laws, and will represent and warrant such other reasonable matters as the Lender or its counsel may require.
19. **Payment of Sales Taxes:** The Borrower accepts full responsibility for remittance and payment of any and all applicable sales tax due and the periodic submission and collection of all applicable sales tax claims and credits.
20. **Lender's Sign:** The Lender shall have the right, but shall not be obligated, at the Lender's cost, to place a sign on the Property at any time after execution of this Commitment Letter

by the Borrower but prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, which sign shall state that the Lender has assisted with the financing of the Property. The Lender, at the Lender's cost, shall be permitted to take down the sign at any time prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, after which time the Borrower shall be permitted to take down such sign at any time at the Borrower's cost.

21. **Governing Law:** The Loan and the Loan Documents shall be governed by and construed under laws of the Province of Ontario and the federal laws of Canada as applicable therein
22. **Modification:** No term or requirement of any of the Loan Documents may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to any of the Loan Documents must be in writing and signed by a duly authorized officer of the Lender and accepted by a duly authorized officer of the Borrower
23. **Language:** Any word importing the singular or plural shall include the plural and singular respectively. If any party is comprised of more than one entity, the obligations of each of such entities shall be joint and several. Any word importing persons of either gender or firms or corporations shall include persons of the other gender and firms or corporations where the context so requires.
24. **Headings:** The headings and section numbers appearing in any of the Loan Documents are included only for convenience of reference and in no way define, limit, construe or describe the scope or intent of any provision of any of the Loan Documents.
25. **Counterparts:** Any of the Loan Documents may be executed in several counterparts each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument.
26. **Electronic Execution:** The words "execution," "execute", "signed," "signature," and words of like import in or related to any Loan Documents to be signed in connection with the Loan shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Electronic Commerce Act, 2000* (Ontario), or any other similar laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada.
27. **Calculations:** All interest calculated under this Commitment Letter shall be computed based on the actual number of days elapsed in a year consisting of 365 days.
28. **Paramountcy:** In the event of any inconsistency or conflict between any of the provisions of the Commitment Letter and any provision or provisions of the Security, the provisions of the Commitment Letter will prevail.

**SCHEDULE C
REPORTING**

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

1. any and all insurance policy renewals and/or amendments within ten business days of the issuance thereof. The Lender may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Borrower's expense;
2. property tax statements supported by proof of payment on a quarterly basis or as otherwise requested by the Lender from time to time;
3. certified rent rolls to the Lender on an annual basis with 90 days of the end of each of its fiscal years or as otherwise requested by the Lender from time to time;
4. all commercial leases and any and all other agreements (e.g., commercial lease amendments) including offers to lease for any and all Major Leases as requested by the Lender from time to time;
5. certified property operating statements, together with a summary of capital expenses at the Property, to the Lender on an annual basis within 90 days of the end of its fiscal years or as otherwise requested by the Lender from time to time;
6. within 90 days of the end of each of its fiscal years, the Borrower shall provide to the Lender:
 - (a) notice to reader financial statements for the Borrower and any Corporate Guarantor, as applicable, including a balance sheet and supporting schedules, a detailed statement of income and expenditures and supporting schedules, and a statement of change in cash flow; and
 - (b) certified and current-dated net worth statements for any personal Guarantor, if applicable, with supporting documentation of asset values; and
7. at the Lender's request from time to time, the Borrower shall provide the Lender with any other relevant updates regarding the Property.

SCHEDULE D
NOTICE TO PROPERTY TAX AUTHORITY

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

To Whom It May Concern:

Approval is being given to release any information verbally or in writing as requested by our mortgage company, KingSett Mortgage Corporation, regarding all matters related to taxes for the above-noted property. This is including but not limited to taxes outstanding, status of tax account, payments received and/or outstanding or copies of tax statements.

This approval will remain in full force and effect until the mortgage is paid in full.

Dated this 30th day of March, 2022.

BORROWER:
2402871 Ontario Inc.

WITNESS

Per: [Signature]
Name: John Vandyk
Title: CEO

[Signature]
Name: Natalie Chouh

GUARANTOR:
John Vandyk

WITNESS

Per: [Signature]
Name: John Vandyk
Title: CEO

[Signature]
Name: Natalie Chouh

Property Civic Address:

Roll Number:

(Please complete in full)

**SCHEDULE E
PRE-AUTHORIZED DEBIT FORM**

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

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

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

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

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

Borrower Name 2402871 ontario inc	
Address 1944 Fowler Drive	Province ON
City Mississauga	Postal Code L5K 0A1
Phone # 905 823 4606	

FI Name: RBC Royal Bank	Institution # 003
Account # 101 012 3	Transit # 02952
Address 6205 Airport Road	Province ON
City Mississauga	Postal Code L4V 1E1

Authorized Signatures(s)	
Name(s)	John Vandyk



April 25, 2022

2402871 Ontario Inc.
1944 Fowler Drive
Mississauga, ON
L5K 0A1

Attention: **Richard Ma**

Re: First mortgage land financing of 327 Royal York Road, Etobicoke, Ontario

We are pleased to advise that KingSett Mortgage Corporation has approved the following First amendment (the "**First Amendment**") to the commitment letter dated September 8, 2021 (collectively, the "**Commitment**"), which Commitment sets out the terms and conditions of the Loan granted by the Lender to the Borrower and is incorporated herein by reference.

All capitalized terms contained in this First Amendment shall have the respective meanings ascribed thereto in the Commitment unless expressly defined in this First Amendment.

AMENDED LOAN TERMS

A. LOAN TERMS

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

Permitted Encumbrances: The Lender hereby acknowledges and consents to the following permitted encumbrances (each a "**Permitted Encumbrance**"):

- (a) **Approved Second Mortgage Charge.** a Second mortgage, 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 the Lender (the "**Second Mortgage**"); and
- (b) **Approved Third Mortgage Charge.** a third mortgage charge, 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 (the "**Third 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 (the "**Subordination and Standstill Agreement**").

B. CONDITIONS PRECEDENT

This **First Amendment** shall be subject to the following additional conditions precedent which shall each have been received, reviewed and/or met to the satisfaction of the Lender in its sole, absolute and unfettered discretion (collectively, the "**First Amendment Conditions Precedent**").

1. Subject to Investment Committee Approval; and



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

In the event that the abovementioned First Amendment Conditions Precedent have not been satisfied by May 31, 2022, at the exclusive option of the Lender, the Lender's obligations under this First Amendment shall cease and the Loan will become due and payable in accordance with the terms of the original Commitment. Notwithstanding the same, the Lender shall remain entitled to earn and receive full payment of the First Amendment Fee and to fully recover from the Borrower and Guarantor any expenses incurred by the Lender.

GENERAL MATTERS

1. Entire Agreement – No alteration, modification, amendment, change or addition to this First Amendment (nor further alteration, modification, amendment, change or addition to the Commitment) shall be effective unless the same is in writing and signed by all of the parties hereto.
2. Not a Novation – It is the intent of the Borrower and Lender that this First Amendment shall not constitute a novation or in any way adversely affect the Commitment or the Security for the Loan, including, without limitation, the mortgage/charge in favour of the Lender.
3. Captions – The captions and headings herein shall be solely for convenience of reference and in no way define, limit or describe the scope or intent of any provisions or sections of this First Amendment.
4. Successors and Assigns – The First Amendment shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, successors and assigns but may not be assigned by the Borrower under any circumstances and the parties hereto agree that any such attempted assignment by the Borrower shall be null and void and of no force and effect.
5. Limited Modification – The Commitment, as amended by this First Amendment, and the Security shall remain in full force and effect and all parties liable or obligated with respect thereto shall remain so liable or obligated with respect to the Commitment, as amended by this First Amendment, and the Security. The Property shall remain in all respects subject to the liens, charges and encumbrances as set out in the Commitment, as amended by this First Amendment, and the Security and nothing herein and nothing done pursuant hereto shall affect or be construed to affect the liens, charges and encumbrances of, or warranties of title in, any of the loan documents including, without limitation, the Commitment and the Security (the "**Loan Documents**"), nor the priority thereof over other liens, charges, encumbrances or conveyances. This First Amendment shall not release or affect the liability of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents.

If any obligation of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents is determined to be void or unenforceable on account of this First Amendment and/or the modification of the Loan Documents as contemplated by this First Amendment, the Borrower, as an additional and independent obligation, hereby agrees to indemnify and hold harmless the Lender against and from all loss, cost, damage or expense (including attorney's fees, whether or not litigation has been commenced, and any and all costs for trial, bankruptcy and appellate proceedings) suffered or incurred by the Lender as the result of any such obligation being void or unenforceable.
6. Commitment References – This First Amendment shall form a part of the Commitment and shall be read as such and reference in the Commitment to the Commitment or similar expressions shall be deemed, as of the date hereof, to include this First Amendment.
7. Time is of the Essence - Time is of the essence in this First Amendment.



8. Conflict - In the event of any inconsistency between the terms and conditions of any one or more of the Loan Documents and this First Amendment, the terms and conditions and provisions of this First Amendment shall prevail. Whenever possible, this First Amendment shall be read to harmonize, rather than conflict, with any term or provision contained in the Loan Documents which is not specifically modified by this First Amendment.
9. Appointment of a Receiver - In the event of a default of the Borrower on the Property, beyond the applicable cure period, in addition to any other rights which it may have, the Borrower consents to the Lender's appointment of a receiver manager or receiver, either privately or court appointed, to manage the Property and do all things necessary as an owner would be entitled to do, including sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation.
10. Facsimile Transmission - The parties hereto acknowledge that this First Amendment may be transmitted by facsimile transmission and that, if signed by each party hereto, such facsimile transmission will constitute a legally binding agreement between the parties.
11. Privacy Act Consent - The parties hereto acknowledge that this First Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.



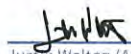
PRIVACY ACT CONSENT


The parties hereto acknowledge that this First Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.

Please execute and return one copy of this First Amendment to the attention of the undersigned no later than **April 26, 2022**, failing which, at the Lender's exclusive option, this First Amendment shall be null and void and of no force nor effect and the Lender shall be entitled to all of its rights and remedies under the Commitment and the Security.

Yours truly,

KINGSETT MORTGAGE CORPORATION

Per: 
 Justin Walton
 Managing Director, Mortgage Investments

Per: 
 Bryan Salazar
 Managing Director, Mortgage Underwriting &
 Funding

Borrower and Guarantor acknowledgement on following page



ACKNOWLEDGEMENT

The terms and conditions of this Commitment are hereby acknowledged and agreed to by the Borrower and Guarantors at Mississauga this 26th day of April, 2022.

BORROWER:

2402781 Ontario Inc.

Per: [Signature]
Name: RICHARD MA
Title: CEO

I/we have authority to bind the Corporation.

GUARANTORS:

John Vandyk

Per: [Signature]
Name: JOHN C. VANDYK
Title: PRESIDENT + CEO

WITNESS

Per: [Signature]
Name: KAREN GUTTA
Title: EXECUTIVE ASSISTANT



April 24, 2023

2402871 Ontario Inc.
1944 Fowler Drive
Mississauga, ON
L5K 0A1

Attention: **Richard Ma**

Re: First mortgage land financing of 327 Royal York Road, Etobicoke, Ontario

We are pleased to advise that KingSett Mortgage Corporation has approved the following Second amendment (the "**Second Amendment**") to the commitment letter dated September 8, 2021 and the first amendment letter dated April 25, 2022 (collectively, the "**Commitment**"), which Commitment sets out the terms and conditions of the Loan granted by the Lender to the Borrower and is incorporated herein by reference.

All capitalized terms contained in this Second Amendment shall have the respective meanings ascribed thereto in the Commitment unless expressly defined in this Second Amendment.

AMENDED LOAN TERMS

A. LOAN TERMS

1. The following new section Section A. 20 is added immediately below the existing Section A. 19 as follows:

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

A 6.5-acre site currently under construction consisting of 342 stacked townhouses with a total 379,842 sf of gross floor area, located at 10302 Heart Lake Road, Brampton, Ontario (the "**Uptowns Collateral**");

A 22.47-acre site, of which 9.67 acres are developable, zoned for the development of 200 townhouses with a total gross floor area for the proposed development of 242,602 sf located at 10194 Heart Lake Road, Brampton, Ontario (the "**Jordan Lands Collateral**"); and

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**").

2. The following new section Section A. 21 is added immediately below the existing Section A. 20 as follows:

Limited Recourse Guarantor(s): Vandyk – The Ravine Limited, Vandyk – Uptowns Limited, Vandyk - Heart Lake Limited, Vandyk-Lakeview-DXE-West Limited, Vandyk Holdings Incorporated, and Vandyk Properties Incorporated (collectively, the "**Limited Recourse Guarantors**").



3. The following new section Section A. 22 is added immediately below the existing Section A. 21 as follows:

Allocation of Net Closing Proceeds: In order of priority, the Net Closing Proceeds from the Property, 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 (the First Mortgage)	\$90,000,000
May 6, 2022	Uptowns & Jordan 3 rd Mortgage	\$59,380,000
March 11, 2022	Derry Road 1 st Mortgage	\$21,000,000
March 11, 2022	Derry Road 2 nd Mortgage	\$32,400,000

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

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:

Subject Property 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 3 rd Collateral Mortgage	Third	\$59,380,000	\$74,225,000	KingSett



Derry Road Collateral Permitted Encumbrances	Ranking	Loan Amount	Charge Amount	Lender
Derry Road 1st Mortgage	First	\$21,000,000	\$25,000,000	KingSett
Derry Road 2nd Mortgage	Second	\$32,400,000	\$37,000,000	KingSett
Derry Road DPI	Third	\$9,030,000	\$9,030,000	TBD
Uptowns & Jordan 1 st Collateral mortgage	Fourth	\$90,000,000	\$112,500,000	KingSett
Uptowns & Jordan 3 rd Collateral Mortgage	Fifth	\$59,380,000	\$74,225,000	KingSett
Royal York 1 st Collateral Mortgage	Sixth	\$45,000,000	\$56,250,000	KingSett
Lakeview DXE 1 st Collateral Mortgage Land Loan**	Seventh	\$34,000,000	\$40,000,000	Dorr Capital
Lakeview DXE 1 st Collateral Mortgage Construction Loan**	Seventh	\$180,000,000	\$225,000,000	KingSett
Lakeview DXE 3 rd 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.

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	Third	\$59,380,000	\$76,725,000	KingSett



Mortgage				
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 1 st Mortgage	Seventh	\$21,000,000	\$25,000,000	KingSett
Derry Road 2 nd 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	Fourth	\$180,000,000	\$225,000,000	KingSett



Construction Loan**				
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.

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 1st	Eighth	\$21,000,000	\$25,000,000	KingSett



Mortgage				
Derry Road 2nd Mortgage	Ninth	\$32,400,000	\$37,000,000	KingSett

*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.

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**").

B. CONDITIONS PRECEDENT

This Second Amendment shall be subject to the following additional conditions precedent which shall each have been received, reviewed and/or met to the satisfaction of the Lender in its sole, absolute and unfettered discretion (collectively, the "**Second Amendment Conditions Precedent**").

1. New Security – Collateral Mortgages:

- a. a \$56,250,000 sixth ranking mortgage charge granted by Vandyk – The Ravine Limited on the Derry Road Collateral;
- b. a \$56,250,000 fourth ranking mortgage charge granted by Vandyk – Uptowns Limited on the Uptowns Collateral;
- c. a \$56,250,000 third ranking mortgage charge granted by Vandyk - Heart Lake Limited on the Jordan Lands Collateral;
- d. a \$56,250,000 seventh ranking mortgage charge granted by Vandyk-Lakeview-DXE-West Limited and Vandyk-Lakeview-DXE East Limited on the Lakeview DXE Collateral;



- e. a general assignment of leases and rents granted by Vandyk – The Ravine Limited with respect to the Derry Road Collateral;
 - f. a general assignment of leases and rents granted by Vandyk – Uptowns Limited with respect to the Uptowns Collateral;
 - g. a general assignment of leases and rents granted by Vandyk – Heart Lake Limited with respect to the Jordan Lands Collateral;
 - h. a general assignment of leases and rents granted by Vandyk – Lakeview-DXE East Limited and Vandyk – Lakeshore-DXE-West Limited with respect to the Lakeview DXE Collateral;
 - i. an assignment of insurance granted by Vandyk – The Ravine Limited with respect to any and all insurance proceeds arising in connection with all insurance for the Derry Road Collateral;
 - j. an assignment of insurance granted by Vandyk – Uptowns Limited with respect to any and all insurance proceeds arising in connection with all insurance for the Uptowns Collateral;
 - k. an assignment of insurance granted by Vandyk – Heart Lake Limited with respect to any and all insurance proceeds arising in connection with all insurance for the Jordan Lands Collateral; and
 - l. an assignment of insurance granted by Vandyk – Lakeview-DXE East Limited and Vandyk – Lakeshore-DXE-West Limited with respect to any and all insurance proceeds arising in connection with all insurance for the Lakeview DXE Collateral.
2. **New Security – Specific Assignment of Cash Distributions.** A specific assignment of the shareholder cash distributions from the following two projects:
- a. **King's Mill:** 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. **Buckingham:** 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.
3. 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 Second Amendment.

In the event that the abovementioned Second Amendment Conditions Precedent have not been satisfied by July 15, 2023, at the exclusive option of the Lender, the Lender's obligations under this Second Amendment shall cease and the Loan will become due and payable in accordance with the terms of the original Commitment. Notwithstanding the same, the Lender shall remain entitled to earn and receive full payment of the Second Amendment Fee and to fully recover from the Borrower and Guarantor any expenses incurred by the Lender.

GENERAL MATTERS



1. Entire Agreement – No alteration, modification, amendment, change or addition to this Second Amendment (nor further alteration, modification, amendment, change or addition to the Commitment) shall be effective unless the same is in writing and signed by all of the parties hereto.
2. Not a Novation – It is the intent of the Borrower and Lender that this Second Amendment shall not constitute a novation or in any way adversely affect the Commitment or the Security for the Loan, including, without limitation, the mortgage/charge in favour of the Lender.
3. Captions – The captions and headings herein shall be solely for convenience of reference and in no way define, limit or describe the scope or intent of any provisions or sections of this Second Amendment.
4. Successors and Assigns – The Second Amendment shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, successors and assigns but may not be assigned by the Borrower under any circumstances and the parties hereto agree that any such attempted assignment by the Borrower shall be null and void and of no force and effect.
5. Limited Modification – The Commitment, as amended by this Second Amendment, and the Security shall remain in full force and effect and all parties liable or obligated with respect thereto shall remain so liable or obligated with respect to the Commitment, as amended by this Second Amendment, and the Security. The Property shall remain in all respects subject to the liens, charges and encumbrances as set out in the Commitment, as amended by this Second Amendment, and the Security and nothing herein and nothing done pursuant hereto shall affect or be construed to affect the liens, charges and encumbrances of, or warranties of title in, any of the loan documents including, without limitation, the Commitment and the Security (the “**Loan Documents**”), nor the priority thereof over other liens, charges, encumbrances or conveyances. This Second Amendment shall not release or affect the liability of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents.

If any obligation of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents is determined to be void or unenforceable on account of this Second Amendment and/or the modification of the Loan Documents as contemplated by this Second Amendment, the Borrower, as an additional and independent obligation, hereby agrees to indemnify and hold harmless the Lender against and from all loss, cost, damage or expense (including attorney’s fees, whether or not litigation has been commenced, and any and all costs for trial, bankruptcy and appellate proceedings) suffered or incurred by the Lender as the result of any such obligation being void or unenforceable.
6. Commitment References – This Second Amendment shall form a part of the Commitment and shall be read as such and reference in the Commitment to the Commitment or similar expressions shall be deemed, as of the date hereof, to include this Second Amendment.
7. Time is of the Essence - Time is of the essence in this Second Amendment.
8. Conflict - In the event of any inconsistency between the terms and conditions of any one or more of the Loan Documents and this Second Amendment, the terms and conditions and provisions of this Second Amendment shall prevail. Whenever possible, this Second Amendment shall be read to harmonize, rather than conflict, with any term or provision contained in the Loan Documents which is not specifically modified by this Second Amendment.
9. Appointment of a Receiver - In the event of a default of the Borrower on the Property, beyond the applicable cure period, in addition to any other rights which it may have, the Borrower consents to the Lender’s appointment of a receiver manager or receiver, either privately or court appointed, to manage the Property and do all things necessary as an owner would be entitled to do, including sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation.



10. Facsimile Transmission - The parties hereto acknowledge that this Second Amendment may be transmitted by facsimile transmission and that, if signed by each party hereto, such facsimile transmission will constitute a legally binding agreement between the parties.
11. Privacy Act Consent - The parties hereto acknowledge that this Second Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.




PRIVACY ACT CONSENT


The parties hereto acknowledge that this Second Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.

Please execute and ^{30-f}return one copy of this Second Amendment to the attention of the undersigned no later than June 26, 2023, failing which, at the Lender's exclusive option, this Second Amendment shall be null and void and of no force nor effect and the Lender shall be entitled to all of its rights and remedies under the Commitment and the Security.

Yours truly,

KINGSETT MORTGAGE CORPORATION

Per: 
Justin Walton
Managing Director, Mortgage Investments

Per: 
Bryan Salazar
Managing Director, Mortgage Underwriting & Funding

Borrower and Guarantor acknowledgement on following page



ACKNOWLEDGEMENT

The terms and conditions of this Commitment are hereby acknowledged and agreed to by the Borrower and Guarantors at MISSISSAUGA this 30th day of JUNE, 2023.

BORROWER:

2402781 Ontario Inc.

Per: [Signature]
Name: John Vandyk
Title: CEO

GUARANTORS:

John Vandyk

WITNESS

Per: [Signature]
Name: John Vandyk
Title: CEO

Per: [Signature]
Name: Natalie Chan
Title: _____

LIMITED RECOURSE GUARANTORS:

Vandyk - Uptowns Limited

Vandyk - Heart Lake Limited

Per: [Signature]
Name: John Vandyk
Title: CEO

Per: [Signature]
Name: John Vandyk
Title: CEO

Vandyk-Lakeview-DXE-West Limited

Vandyk Holdings Incorporated

Per: [Signature]
Name: John Vandyk
Title: CEO

Per: [Signature]
Name: John Vandyk
Title: CEO

Vandyk Properties Incorporated

Vandyk - The Ravine Limited

Per: [Signature]
Name: John Vandyk
Title: CEO

Per: [Signature]
Name: John Vandyk
Title: CEO

[Handwritten mark]

TAB S

THIS IS **EXHIBIT "S"** 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 28th day of April, 2022.

B E T W E E N:

JOHN VANDYK

(the "**Guarantor**")

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Lender**")

OF THE SECOND PART

WHEREAS 2402871 Ontario Inc. (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 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 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 the 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 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
- (g) 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 creditors 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 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, the Guarantor or any shareholder, unitholder or partner of the Guarantor.

3.2 Nature of Obligations of 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 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 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;
- (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 the Guarantor to the extent permitted by applicable law.

3.3 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.

3.4 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 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, 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.

3.5 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
SUBORDINATION

4.1 Subordination of Indebtedness

The 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 the Guarantor, to all of the Loan Indebtedness and the Guarantor assigns and transfers to the Lender every right of the Guarantor relating to the Indebtedness.

4.2 Payment of Indebtedness

Any right of the Guarantor to receive any payment on account of Indebtedness of the Mortgagor and any of the other Covenantors to the Guarantor will be subordinated to any right of the Lender to receive any payment of the Loan Indebtedness and the Guarantor shall not:

- (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 the 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 the Guarantor;
- (c) enforce or apply any security now or hereafter furnished by the Mortgagor and any of the other Covenantors to the 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 the Guarantor on account of the Indebtedness to which the Guarantor would be entitled except for this Article 4, such payment or distribution will be received by the Guarantor in trust for the benefit of the Lender, and the 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 the 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 the Guarantor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

5.2 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.

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 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.

5.5 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.

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 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.

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 the 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

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.

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 Guarantor:

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 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

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

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.

5.14 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 (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

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.

5.19 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.

5.20 Multiple Parties

If the Guarantor consists of more than one party, this Agreement 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 or corporation. If the Lender consists of more than one party, this Guarantee will be read with

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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.

DocuSigned by:

Bruce Milburn

7A305E2C83E2443...

Witness:

DocuSigned by:

John Vandyk

81ED1B7C5369445...

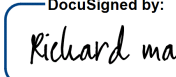
JOHN VANDYK

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.

2402871 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 28th day of April, 2022.

B E T W E E N:

VANDYK HOLDINGS INCORPORATED

(the "**Guarantor**")

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Lender**")

OF THE SECOND PART

WHEREAS 2402871 Ontario Inc. (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 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 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; and

- (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, 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 the 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 pledge agreement dated as of the date hereof granted by the Guarantor to and in favour of the Lender, in and to the Secured Property (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 Pledged Interests as this term is defined in the pledge agreement entered into among the Lender and the Guarantor on the date of this Guarantee.

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 **SUBORDINATION**

4.1 Subordination of Indebtedness

The 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 the Guarantor, to all of the Loan Indebtedness and the Guarantor assigns and transfers to the Lender every right of the Guarantor relating to the Indebtedness.

4.2 Payment of Indebtedness

Any right of the Guarantor to receive any payment on account of Indebtedness of the Mortgagor and any of the other Covenantors to the Guarantor will be subordinated to any right of the Lender to receive any payment of the Loan Indebtedness and the Guarantor shall not:

- (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 the 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 the Guarantor;
- (c) enforce or apply any security now or hereafter furnished by the Mortgagor and any of the other Covenantors to the 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 the Guarantor on account of the Indebtedness to which the Guarantor would be entitled except for this Article 4, such payment or distribution will be received by the Guarantor in trust for the benefit of the Lender, and the 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 the 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 the Guarantor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

5.2 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.

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 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.

5.5 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.

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 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.

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 the 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

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.

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 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@srllawpractice.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

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

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.

5.14 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.

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

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.

5.19 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.

5.20 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 HOLDINGS INCORPORATED

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


Per: _____
Name: _____
Title: _____

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.

2402871 ONTARIO INC.

Per: 
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

LIMITED RECOURSE GUARANTEE

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

B E T W E E N:

VANDYK – THE RAVINE LIMITED and VANDYK – LAKEVIEW-DXE-WEST LIMITED

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

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Lender**")

OF THE SECOND PART

WHEREAS 2402871 Ontario Inc. (the "**Mortgagor**"), as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Assignee, as mortgagee, of the lands charged therein (the "**Lands**") notice of which was registered on April 29, 2022 as Instrument No. AT6062496 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 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

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 Road Collateral (as defined in the Commitment Letter) and the Lakeview DXE Collateral (as defined in the Commitment Letter), 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 Covenants liable in respect of the Loan Indebtedness and the Loan Obligations;
- (d) grant any other indulgence to the Mortgagor or any of the other Covenants 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 Covenants incurred by the Mortgagor or any of the other Covenants 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 Covenants 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 Covenants 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 Covenants or the Loan Indebtedness, the Loan Obligations or any security provided to the Lender by the Mortgagor, any Guarantor or any of the other Covenants 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
MISCELLANEOUS

4.1 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 4.12 (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.

4.2 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.

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 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.

4.5 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.

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 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.

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

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.

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:

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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.

4.13 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.

4.14 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.

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 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.

4.18 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.

4.19 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.

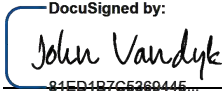
4.20 Multiple Parties


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:  DocuSigned by:
Name: _____
Title: _____

Per:  DocuSigned by:
Name: _____
Title: _____

VANDYK – LAKEVIEW-DXE-WEST LIMITED

Per:  DocuSigned by:
Name: _____
Title: _____

Per:  DocuSigned by:
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 2402871 Ontario Inc. (the "**Mortgagor**"), as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Assignee, as mortgagee, of the lands charged therein (the "**Lands**") notice of which was registered on April 29, 2022 as Instrument No. AT6062496 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 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

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.

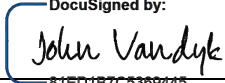
4.20 Multiple Parties

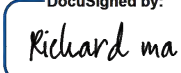
If the Guarantor consists of more than one party, this Guarantee will be read with all necessary grammatical changes and each reference to the Guarantor includes each and every such Person or corporation individually. All covenants and agreements herein of the Guarantor are the joint and several covenants 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:  DocuSigned by:
Name: 81ED1B7C5369445...
Title:

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

LIMITED RECOURSE GUARANTEE

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

B E T W E E N:

VANDYK HOLDINGS INCORPORATED

(the "**Guarantor**")

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Lender**")

OF THE SECOND PART

WHEREAS 2402871 Ontario Inc. (the "**Mortgagor**"), as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Assignee, as mortgagee, of the lands charged therein (the "**Lands**") notice of which was registered on April 29, 2022 as Instrument No. AT6062496 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 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

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.

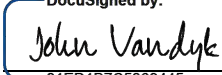
4.20 Multiple Parties

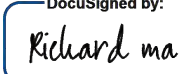
If the Guarantor consists of more than one party, this Guarantee will be read with all necessary grammatical changes and each reference to the Guarantor includes each and every such Person or corporation individually. All covenants and agreements herein of the Guarantor are the joint and several covenants 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 HOLDINGS INCORPORATED

Per: 
DocuSigned by:
Name: _____
Title:

Per: 
DocuSigned by:
Name: _____
Title:

TAB T

THIS IS **EXHIBIT "T"** 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 \$56,250,000.00 *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 04 29
 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 04 29
 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 : 59445.88 (JVG/SB/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 \$56,250,000.00 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) "**Closed Prepayment Period**" has the meaning ascribed thereto in Section 8;
 - (b) "**Commitment Letter**" means the mortgage commitment letter dated as of September 8, 2021 between, *inter alios*, the Mortgagor and the Mortgagee, 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 \$139,500.00 (0.31% of the Maximum Loan Amount) fee;
 - (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) "**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) "**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;

- (k) **"Interest Rate"** means:
- (i) from the date of the initial advance of all or any portion of the Loan Indebtedness until the end of the 24th month after the Interest Adjustment Date, the RBC Prime Rate plus 4.30% per annum (with a floor rate of 6.75%), calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement with respect to the Loan Indebtedness; and
 - (ii) in the last month of the Term and every month thereafter, 12.75% 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;
- (l) **"Lands"** means those lands and premises more particularly described in Schedule "A" attached hereto;
- (m) **"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;
- (n) **"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;
- (o) **"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;
- (p) **"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;
- (q) **"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;
- (r) **"Loan Obligations"** means the obligations from time to time of the Mortgagor or any of the other Covenantors arising under the Loan Documents;
- (s) **"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;
- (t) "**Maturity Date**" means twenty-five (25) months after the Interest Adjustment Date as may be extended in accordance with the Commitment Letter;
- (u) "**Maximum Loan Amount**" means, notwithstanding the Principal Amount, the amount of \$45,000,000.00;
- (v) "**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;
- (w) "**Mortgagee**" means KingSett Mortgage Corporation;
- (x) "**Mortgagor**" means 2402871 Ontario Inc.;
- (y) "**Other Obligations**" has the meaning ascribed thereto in Section 37;
- (z) "**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;
- (aa) **"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);

- (bb) "**Principal Amount**" has the meaning ascribed thereto in the preamble to this Mortgage;
- (cc) "**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;
- (dd) "**Property**" means, collectively, the Lands and the Mortgaged Premises;
- (ee) "**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;
- (ff) "**Rents**" means, collectively, all rents, issues and profits now due or to become due under or derived from the Leases and/or the Property;
- (gg) "**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;
- (hh) "**Statutory Lien**" has the meaning ascribed thereto in Section 1(z)(i);
- (ii) "**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, including for greater certainty, a second mortgage, in an amount not to exceed \$7,500,000.00 on terms and conditions acceptable to the Mortgagee;
- (jj) "**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
- (kk) "**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) 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 Mortgagor 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.

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 Section A.11 and Section A.12 of 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 thirty (30) 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. Subject to the terms and conditions of Section A.15 of the Commitment Letter, this Mortgage will be closed for prepayment from the initial advance of the Loan until twelve (12) months after the Interest Adjustment Date (the "**Closed Prepayment Period**"). From and after the Closed Prepayment Period, the Loan Indebtedness will be open for prepayment, in whole but not in part, with a minimum of thirty (30) days' prior written notice to the Mortgagee without any fee, bonus or penalty.

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 Mortgagee, 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 Mortgagee to receive payments from time to time of the monthly instalments payable hereunder and/or the Mortgagee'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 Mortgagee which are payable on a non-business day in the Province of Ontario or are received after 2 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 Mortgagee at its address hereinbefore stated, or such other place as may be designated by the Mortgagee from time to time.

CROSS-DEFAULT

20. The occurrence of an Event of Default hereunder shall constitute default under the other Security Documents and default, beyond any applicable cure or notice periods, under any of the other Security Documents shall constitute and 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 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.

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 Mortgagor 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.

ATTORNTMENT

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 any of the terms and conditions contained in Section E.1 of the Commitment Letter, 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 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 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 a quarterly basis or as otherwise requested by the Mortgagee from time to time with respect to the Property;
 - (c) certified rent rolls to the Mortgagee on an annual basis within ninety (90) days of the Mortgagor's fiscal year end or as otherwise requested by the Mortgagee from time to time;
 - (d) all commercial leases and any and all other agreements (e.g. commercial lease amendments) including offers to lease or any and all Major Leases as requested by the Mortgagee from time to time;
 - (e) certified property operating statements, together with a summary of capital expenses at the Property, on an annual basis within ninety (90) days of the Mortgagor's fiscal year end or as otherwise requested by the Mortgagee from time to time;
 - (f) each year, or more often if requested by the Mortgagee, within ninety (90) days of the Mortgagor's fiscal year end, notice to reader 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; and
 - (g) 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 29th day of April, 2022.

2402871 ONTARIO INC.

Per: DocuSigned by:
Richard ma

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

TAB U

THIS IS **EXHIBIT "U"** 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, AT6062496 registered on 2022/04/29 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Nasim Akbari-Balderlou 3400-1 First Canadian Place acting for Signed 2022 04 29
 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 04 29
 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 04 29
 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 : 59445.88 (JVG/SB/NA)

GENERAL ASSIGNMENT OF LEASES AND**RENTS THIS AGREEMENT** made as of the 29th day of April, 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:

- (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:

- (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 Paramourncy

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

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: 04B6BBFEDFC840B...
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

TAB V

THIS IS **EXHIBIT "V"** 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 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 \$56,250,000.00 *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 \$56,250,000.00 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) "**Borrower**" means 2402871 Ontario Inc.;
 - (c) "**Budgeted Project Costs**" means the Project Costs as set out in the Project Budget;
 - (d) "**Closed Prepayment Period**" has the meaning ascribed thereto in Section 8;
 - (e) "**Commitment Letter**" means the mortgage commitment letter dated as of September 8, 2021 between, inter *alios*, the Borrower and the Mortgagee, as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time;
 - (f) "**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 Covenants 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));
 - (g) "**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;
 - (h) "**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;
 - (i) "**Cost Overruns**" means all Project Costs in excess of Budgeted Project Costs (which, for greater certainty, includes any Contingency Amount);
 - (j) "**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;
 - (k) "**Derry Lands**" means the property municipally known as 320 Derry Road West, Mississauga, Ontario;
 - (l) "**Derry Project**" means the development of an infill serviced development site approved for 39 detached units and 6 semi-detached units located at 320 Derry Road West, 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;
 - (m) "**Discharge Fee**" has the meaning ascribed thereto in Section 23;

- (n) **"Event of Default"** has the meaning ascribed thereto in Section 30;
- (o) **"Extension Fee"** means a \$139,500.00 (0.31% of the Maximum Loan Amount) fee;
- (p) **"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;
- (q) **"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);
- (r) **"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;
- (s) **"Heart Lake Lands"** means the property municipally known as 10302 and 10194 Heart Lake Road, Brampton, Ontario;
- (t) **"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; 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;
- (u) **"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;

- (v) "**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;
- (w) "**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;
- (x) "**Interest Rate**" means:
 - (i) from the date of the initial advance of all or any portion of the Loan Indebtedness until the end of the 24th month after the Interest Adjustment Date, the RBC Prime Rate plus 4.30% per annum (with a floor rate of 6.75%), calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement with respect to the Loan Indebtedness; and
 - (ii) in the last month of the Term and every month thereafter, 12.75% 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;
- (y) "**Lakeview Lands**" means the property municipally known as 1345 Lakeshore Road East, Mississauga, Ontario;
- (z) "**Lakeview 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;
- (aa) "**Lands**" means those lands and premises more particularly described in Schedule "A" attached hereto;
- (bb) "**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;
- (cc) "**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;
- (dd) "**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;
- (ee) "**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;

- (ff) "**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;
- (gg) "**Loan Obligations**" means the obligations from time to time of the Mortgagor or any of the other Covenantors arising under the Loan Documents;
- (hh) "**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;
- (ii) "**Maturity Date**" means twenty-five (25) months after the Interest Adjustment Date as may be extended in accordance with the Commitment Letter;
- (jj) "**Maximum Loan Amount**" means, notwithstanding the Principal Amount, the amount of \$45,000,000.00;
- (kk) "**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;
- (ll) "**Mortgagee**" means KingSett Mortgage Corporation;
- (mm) "**Mortgagor**" means Vandyk – Lakeview-DXE-West Limited;
- (nn) "**Other Obligations**" has the meaning ascribed thereto in Section 39;
- (oo) "**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;
- (pp) **"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);
 - (qq) **"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;
 - (rr) **"Principal Amount"** has the meaning ascribed thereto in the preamble to this Mortgage;
 - (ss) **"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"**);
 - (tt) **"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;
 - (uu) **"Project Budget"** means the project budget approved by the Mortgagee for the Project;
 - (vv) **"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;
 - (ww) **"Project Monitor"** means the project monitor appointed for the Project;
 - (xx) **"Property"** means, collectively, the Lands and the Mortgaged Premises;
 - (yy) **"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;
 - (zz) **"Rents"** means, collectively, all rents, issues and profits now due or to become due under or derived from the Leases and/or the Property;
 - (aaa) **"Royal York Lands"** means the property municipally known as 327 Royal York, Etobicoke, Ontario;
 - (bbb) **"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 327 Royal York, Etobicoke, Ontario;

- (ccc) "**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;
- (ddd) "**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);
- (eee) "**Statutory Lien**" has the meaning ascribed thereto in Section 1(oo)(i);
- (fff) "**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;
- (ggg) "**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
- (hhh) "**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) 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.

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 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, such consent to be granted 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 Section A.11 and Section A.12 of 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 thirty (30) 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 rights 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 will be closed for prepayment from the initial advance of the Loan until twelve (12) months after the Interest Adjustment Date, save and except for each prepayment of Net Closing Proceeds on the terms and conditions set out in Section A.22 of the Commitment Letter (the "**Closed Prepayment Period**"). From and after the Closed Prepayment Period, the Loan Indebtedness will be open for prepayment, in whole but not in part, with a minimum of thirty (30) days' prior written notice to the Mortgagee without any fee, bonus or penalty.

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 and 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 Mortgagee, 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 Mortgagee to receive payments from time to time of the monthly instalments payable hereunder and/or the Mortgagee'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 Mortgagee which are payable on a non-business day in the Province of Ontario or are received after 2 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 twenty (20) consecutive days, other than as a result of force majeure, including without limitation strikes, labour actions or shortages of supplies, 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, 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 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 Closing Proceeds shall be applied pursuant to the terms and conditions set out in Section A.22 of 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 Mortgagee at its address hereinbefore stated, or such other place as may be designated by the Mortgagee from time to time.

CROSS-DEFAULT

- 22. The occurrence of an Event of Default hereunder shall constitute default under the other Security Documents and default, beyond any applicable cure or notice periods, under any of the other Security Documents shall constitute and 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 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

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 any of the terms and conditions contained in Section E.1 of the Commitment Letter, 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 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 and the Mortgagee 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 Discharge Fee 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 creditor'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. 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 23), with this Mortgage only to be discharged upon payment and performance of all indebtedness and obligations secured hereby in full

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) ongoing Royal York 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;
 - (c) property tax statements supported by proof of payment on an annual basis or as otherwise requested by the Mortgagee from time to time with respect to the Property, the Royal York Lands, the Derry Lands, and the Heart Lake Lands;

- (d) each year, or more often if requested by the Mortgagee, within ninety (90) days of the Mortgagor's fiscal year end, notice to reader 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;
- (e) on a monthly basis with respect to the Project, the Royal York Project, the Derry Project, and the Heart Lake Project, sales list updates and all newly executed firm and binding purchase and sale agreements with respect to the sale of Units; and
- (f) at the request of the Mortgagee from time to time any other relevant updates regarding the Project.

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 28th day
of July, 2023.

**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

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

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

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 - 0890	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 20, 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

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

Properties

Description LOT 37, PLAN 43M2113; CITY OF MISSISSAUGA
 Address MISSISSAUGA
 PIN 13214 - 0908 LT Interest/Estate Fee Simple

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 - 0910 LT Interest/Estate Fee Simple

Description LOT 40, 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, 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)	<i>Capacity</i>	<i>Share</i>
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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	\$56,250,000.00	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 Toronto M5X 1A4	acting for Chargor(s)	Signed 2023 07 28
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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 – 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 \$56,250,000.00 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) "**Borrower**" means 2402871 Ontario Inc.;
 - (c) "**Budgeted Project Costs**" means the Project Costs as set out in the Project Budget;
 - (d) "**Closed Prepayment Period**" has the meaning ascribed thereto in Section 8;
 - (e) "**Commitment Letter**" means the mortgage commitment letter dated as of September 8, 2021 between, inter *alios*, the Borrower and the Mortgagee, as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time;
 - (f) "**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 Covenants 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));
 - (g) "**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;
 - (h) "**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;
 - (i) "**Cost Overruns**" means all Project Costs in excess of Budgeted Project Costs (which, for greater certainty, includes any Contingency Amount);
 - (j) "**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;
 - (k) "**Derry Road Actions**" means, collectively, the actions bearing the following court file numbers: CV-22-00689146-0000, CV-22-00686376-0000, CV-22-00685887-0000 and CV-22-00689645-0000;
 - (l) "**Event of Default**" has the meaning ascribed thereto in Section 30;
 - (m) "**Extension Fee**" means a \$139,500.00 (0.31% of the Maximum Loan Amount) fee;
 - (n) "**Final Derry Units**" has the meaning ascribed thereto in Section 23;

- (o) **"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;
- (p) **"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);
- (q) **"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;
- (r) **"Heart Lake Lands"** means the property municipally known as 10302 and 10194 Heart Lake Road, Brampton, Ontario;
- (s) **"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; 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;
- (t) **"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;
- (u) **"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;

- (v) **"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;
- (w) **"Interest Rate"** means:
 - (i) from the date of the initial advance of all or any portion of the Loan Indebtedness until the end of the 24th month after the Interest Adjustment Date, the RBC Prime Rate plus 4.30% per annum (with a floor rate of 6.75%), calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement with respect to the Loan Indebtedness; and
 - (ii) in the last month of the Term and every month thereafter, 12.75% 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;
- (x) **"Lakeview Lands"** means the property municipally known as 1345 Lakeshore Road East, Mississauga, Ontario;
- (y) **"Lakeview 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;
- (z) **"Lands"** means those lands and premises more particularly described in Schedule "A" attached hereto;
- (aa) **"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;
- (bb) **"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;
- (cc) **"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;
- (dd) **"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;

- (ee) "**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;
- (ff) "**Loan Obligations**" means the obligations from time to time of the Mortgagor or any of the other Covenantors arising under the Loan Documents;
- (gg) "**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;
- (hh) "**Maturity Date**" means twenty-five (25) months after the Interest Adjustment Date as may be extended in accordance with the Commitment Letter;
- (ii) "**Maximum Loan Amount**" means, notwithstanding the Principal Amount, the amount of \$45,000,000.00;
- (jj) "**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;
- (kk) "**Mortgagee**" means KingSett Mortgage Corporation;
- (ll) "**Mortgagor**" means Vandyk – The Ravine Limited;
- (mm) "**Other Obligations**" has the meaning ascribed thereto in Section 39;
- (nn) "**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;
- (oo) "**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);
- (pp) "**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;
- (qq) "**Principal Amount**" has the meaning ascribed thereto in the preamble to this Mortgage;
- (rr) "**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 and a second charge/mortgage each granted by the Mortgagor to and in favour of Mortgagee (collectively, the "**Prior Ranking Charges**");
- (ss) "**Project**" means the development of an infill serviced lot development site approved for 39 detached units and 6 semi-detached units located at 320 Derry Road West, Mississauga, 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;
- (tt) "**Project Budget**" means the project budget approved by the Mortgagee for the Project;
- (uu) "**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;
- (vv) "**Project Monitor**" means the project monitor appointed for the Project;
- (ww) "**Property**" means, collectively, the Lands and the Mortgaged Premises;
- (xx) "**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;
- (yy) "**Rents**" means, collectively, all rents, issues and profits now due or to become due under or derived from the Leases and/or the Property;
- (zz) "**Royal York Lands**" means the property municipally known as 327 Royal York, Etobicoke, Ontario;
- (aaa) "**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 327 Royal York, Etobicoke, Ontario;
- (bbb) "**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;

- (ccc) "**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);
- (ddd) "**Statutory Lien**" has the meaning ascribed thereto in Section 1(oo)(i);
- (eee) "**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;
- (fff) "**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
- (ggg) "**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 (vi) 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) 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.

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 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, such consent to be granted 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 Section A.11 and Section A.12 of 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 thirty (30) 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 rights 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 will be closed for prepayment from the initial advance of the Loan until twelve (12) months after the Interest Adjustment Date, save and except for each prepayment of Net Closing Proceeds on the terms and conditions set out in Section A.22 of the Commitment Letter (the "**Closed Prepayment Period**"). From and after the Closed Prepayment Period, the Loan Indebtedness will be open for prepayment, in whole but not in part, with a minimum of thirty (30) days' prior written notice to the Mortgagee without any fee, bonus or penalty.

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 and 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 Mortgagee, 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 Mortgagee to receive payments from time to time of the monthly instalments payable hereunder and/or the Mortgagee'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 Mortgagee which are payable on a non-business day in the Province of Ontario or are received after 2 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 twenty (20) consecutive days, other than as a result of force majeure, including without limitation strikes, labour actions or shortages of supplies, 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, 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 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 Closing Proceeds shall be applied pursuant to the terms and conditions set out in Section A.22 of 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 Mortgagee at its address hereinbefore stated, or such other place as may be designated by the Mortgagee from time to time.

CROSS-DEFAULT

22. The occurrence of an Event of Default hereunder shall constitute default under the other Security Documents and default, beyond any applicable cure or notice periods, under any of the other Security Documents shall constitute and 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 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 Charges (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. The Mortgagee acknowledges and agrees that, in the event any of the Derry Road Actions remain active at such time as the Lands against which this Mortgage is registered consists solely of the final three Units in the Project (the "**Final Derry Units**"), the Mortgagee shall provide a full discharge of this Mortgage from title to the Final Derry Units without any fee, bonus or penalty other than payment of the Discharge Fee. Notwithstanding the foregoing, in the

event that the Derry Road Actions have reached a final disposition prior to only the Final Derry Road Units comprising the security under this Mortgage, any partial discharge from each Final Derry Unit shall be subject to the terms and conditions contained in the Commitment Letter and this Mortgage.

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 any of the terms and conditions contained in Section E.1 of the Commitment Letter, 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 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 and the Mortgagee 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 Discharge Fee 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 creditor'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. For greater certainty, the Mortgagor acknowledges and agrees that payment and performance of all indebtedness and obligations secured by either 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 23), with this Mortgage only to be discharged upon payment and performance of all indebtedness and obligations secured hereby in full.

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) ongoing Royal York 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;
- (c) property tax statements supported by proof of payment on an annual basis or as otherwise requested by the Mortgagee from time to time with respect to the Property, the Royal York Lands, the Lakeview Lands, and the Heart Lake Lands;
- (d) each year, or more often if requested by the Mortgagee, within ninety (90) days of the Mortgagor's fiscal year end, notice to reader 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;
- (e) on a monthly basis with respect to the Project, the Royal York Project, the Lakeview Project, and the Heart Lake Project, sales list updates and all newly executed firm and binding purchase and sale agreements with respect to the sale of Units; and
- (f) at the request of the Mortgagee from time to time any other relevant updates regarding the Project.

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 ___ day
of _____, 2023.

VANDYK – THE RAVINE LIMITED

Per: DocuSigned by:
John Vandyk
788F04B7C5369445...
Name:
Title:

Per: DocuSigned by:
Richard ma
04868BFEDFC648B...
Name:
Title:

I/We have authority to bind the Corporation

SCHEDULE "A"

DESCRIPTION OF THE LANDS

13214-0871 (LT)

LOT 1, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0872 (LT)

LOT 2, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0873 (LT)

LOT 3, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0874 (LT)

LOT 4, PLAN 43M2113; SUBJECT TO AN EASEMENT IN GROSS OVER PART 4, 43R40043 AS IN PR3908805; CITY OF MISSISSAUGA

13214-0875 (LT)

LOT 5, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0876 (LT)

LOT 6, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0877 (LT)

LOT 7, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0878 (LT)

LOT 8, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0879 (LT)

LOT 9, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0880 (LT)

LOT 10, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0881 (LT)

LOT 11, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0882 (LT)

LOT 12, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0883 (LT)

LOT 13, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0884 (LT)

LOT 14, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0885 (LT)

LOT 15, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0886 (LT)

LOT 16, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0887 (LT)

LOT 17, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0888 (LT)

LOT 18, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0889 (LT)

LOT 19, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0890 (LT)

LOT 20, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0891 (LT)

LOT 21, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0892 (LT)

LOT 22, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0893 (LT)

LOT 23, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0894 (LT)

LOT 24, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0895 (LT)

LOT 25, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0896 (LT)

LOT 26, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0897 (LT)

LOT 27, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0898 (LT)

LOT 28, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0899 (LT)

LOT 29, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0900 (LT)

LOT 30, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0901 (LT)

LOT 31, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0902 (LT)

LOT 32, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0903 (LT)

LOT 33, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0904 (LT)

LOT 34, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0905 (LT)

LOT 35, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0906 (LT)

LOT 36, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0907 (LT)

LOT 37, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0908 (LT)

LOT 38, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0909 (LT)

LOT 39, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0910 (LT)

LOT 40, PLAN 43M2113; CITY OF MISSISSAUGA

13214-0911 (LT)

LOT 41, PLAN 43M2113; CITY OF MISSISSAUGA

TAB W

THIS IS **EXHIBIT "W"** 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)

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

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)

	<i>Capacity</i>	<i>Share</i>
<i>Name</i> KINGSETT MORTGAGE CORPORATION		
<i>Address for Service</i> 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, PR4229979 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 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;
 - (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; and
 - (iii) the Assignor has notified the Assignee of the proposed Lease and provided a copy of it to the Assignee;
- (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 Section, 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:

- 11 -

- (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

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

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 (including by DocuSign or other electronic means) in any number of counterparts and delivered (including by DocuSign or other electronic means) in any number of counterparts, each of which (including any electronic transmission of an executed signature page), is deemed to be an original, and such counterparts together constitute one and the same agreement.

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:
Name: _____
Title:

Per:  DocuSigned by:
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

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

yyyy mm dd Page 2 of 21

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 - 0890 LT
<i>Description</i>	LOT 20, 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

Properties

Description LOT 37, PLAN 43M2113; CITY OF MISSISSAUGA
Address MISSISSAUGA
PIN 13214 - 0908 LT
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 - 0910 LT
Description LOT 40, 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, 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, PR4229962 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

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

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 – 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) 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;
 - (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; and
 - (iii) the Assignor has notified the Assignee of the proposed Lease and provided a copy of it to the Assignee;
- (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 Section, 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

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

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 (including by DocuSign or other electronic means) in any number of counterparts and delivered (including by DocuSign or other electronic means) in any number of counterparts, each of which (including any electronic transmission of an executed signature page), is deemed to be an original, and such counterparts together constitute one and the same agreement.

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: DocuSigned by:
John Vandyk
Name: _____
Title:

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

I/We have authority to bind the Corporation

TAB X

THIS IS **EXHIBIT "X"** 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 28th day of April, 2022.

BETWEEN:

2402871 ONTARIO INC.

(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 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 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;

- (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 is 2402871 Ontario Inc. and it has no French form of name or trade name; and
- (l) the registered office, the principal place of business of the 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;
- (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

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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,

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

- 14 -

- (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;

- (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

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

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

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.

2402871 ONTARIO INC.

Per: DocuSigned by:
Richard ma

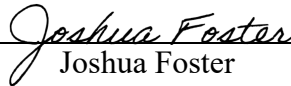
Name: 04B6BBFEDFC840B...
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

TAB Y

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



Joshua Foster

A Commissioner for taking Affidavits
(or as may be)

GENERAL ASSIGNMENT OF MATERIAL CONTRACTS

THIS AGREEMENT made as of the 28th day of April, 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, all of the Assignor's right, title and interest in and to the Material Contracts;

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) "**Effective Date**" has the meaning ascribed to it in Section 2.7;
- (b) "**Enforcement Notice**" has the meaning ascribed to it in Section 2.7;

- (c) **"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;
- (d) **"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;
- (e) **"Loan Obligations"** means the obligations of the Assignor or any of the other Covenantors arising under the Loan Documents;
- (f) **"Material Contracts"** means, collectively, all of the Assignor's right, title and interest in and to all contracts, agreements, permits, and licenses, material or significant to the ownership, management, development, construction or operation of the Property, as applicable, and which the Assignee designates from time to time as material to the Property, including, without limitation, the contracts relating to engineering specifications and drawings, architectural specifications and drawings, all other specifications and drawings related to the Project, plans, construction contracts, licenses and permits (including without limitation any and all building and development permits), as the same may be amended, restated, modified, supplemented, assigned and/or assumed from time to time, including without limitation, the benefits of and advantages under all undertakings given to the Assignor in connection with its acquisition of the Property; and
- (g) **"Other Party"** means a Person from whom the Assignor would have been entitled to receive or claim any benefit under a Material Contract.

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 performance of the Loan Obligations, the Assignor hereby assigns, transfers and sets over

unto the Assignee, its successors and assigns, and grants a security interest in all of the Assignor's right, title and interest, both at law and in equity, in and to the Material Contracts (to the extent assignable), including, without limitation: (i) the benefit of all representations, warranties, conditions, terms and covenants made or contained in the Material Contracts or implied or expressed by law in relation thereto; (ii) all moneys due or accruing due or at any time hereafter to become due under the Material Contracts, as applicable; and (iii) all rights, benefits and advantages derived from the Material Contracts and any and all present and future guarantees or indemnities of all or any of the obligations under the Material Contracts, as applicable, together with the full benefit of all security in support of such guarantees or indemnities.

2.2 Default and 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 pursuant to any of the Loan Documents, 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 and things that may be necessary for, incidental to, or advisable for, carrying out the powers given to the Assignee under this Agreement upon the occurrence of any Event of Default which is continuing. 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;
- (b) in the event any action is brought by the Assignee to enforce any rights under any of the Material Contracts, the Assignor agrees to cooperate fully with and assist the Assignee in the prosecution thereof;
- (c) without limiting any other provision of this Agreement, upon and during the continuance of an Event of Default, the Assignor hereby specifically authorizes and directs each Other Party upon written notice to it by the Assignee to make all payments due under or arising under the Material Contracts directly to the Assignee and hereby irrevocably authorizes and empowers the Assignee after an Event of Default and for so long as it is continuing to request, demand, receive, and give acquittance for any and all amounts which may be or become due or payable or remain unpaid at any time to the Assignor under and pursuant any Material Contract, and to endorse any cheques, drafts or other orders for the payment of money payable to the Assignor in payment thereof, and in the Assignee's discretion, to file any claims or take any action or proceeding, either in its own name or in the name of the Assignor or otherwise, which the Assignee may deem necessary or desirable in its sole discretion; and
- (d) 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.

2.3 Consent; Limitation on Assignment

Nothing in this Agreement shall constitute an assignment or attempted assignment of any of the Material Contracts which by its provisions or by applicable law is not assignable, which would result in the termination of or a breach under such Material Contract, or which requires the consent of any Other Party to its assignment unless such consent has been obtained. With respect to any Material Contract which the Assignee reasonably determines to be material, the Assignor shall attempt to obtain the consent of any necessary Other Party to its assignment under this Agreement and to its further assignment by the Assignee to any Other Party as a result of the exercise by the Assignee of remedies after demand. Upon such consent being obtained or waived, this Agreement shall apply to the applicable Material 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 Assignor shall, to the extent it may do so at law or pursuant to the provisions of such Material Contract or interest in question, hold all benefit to be derived from such Material Contract in trust for the Assignee (including the Assignor's beneficial interest in any such Material Contract which may be held in trust for the Assignee by a third party), as additional security for the payment of the Loan Indebtedness and performance of the Loan Obligations.

2.4 Representations and Warranties

The Assignor represents and warrants to and in favour of the Assignee that:

- (a) the Assignor has good right, full power and absolute authority to assign the Material Contracts 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;
- (b) each Material Contract is in existence, is unamended, and is in full force and effect, and there is no existing dispute under any of them;
- (c) there is currently no default by any Other Party to a Material Contract under any term, condition or covenant required to be performed by it under any Material Contract;
- (d) the copies of any Material Contracts delivered to the Assignee are true and complete copies of those Material Contracts; and
- (e) the Assignor has observed and performed all of its obligations under the Material Contracts and will, in all material aspects, continue hereafter to observe and perform all of its obligations under the Material Contracts.

2.5 Right to Deal

Until the occurrence of an Event of Default which is continuing, the Assignor is permitted to enjoy the benefits of and deal with the Material Contracts and to enforce or sue in respect of any representation, warranty, condition, term or covenant under any Material Contract,

and any Other Party shall be entitled to deal with the Assignor until receipt of written notice from the Assignee stating that they should no longer deal with the Assignor.

2.6 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 collateral security until the payment in full of the Loan Indebtedness and observance and performance of all of the Loan Obligations.

2.7 Enforcement

The Assignee, upon the occurrence of an Event of Default and for so long as it is continuing may, but shall not be bound to enforce its rights and remedies under this Agreement. Upon the Assignee's election to enforce its rights and remedies under this Agreement, the Assignee or its agent shall give written notice (the "**Enforcement Notice**") concurrently to the Assignor and the affected Other Party or Parties advising that the Assignee has elected to: (i) terminate their Material Contract effective as of the date set out in the Enforcement Notice, which date shall be five (5) Business Days after the date of the Enforcement Notice (the "**Effective Date**"); or (ii) enforce its rights and remedies under this Agreement and requiring the Other Party or Parties, to deal directly with the Assignee (subject to the provisions of Section 2.10), and the Assignor covenants and agrees, at the request of the Assignee, to join with the Assignee in such notice and hereby irrevocably appoints the Assignee as its attorney to join the Assignor in such notice.

2.8 Waiver of Event of Default

The Assignee may waive any Event of Default or breach of covenant and shall not be bound to exercise its rights hereunder or to serve the Enforcement Notice upon any Other Party upon the happening of any Event of Default but any such waiver shall not extend to any subsequent Event of Default.

2.9 Negative Covenants of the Assignor

That the Assignor shall not, without the consent in writing of the Assignee:

- (a) assign, pledge, or hypothecate the Material Contracts other than to the Assignee or to the holder of any Prior Permitted Encumbrance and shall not do or omit to do or permit any act to be done which either directly or indirectly has the effect of waiving, releasing, reducing or abating any rights, remedies or obligations of any party thereunder or in connection therewith, other than as permitted under the Loan Documents; and
- (b) terminate, accept a surrender of, or agree to any modification or amendment to the Material Contracts which would materially adversely change the obligations of the Assignor thereunder, other than as permitted under the Loan Documents.

2.10 Assignee's Obligations and Limitation on Liabilities

It is expressly acknowledged and agreed by the Assignor and the Assignee that:

- (a) effective from and after the Effective Date, the Assignee shall be entitled to enforce all of the rights and remedies granted to it hereunder on the condition that the Assignee, from and after the Effective Date, assumes responsibility for the performance of all of the covenants, provisions, stipulations, terms and conditions under the Material Contracts on the part of the Assignor to be performed. Notwithstanding the foregoing, the Assignee shall not be liable to cure any defaults of the Assignor then existing under the Material Contracts;
- (b) 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 Material Contracts. 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 Material Contracts, 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 Interest Rate;
- (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 Subsection 2.10(a) shall not constitute or have the effect of making the Assignee a mortgagee in possession; and
- (d) the Assignee shall not be 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 Material Contract.

2.11 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, all or any of the Material Contracts 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 Material Contracts 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 any Material Contract or anything related thereto. Upon registration of a discharge of the Mortgage, this Agreement shall thereupon become and be of no force or effect. At such time as the Mortgage has been discharged, the Assignee will, upon the request of the Assignor, and at the sole cost and expense of the Assignor, execute and deliver to the Assignor such instruments as may be necessary or effective, in registrable form, to evidence the termination of this Agreement and the reassignment to the Assignor of the Material Contracts.

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 other Covenantor. 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 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, transferee, purchaser 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

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 are 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 further documents as may be required 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 permitted 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. 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.

DocuSigned by:
Per: Richard ma
04B8BBFEDFC840B...
Name:
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

TAB Z

THIS IS **EXHIBIT "Z"** 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 #66

07617-0889 (LT)

PAGE 1 OF 2
PREPARED FOR katherine01
ON 2023/11/06 AT 10:38:54

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

PROPERTY 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

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 07617-0050

PIN CREATION DATE:
2016/05/19

OWNERS' NAMES
2402871 ONTARIO INC.

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: 1996/03/25 **						
AT2717994	2011/06/10	NOTICE	\$2	CITY OF TORONTO	TERRASAN 327 ROYAL YORK ROAD LIMITED	C
REMARKS: THIS NOTICE IS FOR AN INDETERMINATE PERIOD						
AT3989173	2015/08/26	TRANSFER EASEMENT	\$2	TERRASAN 327 ROYAL YORK RD. LIMITED	ENBRIDGE GAS DISTRIBUTION INC.	C
AT4215393	2016/05/11	NOTICE	\$2	CITY OF TORONTO	TERRASAN 327 ROYAL YORK RD. LIMITED	C
AT4264438	2016/06/30	TRANSFER EASEMENT	\$2	TERRASAN 327 ROYAL YORK RD. LIMITED	CANADIAN NATIONAL RAILWAY COMPANY	C
AT4274323	2016/07/11	TRANSFER EASEMENT		TERRASAN 327 ROYAL YORK RD. LIMITED	METROLINK	C
AT4682195	2017/09/15	APL VESTING ORDER	\$30,044,444	ONTARIO SUPERIOR COURT OF JUSTICE	2402871 ONTARIO INC.	C
AT4682199	2017/09/15	CHARGE	\$7,500,000	2402871 ONTARIO INC.	1820277 ONTARIO LIMITED	C
AT4682266	2017/09/15	NO ASSGN RENT GEN		2402871 ONTARIO INC.	1820277 ONTARIO LIMITED	C
REMARKS: AT4682199.						

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 #66

07617-0889 (LT)

PREPARED FOR katherine01
ON 2023/11/06 AT 10:38:54

* 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
AT4683523	2017/09/18	NOTICE <i>REMARKS: PR1840522</i>	\$2	2402871 ONTARIO INC.	MERIDIAN CREDIT UNION LIMITED	C
AT5208007	2019/08/09	NOTICE <i>REMARKS: AT4682197, AT5112746, AT5113735, AT5113736</i>	\$2	2402871 ONTARIO INC.		C
AT5276273	2019/10/30	LR'S ORDER <i>REMARKS: AMENDING EASEMENT AS IN NUMBER</i>		LAND REGISTRAR, TORONTO LAND REGISTRY OFFICE		C
AT5622584	2021/01/14	NO APL ABSOLUTE		2402871 ONTARIO INC.		C
AT6043226	2022/04/11	APL ANNEX REST COV		2402871 ONTARIO INC.		C
AT6062496	2022/04/29	CHARGE	\$56,250,000	2402871 ONTARIO INC.	KINGSETT MORTGAGE CORPORATION	C
AT6062497	2022/04/29	NO ASSGN RENT GEN <i>REMARKS: AT6062496</i>		2402871 ONTARIO INC.	KINGSETT MORTGAGE CORPORATION	C
AT6062501	2022/04/29	POSTPONEMENT		FIERA FP REAL ESTATE FINANCING FUND, L.P.	KINGSETT MORTGAGE CORPORATION	C
AT6062502	2022/04/29	POSTPONEMENT <i>REMARKS: AT4682199 TO AT6062496, AT4682266</i>		1820277 ONTARIO LIMITED	KINGSETT MORTGAGE CORPORATION	C
AT6063266	2022/05/02	POSTPONEMENT <i>REMARKS: AT4682199, AT4682266 TO AT6043226</i>		1820277 ONTARIO LIMITED	2402871 ONTARIO INC.	C
AT6108074	2022/06/16	CHARGE	\$68,750,000	2402871 ONTARIO INC.	KINGSETT MORTGAGE CORPORATION	C
AT6108075	2022/06/16	NO ASSGN RENT GEN <i>REMARKS: AT6108074</i>		2402871 ONTARIO INC.	KINGSETT MORTGAGE CORPORATION	C
AT6123274	2022/07/05	POSTPONEMENT <i>REMARKS: AT4682199 TO AT6043226</i>		1820277 ONTARIO LIMITED	2402871 ONTARIO INC.	C
AT6142641	2022/07/27	POSTPONEMENT <i>REMARKS: AT6062496, AT6062497 TO AT6043226</i>		KINGSETT MORTGAGE CORPORATION	2402871 ONTARIO INC.	C
AT6142642	2022/07/27	POSTPONEMENT <i>REMARKS: AT6108074, AT6108075 TO AT6043226</i>		KINGSETT MORTGAGE CORPORATION	2402871 ONTARIO INC.	C
AT6422890	2023/09/19	CONSTRUCTION LIEN	\$700,465	KOHN PARTNERSHIP ARCHITECTS 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.

TAB AA

THIS IS **EXHIBIT "AA"** 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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

RESPONSE CONTAINS: APPROXIMATELY 5 FAMILIES and 24 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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 5 ENQUIRY PAGE : 1 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

00 FILE NUMBER : 731415132 EXPIRY DATE : 30AUG 2027 STATUS :
01 CAUTION FILING : PAGE : 001 OF 004 MV SCHEDULE ATTACHED :
REG NUM : 20170830 1602 1862 3337 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: 2402871 ONTARIO INC.
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 :
MERIDIAN CREDIT UNION LIMITED
09 ADDRESS : 75 CORPORATE PARK DRIVE
CITY : ST. CATHARINES PROV: ON POSTAL CODE: L2S 3W3
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 A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTORS' PRESENT AND AFTER
14 ACQUIRED PERSONAL PROPERTY WHICH ARISES FROM, PERTAINS TO, IS
15 LOCATED ON, OR IS USED IN ANY WAY IN CONNECTION WITH THE USE,
16 AGENT: HARRIS, SHEAFFER LLP (COLIN ANDREWS)
17 ADDRESS : 610-4100 YONGE STREET
CITY : TORONTO PROV: ON POSTAL CODE: M2P 2B5

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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 5 ENQUIRY PAGE : 2 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

00 FILE NUMBER : 731415132 EXPIRY DATE : 30AUG 2027 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 004 MV SCHEDULE ATTACHED :
 REG NUM : 20170830 1602 1862 3337 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 ENJOYMENT, OCCUPANCY OR OPERATION OF THE LANDS AND PREMISES OF THE
 14 DEBTORS BEING PIN 07617-0889 (LT) AND KNOWN MUNICIPALLY AS 327 ROYAL
 15 YORK ROAD, TORONTO, ONTARIO AND PROCEEDS OF WHATSOEVER NATURE AND
 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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 5 ENQUIRY PAGE : 3 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

00 FILE NUMBER : 731415132 EXPIRY DATE : 30AUG 2027 STATUS :
01 CAUTION FILING : PAGE : 003 OF 004 MV SCHEDULE ATTACHED :
REG NUM : 20170830 1602 1862 3337 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 KIND THEREFROM, INCLUDING WITHOUT LIMITATION, ALL PERSONAL PROPERTY.
14 NOTICE - SECURITY AGREEMENT CONTAINS COVENANT BY DEBTOR NOT TO GRANT
15 SECURITY INTERESTS IN OR TRANSFER TO THIRD PARTIES THE COLLATERAL
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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 5 ENQUIRY PAGE : 4 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

00 FILE NUMBER : 731415132 EXPIRY DATE : 30AUG 2027 STATUS :
 01 CAUTION FILING : PAGE : 004 OF 004 MV SCHEDULE ATTACHED :
 REG NUM : 20170830 1602 1862 3337 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 WITHOUT THE CONSENT OF THE SECURED PARTY.
 14
 15
 16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:

CONTINUED

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 5 ENQUIRY PAGE : 5 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

FILE NUMBER 731415132

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 001 OF 001 MV SCHED: 20170914 1525 1862 4577

21 REFERENCE FILE NUMBER : 731415132

22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: 2402871 ONTARIO INC.

25 OTHER CHANGE:

26 REASON: DELETED THE PREVIOUS COLLATERAL DESCRIPTION UNDER REGISTRATION NO.

27 /DESCR: 20170830160218623337

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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13 NOTICE-SECURITY AGREEMENT CONTAINS COVENANT BY DEBTOR NOT TO GRANT

14 SECURITY INTERESTS IN OR TRANSFER TO THIRD PARTIES THE COLLATERAL

15 WITHOUT THE CONSENT OF THE SECURED PARTY.

16 NAME : HARRIS, SHEAFFER LLP

17 ADDRESS : 4100 YONGE STREET, SUITE 610

CITY : TORONTO PROV : ON POSTAL CODE : M2P 2B5

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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 5 ENQUIRY PAGE : 6 OF 24

SEARCH : BD : 2402871 ONTARIO INC.
FILE NUMBER 731415132

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 001 OF 1 MV SCHED: 20220429 1608 1590 0216
21 REFERENCE FILE NUMBER : 731415132
22 AMEND PAGE: NO PAGE: CHANGE: A AMNDMNT REN YEARS: CORR PER:
23 REFERENCE DEBTOR/ IND NAME:
24 TRANSFEROR: BUS NAME: 2402871 ONTARIO INC.

25 OTHER CHANGE:
26 REASON: TO DELETE THE PREVIOUS GENERAL COLLATERAL DESCRIPTION AND REPLACE
27 /DESCR: WITH THE GENERAL COLLATERAL DESCRIPTION NOTED IN THIS AMENDMENT
28 :

02/05 IND/TRANSFEE:
03/06 BUS NAME/TRFEE:
OCN:
04/07 ADDRESS:
CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
CITY : PROV : POSTAL CODE :
CONS. MV DATE OF NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE
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13 A SECURITY INTEREST IS TAKEN IN CASH OF THE DEBTOR DEPOSITED WITH THE
14 SECURED PARTY TO SECURE EXISTING AND FUTURE LETTERS OF CREDIT ISSUED
15 BY THE SECURED PARTY AT THE REQUEST OF THE DEBTOR.
16 NAME : HARRIS, SHEAFFER LLP / PH / 170745
17 ADDRESS : YONGE SHEPPARD CENTRE 4881 YONGE STREET,
CITY : TORONTO PROV : ON POSTAL CODE : M2N 5X3

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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 5 ENQUIRY PAGE : 7 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

FILE NUMBER 731415132

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 001 OF 1 MV SCHED: 20220705 1007 1532 5541

21 REFERENCE FILE NUMBER : 731415132

22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 5 CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: 2402871 ONTARIO INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :
CONS. MV DATE OF NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : D + H LIMITED PARTNERSHIP

17 ADDRESS : 2 ROBERT SPECK PARKWAY, 15TH FLOOR

CITY : MISSISSAUGA PROV : ON POSTAL CODE : L4Z 1H8

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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 5 ENQUIRY PAGE : 8 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

00 FILE NUMBER : 731594187 EXPIRY DATE : 06SEP 2024 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20170906 1015 2080 3954 REG TYP: P PPSA REG PERIOD: 05
 02 IND DOB : IND NAME:
 03 BUS NAME: 2402871 ONTARIO INC.
 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 :
 1820277 ONTARIO LIMITED
 09 ADDRESS : 300 - 90 BURNHAMTHORPE ROAD WEST
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5B 3C3
 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.

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GENERAL COLLATERAL DESCRIPTION

13 GENERAL SECURITY AGREEMENT

14

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16 AGENT: LOOPSTRA NIXON LLP (JRH/1820013)

17 ADDRESS : 135 QUEENS PLATE DRIVE, SUITE 600

CITY : TORONTO PROV: ON POSTAL CODE: M9W 6V7

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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 5 ENQUIRY PAGE : 9 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

FILE NUMBER 731594187

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 001 OF 2 MV SCHED: 20190809 1158 1590 2902
 21 REFERENCE FILE NUMBER : 731594187
 22 AMEND PAGE: NO PAGE: CHANGE: J OTHER REN YEARS: CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME: 2402871 ONTARIO INC.

25 OTHER CHANGE: POSTPONEMENT

26 REASON: THE SECURED PARTY UNDER REFERENCE FILE NO. 731594187 HEREBY
 27 /DESCR: POSTPONES ITS REGISTRATION IN FAVOUR OF REFERENCE FILE NO. 753867963
 28 : (FINANCING STATEMENT NO. 20190730 0935 1590 2106) IN FAVOUR OF FIERA

02/05 IND/TRANSFEREE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : FOGLER, RUBINOFF LLP (R.ROTCHTIN - 193451)

17 ADDRESS : 77 KING ST WEST, SUITE 3000, TD CENTRE

CITY : TORONTO PROV : ON POSTAL CODE : M5K 1G8

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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 5 ENQUIRY PAGE : 10 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

FILE NUMBER 731594187

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 002 OF 2 MV SCHED: 20190809 1158 1590 2902

21 REFERENCE FILE NUMBER : 731594187

22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON: FP REAL ESTATE FINANCING FUND, L.P.

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :
CONS. MV DATE OF NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME :

17 ADDRESS :

CITY : PROV : POSTAL CODE :

CONTINUED

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 5 ENQUIRY PAGE : 11 OF 24

SEARCH : BD : 2402871 ONTARIO INC.
FILE NUMBER 731594187

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 001 OF 2 MV SCHED: 20220429 1712 9234 2503
21 REFERENCE FILE NUMBER : 731594187
22 AMEND PAGE: NO PAGE: CHANGE: J OTHER REN YEARS: CORR PER:
23 REFERENCE DEBTOR/ IND NAME:
24 TRANSFEROR: BUS NAME: 2402871 ONTARIO INC.

25 OTHER CHANGE: SUBORDINATION
26 REASON: THE SECURED PARTY UNDER REFERENCE FILE NO. 731594187 HEREBY
27 /DESCR: POSTPONES ITS REGISTRATION IN FAVOUR OF REFERENCE FILE NO. 782372457
28 : (FINANCING STATEMENT NO. 20220426 1811 9234 2431) IN FAVOUR OF

02/05 IND/TRANSFEE:
03/06 BUS NAME/TRFEE:
OCN:
04/07 ADDRESS:
CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
CITY : PROV : POSTAL CODE :
CONS. MV DATE OF NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : BENNETT JONES LLP (VAN GENT/59445-88/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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 5 ENQUIRY PAGE : 12 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

FILE NUMBER 731594187

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 002 OF 2 MV SCHED: 20220429 1712 9234 2503

21 REFERENCE FILE NUMBER : 731594187

22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON: KINGSETT MORTGAGE CORPORATION.

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME :

17 ADDRESS :

CITY : PROV : POSTAL CODE :

CONTINUED

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 5 ENQUIRY PAGE : 13 OF 24

SEARCH : BD : 2402871 ONTARIO INC.
FILE NUMBER 731594187
PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 001 OF 1 MV SCHED: 20220901 1023 2080 4250
21 REFERENCE FILE NUMBER : 731594187
22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 02 CORR PER:
23 REFERENCE DEBTOR/ IND NAME:
24 TRANSFEROR: BUS NAME: 2402871 ONTARIO INC.

25 OTHER CHANGE:
26 REASON:
27 /DESCR:
28 :
02/05 IND/TRANSFEE:
03/06 BUS NAME/TRFEE:
OCN:
04/07 ADDRESS:
CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
CITY : PROV : POSTAL CODE :
CONS. MV DATE OF NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE
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16 NAME : LOOPSTRA NIXON LLP (JRH/02191-0013)
17 ADDRESS : 135 QUEENS PLATE DRIVE, SUITE 600
CITY : TORONTO PROV : ON POSTAL CODE : M9W 6V7

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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 5 ENQUIRY PAGE : 14 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

00 FILE NUMBER : 731594421 EXPIRY DATE : 06SEP 2024 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20170906 1022 2080 3955 REG TYP: P PPSA REG PERIOD: 05
 02 IND DOB : IND NAME:
 03 BUS NAME: 2402871 ONTARIO INC.
 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 :
 1820277 ONTARIO LIMITED
 09 ADDRESS : 300 - 90 BURNHAMTHORPE ROAD WEST
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5B 3C3
 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 GENERAL ASSIGNMENT OF RENTS AND LEASES WITH RESPECT TO PROPERTY
 14 MUNICIPALLY KNOWN AS 327 ROYAL YORK ROAD, TORONTO, ONTARIO AND
 15 LEGALLY DESCRIBED IN PIN 07617-0889 (LT).
 16 AGENT: LOOPSTRA NIXON LLP (JRH/1820013)
 17 ADDRESS : 135 QUEENS PLATE DRIVE, SUITE 600
 CITY : TORONTO PROV: ON POSTAL CODE: M9W 6V7

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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 3 OF 5 ENQUIRY PAGE : 15 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

FILE NUMBER 731594421

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 001 OF 2 MV SCHED: 20190809 1159 1590 2903

21 REFERENCE FILE NUMBER : 731594421

22 AMEND PAGE: NO PAGE: CHANGE: J OTHER REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: 2402871 ONTARIO INC.

25 OTHER CHANGE: POSTPONEMENT

26 REASON: THE SECURED PARTY UNDER REFERENCE FILE NO. 731594421 HEREBY

27 /DESCR: POSTPONES ITS REGISTRATION IN FAVOUR OF REFERENCE FILE NO. 753867963

28 : (FINANCING STATEMENT NO. 20190730 0935 1590 2106) IN FAVOUR OF FIERA

02/05 IND/TRANSFEREE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : FOGLER, RUBINOFF LLP (R.ROTCHTIN - 193451)

17 ADDRESS : 77 KING ST WEST, SUITE 3000, TD CENTRE

CITY : TORONTO PROV : ON POSTAL CODE : M5K 1G8

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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 3 OF 5 ENQUIRY PAGE : 16 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

FILE NUMBER 731594421

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 002 OF 2 MV SCHED: 20190809 1159 1590 2903

21 REFERENCE FILE NUMBER : 731594421

22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON: FP REAL ESTATE FINANCING FUND, L.P.

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

11

12

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14

15

16 NAME :

17 ADDRESS :

CITY : PROV : POSTAL CODE :

CONTINUED

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 3 OF 5 ENQUIRY PAGE : 17 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

FILE NUMBER 731594421

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 001 OF 2 MV SCHED: 20220429 1712 9234 2502

21 REFERENCE FILE NUMBER : 731594421

22 AMEND PAGE: NO PAGE: CHANGE: J OTHER REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: 2402871 ONTARIO INC.

25 OTHER CHANGE: SUBORDINATION

26 REASON: THE SECURED PARTY UNDER REFERENCE FILE NO. 731594421 HEREBY

27 /DESCR: POSTPONES ITS REGISTRATION IN FAVOUR OF REFERENCE FILE NO. 782372457

28 : (FINANCING STATEMENT NO. 20220426 1811 9234 2431) IN FAVOUR OF

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

11

12

13

14

15

16 NAME : BENNETT JONES LLP (VAN GENT/59445-88/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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 3 OF 5 ENQUIRY PAGE : 18 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

FILE NUMBER 731594421

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 002 OF 2 MV SCHED: 20220429 1712 9234 2502

21 REFERENCE FILE NUMBER : 731594421

22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON: KINGSETT MORTGAGE CORPORATION.

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

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12

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14

15

16 NAME :

17 ADDRESS :

CITY : PROV : POSTAL CODE :

CONTINUED

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 3 OF 5 ENQUIRY PAGE : 19 OF 24

SEARCH : BD : 2402871 ONTARIO INC.
FILE NUMBER 731594421

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 001 OF 1 MV SCHED: 20220901 1029 2080 4251
21 REFERENCE FILE NUMBER : 731594421
22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 02 CORR PER:
23 REFERENCE DEBTOR/ IND NAME:
24 TRANSFEROR: BUS NAME: 2402871 ONTARIO INC.

25 OTHER CHANGE:
26 REASON:
27 /DESCR:
28 :
02/05 IND/TRANSFEE:
03/06 BUS NAME/TRFEE:

OCN:
04/07 ADDRESS:
CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
CITY : PROV : POSTAL CODE :
CONS. MV DATE OF NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE
10
11
12
13
14
15
16 NAME : LOOPSTRA NIXON LLP (JRH/02191-0013)
17 ADDRESS : 135 QUEENS PLATE DRIVE, SUITE 600
CITY : TORONTO PROV : ON POSTAL CODE : M9W 6V7

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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 5 ENQUIRY PAGE : 20 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

00 FILE NUMBER : 768356118 EXPIRY DATE : 07DEC 2025 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20201207 1608 1590 8573 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: 2402871 ONTARIO INC.
 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 :
 MERIDIAN CREDIT UNION LIMITED
 09 ADDRESS : 75 CORPORATE PARK DRIVE
 CITY : ST. CATHARINES PROV: ON POSTAL CODE: L2S 3W3
 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 GUARANTEE AND POSTPONEMENT OF CLAIM RELATING TO A LOAN TO
 14 VANDYK-BACKYARD HUMBERSIDE LIMITED WITH RESPECT TO THE PROPERTY
 15 LOCATED AT THE QUEENSWAY AND PARKLAWN ROAD, TORONTO, ONTARIO.
 16 AGENT: HARRIS, SHEAFFER LLP / PH / 170745
 17 ADDRESS : 610-4100 YONGE STREET
 CITY : TORONTO PROV: ON POSTAL CODE: M2P 2B5

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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 5 ENQUIRY PAGE : 21 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

00 FILE NUMBER : 782372457 EXPIRY DATE : 26APR 2027 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 4 MV SCHEDULE ATTACHED :
 REG NUM : 20220426 1811 9234 2431 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: 2402871 ONTARIO INC.
 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 :
 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 PROPERTY
 16 AGENT: BENNETT JONES LLP (O'GRADY/59445-88/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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 5 ENQUIRY PAGE : 22 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

00 FILE NUMBER : 782372457 EXPIRY DATE : 26APR 2027 STATUS :
01 CAUTION FILING : PAGE : 002 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20220426 1811 9234 2431 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 327 ROYAL YORK ROAD, ETOBICOKE, ONTARIO AND
14 LEGALLY DESCRIBED AS PIN, 07617-0889 (LT), LOTS 159, 160 & 161 PLAN
15 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2 66R28185, ETOBICOKE,
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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 5 ENQUIRY PAGE : 23 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

00 FILE NUMBER : 782372457 EXPIRY DATE : 26APR 2027 STATUS :
01 CAUTION FILING : PAGE : 003 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20220426 1811 9234 2431 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 TOGETHER WITH AN EASEMENT OVER PART LOTS 160 & 160 PLAN 164, PART 2
14 66R28185 AS IN AT4215394, SUBJECT TO AN EASEMENT IN GROSS AS IN
15 AT4264438, SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323, SUBJECT
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: 2402871 Ontario Inc.

FILE CURRENCY: November 5, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 5 ENQUIRY PAGE : 24 OF 24

SEARCH : BD : 2402871 ONTARIO INC.

00 FILE NUMBER : 782372457 EXPIRY DATE : 26APR 2027 STATUS :
 01 CAUTION FILING : PAGE : 004 OF 4 MV SCHEDULE ATTACHED :
 REG NUM : 20220426 1811 9234 2431 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 TO AN EASEMENT AS IN AT3989173, CITY OF TORONTO AND ALL PROCEEDS
 14 THEREFROM.

15

16 AGENT:

17 ADDRESS :

CITY : PROV: POSTAL CODE:

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 2 of 5
(Returnable November 14, 2023)**

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Lawyers for the Applicants