

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF ASHCROFT URBAN DEVELOPMENTS INC., 2067166  
ONTARIO INC., 2139770 ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT  
HOMES – LA PROMENADE INC., 2195186 ONTARIO INC, ASHCROFT HOMES –  
CAPITAL HALL INC., AND 1019883 ONTARIO INC.**

Applicants

**MOTION RECORD OF THE LAWYERS FOR INSTITUTIONAL MORTGAGE  
CAPITAL CANADA INC., IN ITS CAPACITY AS GENERAL PARTNER OF IMC  
LIMITED PARTNERSHIP**

December 11, 2024

**LENCZNER SLAGHT LLP**

Barristers

130 Adelaide Street West, Suite 2600

Toronto, ON M5H 3P5

Monique J. Jilesen (43092W)

Tel: (416) 865-2926

Email: [mjilesen@litigate.com](mailto:mjilesen@litigate.com)

Jonathan Chen (63973A)

Tel: (416) 865-3553

Email: [jchen@litigate.com](mailto:jchen@litigate.com)

Adam Davis (87850A)

Tel: (416) 238-7503

Email: [adavis@litigate.com](mailto:adavis@litigate.com)

Lawyers for Institutional Mortgage Capital Canada  
Inc., in its capacity as General Partner of IMC  
Limited Partnership

TO: **MANN LAWYERS LLP**  
Barristers and Solicitors  
11 Holland Avenue  
Suite 300, Tower A  
Ottawa ON K1Y 4S1

Alexander Bissonette (71871D)  
Tel: (613) 722-1500  
Email: alexander.bissonette@mannlawyers.com

**BLUE ROCK LLP**  
705, 215 - 9th Avenue SW  
Calgary AB T2P 1K3

David Mann, K.C.  
Tel: (587) 317-0643  
Email: david.mann@bluerocklaw.com

Lawyers for the Respondents

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF ASHCROFT URBAN DEVELOPMENTS INC., 2067166  
ONTARIO INC., 2139770 ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT  
HOMES – LA PROMENADE INC., 2195186 ONTARIO INC, ASHCROFT HOMES –  
CAPITAL HALL INC., AND 1019883 ONTARIO INC.**

Applicants

**INDEX**

<b>Tab</b>	<b>Document</b>	<b>Page</b>
1.	Notice of Motion dated December 11, 2024	1
2.	Affidavit of Curtis Jackson sworn December 11, 2024	7
A.	Exhibit A - Email Correspondence dated November 19, 2024	35
B.	Exhibit B - Email Correspondence dated November 18, 2024	38
C.	Exhibit C - Commitment Letter dated September 25, 2020	40
D.	Exhibit D - Acknowledgement and Direction dated October 8, 2020	54
E.	Exhibit E - General Security Agreement dated October 8, 2020	85
F.	Exhibit F - Full Recourse Guarantee dated October 8, 2020	92
G.	Exhibit G - Idemnity dated October 8, 2020	99
H.	Exhibit H - Commitment Amending Letter dated December 22, 2022	105
I.	Exhibit I - Alavida Facility Letter of Intent dated August 9, 2024	110
J.	Exhibit J - Email Correspondence dated August 9, 2024	119
K.	Exhibit K - Email Correspondence dated September 18, 2024	121
L.	Exhibit L - Email Correspondence dated September 30, 2024 and October 1, 2024	127
M.	Exhibit M - Forbearance Agreement dated October 1, 2024	130
N.	Exhibit N - Demand Letter and BIA Notice dated October 18, 2024	148
O.	Exhibit O - Email Correspondence between October 18, 2024 and November 4, 2024	152
P.	Exhibit P - Certificate of Amalgamation and Articles of Amalgamation	172

Q.	Exhibit Q - Notice of Application dated April 9, 2024	186
R.	Exhibit R - Affidavit of Ivan Bogdanovich sworn April 23, 2024	201
S.	Exhibit S - 150 Rossignol Inspection Report dated October 23, 2024	222
T.	Exhibit T - 110 Rossignol Crescent Compliance Report issued on July 3, 2024	228
U.	Exhibit U - CBC News Article dated June 20, 2024	231
V.	Exhibit V - CBRE Land Services Group Brochure for 100 Rossignol Drive	237
W.	Exhibit W - Colliers Appraisal Report dated December 1, 2023	245

Court File No. CV-24-00098058-0000

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF ASHCROFT URBAN DEVELOPMENTS INC., 2067166  
ONTARIO INC., 2139770 ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT  
HOMES – LA PROMENADE INC., 2195186 ONTARIO INC, ASHCROFT HOMES –  
CAPITAL HALL INC., AND 1019883 ONTARIO INC.**

Applicants

**NOTICE OF MOTION**

Institutional Mortgage Capital Canada Inc., in its capacity as General Partner of IMC Limited Partnership, will make a Motion to a Judge on December 12, 2024 at 10:00 a.m., or as soon after that time as the Motion can be heard.

**PROPOSED METHOD OF HEARING:** The Motion is to be heard

In writing under subrule 37.12.1(1) because it is  
[insert on consent, unopposed or made without notice];

In writing as an opposed motion under subrule 37.12.1(4);

In person;

By telephone conference;

[X] By video conference.

at the following location

Ottawa Courthouse, 161 Elgin Street, Ottawa, Ontario, via Zoom video conference.

### THE MOTION IS FOR

- (a) Institutional Mortgage Capital Canada Inc. (“**IMC**”) makes this motion for an Order substantially in the form attached as Schedule “B” to the Notice of Motion of ACM Advisors Ltd., returnable December 12, 2024 (the “**ACM NOM**”) filed in this proceeding, including:
- (i) if necessary, abridging the time for service and filing of this notice of motion and related motion materials or, in the alternative, dispensing with same;
  - (ii) if necessary, lifting the stay of proceedings in these proceedings;
  - (iii) appointing KSV Restructuring Inc. (“**KSV**”) as interim receiver (in such capacity, the “**Interim Receiver**”) without security, over the property described in Schedule “A” of the proposed Order attached to the ACM NOM and all of the property, assets, and undertakings (collectively, the “**Property**”) of the debtors listed in Schedule “A” thereto (the “**Debtors**”);
  - (iv) directing that Grant Thornton Limited, in its capacity as court appointed monitor of the Applicants (the “**Monitor**”) take no further actions in respect of its appointment as Monitor pursuant to the order of this Court in these

proceedings made on December 5, 2024, other than with the consent and at the direction of the Interim Receiver;

- (v) terminating the proceedings under the *Companies Creditors' Arrangement Act*, RSC 1985 c. C-36 (the "CCAA") in respect of the Debtors upon the Interim Receiver filing a certificate in the form attached to the ACM NOM as Schedule "B" to the proposed Order confirming that the Transition (as defined in the Pre-Filing Report included in the ACM NOM has been completed;
- (b) In the alternative, an Order appointing KSV, without security, as Interim Receiver over the property of the Applicant Ashcroft Homes – La Promenade Inc. ("**La Promenade**"), as described in Schedule "A" of the proposed Order, which is attached to the ACM NOM as Schedule "B," and;
  - (i) directing that Grant Thornton Limited, in its capacity as court appointed monitor of the Applicants (the "**Monitor**") take no further actions in respect of its appointment as Monitor pursuant to the order of this Court in these proceedings made on December 5, 2024, other than with the consent and at the direction of the Interim Receiver;
  - (ii) terminating the proceedings under the *Companies Creditors' Arrangement Act*, RSC 1985 c. C-36 (the "CCAA") in respect of the Debtors upon the Interim Receiver filing a certificate in the form attached to the ACM NOM as Schedule "B" to the proposed Order confirming that the Transition (as

defined in the Pre-Filing Report noted in the ACM Motion has been completed;

- (c) Section 11 of the CCAA, as amended.
- (d) Sections 101 and 106 of the *Courts of Justice Act*, RSO, c. C.43, as amended.
- (e) Section 47(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended.
- (f) Rules 1.04, 1.05, 3.02, 16.08, and 38 of the *Rules of Civil Procedure*, RRO 1990, c. C.43.
- (g) Such further and other Relief as this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE**

- (h) Substantially the same grounds as described in the ACM NOM.
- (i) Such further and other grounds as the lawyers may advise.

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

- (a) The affidavit evidence filed in support of the ACM NOM.
- (b) The affidavit of Curtis Jackson sworn December 12, 2024.
- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.



December 11, 2024

**LENCZNER SLAGHT LLP**  
Barristers  
130 Adelaide Street West, Suite 2600  
Toronto, ON M5H 3P5

Monique J. Jilesen (43092W)

Tel: (416) 865-2926

Email: [mjilesen@litigate.com](mailto:mjilesen@litigate.com)

Jonathan Chen (63973A)

Tel: (416) 865-3553

Email: [jchen@litigate.com](mailto:jchen@litigate.com)

Adam Davis (87850A)

Tel: (416) 238-7503

Email: [adavis@litigate.com](mailto:adavis@litigate.com)

Lawyers for Institutional Mortgage Capital Canada  
Inc., in its capacity as General Partner of IMC  
Limited Partnership

TO: **MANN LAWYERS LLP**  
Barristers and Solicitors  
11 Holland Avenue  
Suite 300, Tower A  
Ottawa ON K1Y 4S1

Alexander Bissonette (71871D)

Tel: (613) 722-1500

Email: [alexander.bissonette@mannlawyers.com](mailto:alexander.bissonette@mannlawyers.com)

**BLUE ROCK LLP**

705, 215 - 9th Avenue SW

Calgary AB T2P 1K3

David Mann, K.C.

Tel: (587) 317-0643

Email: [david.mann@bluerocklaw.com](mailto:david.mann@bluerocklaw.com)

Lawyers for the Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

**NOTICE OF MOTION**

**LENCZNER SLAGHT LLP**

Barristers

130 Adelaide Street West, Suite 2600  
Toronto, ON M5H 3P5

Monique J. Jilesen (43092W)

E-mail: [mjilesen@litigate.com](mailto:mjilesen@litigate.com)

Tel: (416) 865-2926

Jonathan Chen (63973A)

E-mail: [jchen@litigate.com](mailto:jchen@litigate.com)

Tel: (416) 865-3553

Adam Davis (87850A)

E-mail: [adavis@litigate.com](mailto:adavis@litigate.com)

Tel: (416) 238-7503

Lawyers for Institutional Mortgage Capital Canada Inc., in its  
capacity as General Partner of IMC Limited Partnership

Court File No. CV-24-00098058-0000

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

***IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED***

**AND IN THE MATTER OF ASHCROFT URBAN DEVELOPMENTS INC., 2067166 ONTARIO INC., 2139770 ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT HOMES – LA PROMENADE., 2195186 ONTARIO INC., ASHCROFT HOMES – CAPITAL HALL INC., AND 1019883 ONTARIO INC.**

Applicants

**AFFIDAVIT OF CURTIS JACKSON**

I, Curtis Jackson, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am Vice President of Institutional Mortgage Capital Canada Inc. (“**IMC**”), a secured lender of various entities within the Ashcroft Homes Group. As such, I have knowledge of the matters contained in this affidavit. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information, and in such cases, I believe it to be true.

**Purpose and Overview**

2. I swear this affidavit in opposition to a continuation of the Initial CCAA Order and in support of the application for an interim receiver brought collectively by ACM Advisors Ltd. in their Notice of Motion returnable December 12, 2024 to appoint KSV Restructuring Inc. (“**KSV**”) as interim receiver over the Applicants in this CCAA proceeding (defined below).

-2-

3. IMC is the secured lender on property known as Promenade Senior Suites as referred to at paragraphs 83-97 of the affidavit of David Choo sworn December 3, 2024 (the “**Choo Affidavit**”) in support of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (“**CCAA**”) Application.

4. On November 19, 2024, I wrote to representatives of the debtor and advised that:

IMC does not consent to the registration of a subordinate charge on our Property/Security, including but not limited to the properties located at 130 and 150 Rossignol Drive, Ottawa, ON.

For clarity, we have now retained litigation counsel to pursue enforcement and they have reached out to Neil Schwartz with respect to the application.

I attach my November 19, 2024 email as **Exhibit “A”**.

5. By email dated November 18, 2024, the CCAA Applicants’ counsel was made aware that IMC had retained Lenczner Slaght LLP to bring an application to appoint a receiver. I attach copy of the email as **Exhibit “B”**.

6. Following these exchanges, the debtor brought an application for CCAA proceedings without prior notice to IMC.

7. Had IMC been provided with notice of the CCAA proceeding, IMC would have opposed the Initial CCAA Order, as it does now at the comeback hearing.

8. I have reviewed certain materials that were filed by the Applicants in the CCAA Proceeding. I have concerns about various statements made in the Choo Affidavit, as described in more detail below.

9. In particular, I am concerned because the Choo Affidavit reveals, for the first time, apparent subordinate charges on IMC's security done without IMC's consent. I am also deeply concerned about the debtors' ability to refinance the debt under current management. They have been in default since February 2024 and have not been able to refinance to date. There is nothing in the CCAA materials which gives me confidence that they have a plan to do so now.

10. IMC seeks the appointment of KSV as interim receiver over Ashcroft Homes – La Promenade Inc. ("**La Promenade**"). IMC also supports the appointment of KSV as global interim receiver (the "**Interim Receiver**") pursuant to section 47(1) of the *Bankruptcy and Insolvency Act* ("**BIA**") and section 101 of the *Courts of Justice Act* ("**CJA**") over each of the Applicants on the terms set out in the draft order.

11. I understand that the appointment of the Interim Receiver is intended to be an interim step given the CCAA Proceedings. It is IMC's intention to subsequently seek the appointment of KSV as a receiver and manager pursuant to section 243 of the BIA and section 101 of the CJA over La Promenade. IMC seeks the appointment of the Interim Receiver over the property and business of La Promenade, which is comprised of both the retirement-style seniors residences known as the "**Promenade Seniors Suites**," as well as other lands and assets owned by La Promenade. IMC similarly supports the appointment of an Interim Receiver on the Park Place Senior and Ravines Senior projects, where IMC is the subordinate secured lender.

### **The Parties**

12. IMC is a corporation incorporated pursuant to the laws of Ontario and continued in Canada. IMC is a commercial mortgage lender and investment fund manager. IMC is the general partner

of IMC Limited Partnership, a partnership registered under the laws of Ontario. IMC's head office is located at 199 Bay Street, Suite 1900, Commerce Court West in Toronto.

13. La Promenade is a corporation incorporated pursuant to the laws of Ontario. La Promenade is the owner of the real property municipally known as Promenade Seniors Suites, 130 and 150 Rossignol Drive, Ottawa, ON, being:

Part Lots 34 and 35, Concession 1 Cumberland (Old Survey), designated as Parts 7 and 8 on Reference Plan 4R-29684, PIN 14501-0928 LT (and more fully described in Schedule "B" to ACM Advisors Ltd.'s Notice of Motion)

14. La Promenade also owns vacant land municipally known as 100 Rossignol Drive, Ottawa, ON (the "**Excess Lands**"). The Excess Lands previously formed part of the same lands on which the Promenade Seniors Suites is located. It continues to form part of the security under the IMC Loan (defined below).

15. The Promenade Seniors Suites is marketed as a series of seniors' suites located in the City of Ottawa. Construction was completed in 2020. It is comprised of 152 units of senior living suites. The Promenade Senior Suites has never been fully occupied, contributing to the financial difficulties of La Promenade. I believe that the Promenade Seniors Suites' occupancy rate is currently at approximately 65%.

16. David Choo (“**Choo**”) is:
- (a) the sole officer, director and shareholder of La Promenade (save for some preferred shares in favour of Envie Enterprises Inc., which is wholly-owned by Choo and the David and Shanti Choo Family Trust 2016 (“**Choo Trust**”));
  - (b) the sole officer, director and shareholder of Alavida Lifestyles Inc. (“**Alavida**”), a corporation incorporated pursuant to the laws of Ontario; and
  - (c) one of two trustees of the Choo Trust, along with Shanti Choo. Choo is a beneficiary of the Choo Trust.
17. Choo and/or the Choo Trust are beneficial owners of both Alavida and La Promenade and other CCAA Applicant corporations which carry on business under the name the Ashcroft Homes Group (“**Ashcroft**”).

### **The IMC Loan**

18. On September 25, 2020, IMC entered into a “**Commitment Letter**” with the Borrower for a first mortgage, which contemplated a maximum loan amount of \$42,000,000 (the “**IMC Loan**”) to finance the activities of La Promenade used in connection with, though not exclusively, the Promenade Seniors Suites. Alavida, the Choo Trust and Choo are guarantors under the Commitment Letter (the “**Guarantors**”). A copy of the Commitment Letter is attached as **Exhibit “C”**.

19. The initial term of the IMC Loan was 27 months (the “**Term**”), with a maturity date of February 1, 2023 which was amended in December 2022 to February 1, 2024 (the “**Maturity Date**”).

20. Each interest accrual period covers a calendar month. For each interest accrual period, the interest rate is the greater of either the annual Prime Rate + 3.30%, or 5.75%, except with respect to the period defined by the “Step-Up Date”. Interest is compounded and payable monthly on the first day of each month.

21. For each of the three final interest accrual periods of the Term and each month thereafter until all outstanding IMC Loan indebtedness is paid in full, if there remains any outstanding indebtedness, the interest rate applicable to this outstanding amount increases to the greater of either the Prime Rate + 6.00%, or 8.45%.

22. On an “Event of Default,” the Commitment Letter specifies that the Lender can immediately accelerate the IMC Loan and enforce all of its rights and remedies. In particular, the Commitment Letter contemplated the following as an “Event of Default”:

- (a) Any default by La Promenade in any IMC Loan payment or reserve payment when due.
- (b) The creation of any other unregistered or beneficial interest in the Property other than IMC.
- (c) Any making of a proposal or seeking of relief from creditors under laws affecting or relating to creditor’s rights.



23. IMC advanced \$37,000,000 to the Borrower on October 15, 2020 with an Interest Adjustment Date of November 1, 2020.

24. A subsequent advance of \$5,000,000 (the “**Subsequent Advance**”) was contemplated under the IMC Loan, subject to certain conditions concerning the ratio between La Promenade’s income and its outstanding debt being met (a minimum debt service coverage ratio). As these conditions were not met, the Subsequent Advance was not made.

### **IMC’s Security**

25. The IMC Loan is secured by, *inter alia*, a first priority freehold mortgage, charge, assignment and security interest over the Property in favour of IMC, and a full recourse guarantee by the Guarantors (the “**Guarantee**”).

26. Specifically, the security granted to IMC includes:

- (a) a first priority freehold mortgage, charge, assignment and security interest over the Property;
- (b) a Charge/Mortgage in respect of the Property described in the Acknowledgement and Direction (the “**IMC Mortgage A&D**”) dated October 8, 2020, a copy of which is attached as **Exhibit “D”**;
- (c) a General Assignment of Rents and Leases dated October 8, 2020; and
- (d) a General Security Agreement dated October 8, 2020, which granted IMC a first priority security interest in all of La Promenade’s real and personal property of any

-8-

nature comprising or otherwise relating to the Real Property, a copy of which is attached as **Exhibit “E”**;

- (e) the Guarantee dated October 8, 2020, which guaranteed performance by La Promenade of all indebtedness under the IMC Loan, a copy of which is attached as **Exhibit “F”**; and
- (f) an indemnity collectively from the Guarantors and La Promenade dated October 8, 2020, a copy of which is attached as **Exhibit “G”**.

#### **The Parties Negotiate the Commitment Amending Letter**

27. Near the end of the Term, La Promenade requested an extension on the IMC Loan. The occupancy of the Promenade Senior Suites had never achieved a level sufficient for La Promenade to obtain financing from another lender to replace its debt to IMC under the IMC Loan.

28. After La Promenade requested an extension of the IMC Loan, the parties entered into a Commitment Amending Letter dated December 22, 2022 which extended the Step-Up Date of the IMC Loan to November 1, 2023, and the Maturity Date to February 1, 2024 (the “**Commitment Amending Letter**”). A copy of the Commitment Amending Letter is attached as **Exhibit “H”**.

29. The Commitment Amending Letter set an interest rate of the greater of either the Prime Rate + 2.80%, or 8.75%. Further, for each interest accrual period commencing on or after the revised Step-Up Date, the interest rate would be the greater of either the Prime Rate + 6.00%, or 11.95% (the “**Revised Step-Up Rate**”).

30. Among other obligations set out under the Commitment Amending Letter, La Promenade was required to make minimum interest payments of \$1,618,750, payable on account of regular interest (not including any compound interest on the outstanding principal amount under the IMC Loan).

### **The Matured IMC Loan**

31. Between November 2023 and February 2024, the parties discussed an extension of the IMC Loan. IMC agreed to temporarily waive the application of the Revised Step-Up Rate as of November 1, 2023, on the understanding that the IMC Loan would be extended further. No agreement was reached on extending the IMC Loan because the debtor was unable to provide the required comfort to IMC. The IMC Loan matured on February 1, 2024, and is due and payable. La Promenade has been in default since that date.

### **The Alavida Facility**

32. Following discussions since July 2024, in or around August 13, 2024, IMC, Choo and Alavida executed a Letter of Intent for a new loan from IMC to Alavida for a total contemplated principal of \$20,000,000 (the “**Alavida Facility**”). However, the deposit required by the Letter of Intent was never paid such that the Letter of Intent never became a binding agreement. A copy of the unexecuted Alavida Facility Letter of Intent is attached as **Exhibit “I”**.

33. The Alavida Facility contemplated, among other things, “bridging operating cashflow shortfalls and property tax or debt service arrears” relating to the “6 property Operating Retirement Portfolio” (the “**Retirement Portfolio**”), which formed part of Alavida’s larger operating portfolio.

34. The Retirement Portfolio consisted of a collection of 6 seniors suites and retirement residences, including the Promenade Senior Suites, along with two other buildings under construction. A number of these residences are owned by the CCAA Applicants.

35. Under the Alavida Facility, an initial advance of \$12 million was contemplated. Approximately \$1.6 million of this initial advance was to be used for debt service payments on the original IMC Loan. An additional \$277,500 was to be put aside for the payment of a loan extension fee, assuming an extension to the \$37,000,000 IMC Loan was approved by IMC.

36. By August 9, 2024, IMC's representatives requested that Ashcroft move the Alavida Facility forward toward a firm agreement that would provide additional financing. In an August 9, 2024 email, Darren Schmidt, a Managing Director of IMC, said "in my view we either need to start the process of pushing this facility forward and coordinating with ACM and CIBC/Laurentian or you need to move down another path." I attach the August 9, 2024 email as **Exhibit "J"**.

37. The August 9, 2024 offer remained open until August 13, 2024. As stated above, Ashcroft did not sign the Letter of Intent within the acceptance period, did not provide the required deposit, and did not provide any reason for why they did not proceed. No financing for the Retirement Portfolio was provided by IMC.

#### **Connecting La Promenade with Continued Funding**

38. In mid-September 2024, the parties continued to discuss the status of the matured IMC Loan which remained in default. Despite IMC's concerns with La Promenade's ability and willingness to repay the IMC Loan, IMC continued to work with La Promenade to assist in helping

Ashcroft to source additional funding. No additional funding was forthcoming despite those efforts.

39. The IMC Loan remained in default.

### **The Central 1 Ravines Forbearance Agreement**

40. In the fall of 2024, IMC was trying to keep apprised of enforcement activities within the Ashcroft group of properties. IMC was concerned about how these activities might negatively affect our security. IMC realized that there were funding issues on the other Ashcroft assets that could pose a threat to the liquidity of the borrowing group. Accordingly, we asked Ashcroft to keep us apprised about material developments on the whole portfolio of assets.

41. In September 2024, IMC was advised about efforts to refinance the Alavida Retirement Portfolio. On September 18, 2024, Mr. Manny DiFilippo, the Chief Financial Officer informed IMC of the existence of a draft forbearance agreement exchanged between 2139770 Ontario Inc. and Central 1 Credit Union (“**Central 1**”). The contemplated agreement was to be made in respect of an original credit facility from Central 1 to 2139770 Ontario Inc. with a total advance of \$43,500,000 (the “**Ravines Commitment**”). 2139770 Ontario Inc. is an Applicant in the CCAA proceedings and is the owner of Ravines Retirement, which forms part of the Alavida Retirement Portfolio. IMC is not a lender to Ravines Retirement.

42. On September 18, 2024, Mr. DiFilippo wrote to IMC to provide an update on developments with the Central 1 “situation:”

A few weeks back, Central 1 issued a demand letter citing that we were in breach of the debt covenants, including not having paid property taxes, we have an outstanding \$400,000 owing to CRA for last years income taxes,

-12-

and a few other breaches. After a short discussion, they put forward a draft of a forbearance agreement, which was discussed back and forth for a period of 2 weeks. There were some terms in the forbearance agreement, which could not be met.....being the increase in interest rate to be charged on the loan that matures on Nov 15 2024 and the associated property taxes of the prior year for which Central 1 was demanding that we pay in instalments (amounts that we could not meet) resulted in Central 1 moving from a forbearance position to court appointment receiver.....as of Friday Sept 13<sup>th</sup>, they have asked for a court date being Sept 26<sup>th</sup> to have BDO appointed as a receiver.

43. IMC responded that we would “consider this to be a material development in the overall sponsors situation.” We expressed that it was unfortunate that this information was not shared earlier, and that IMC would have to “digest this for a bit.” I attach the September 18, 2024 email exchange as **Exhibit “K”**.

44. Ashcroft’s September 18, 2024 email did not mention that one of the conditions of the forbearance agreement proposed by Central 1 was that La Promenade was to sign as a guarantor of the outstanding \$38,281,193.64. Such an agreement would be a subordinate charge to the IMC Loan, which is not permitted under the terms of the Loan without IMC’s consent. IMC never gave such consent.

45. IMC continued to ask Ashcroft to keep IMC apprised of developments in Ashcroft’s full portfolio of assets. Following a request on September 30, 2024, Mr. DiFilippo provided an update on October 1, 2024 which included (i) various emails and reporting letters for the efforts to sell La Promenade and other lands (ii) a copy of the Central 1 Forbearance Agreement and (iii) a copy of a commitment letter to fund the DUCA loan (described below). A copy of the September 30 and October 1, 2024 email exchange with attachments is attached as **Exhibit “L”**.

-13-

46. The forbearance agreement between Central 1 and 2139770 Ontario Inc. attached to the October 1, 2024 email is dated September 25, 2024 (the “**Central 1 Forbearance**”), and is attached as **Exhibit “M”**.

47. At no time did Mr. DiFilippo or Ashcroft seek IMC’s consent to La Promenade being a guarantor in the Central 1 Forbearance, nor did Ashcroft ever specifically advise IMC that La Promenade had signed as guarantor. Instead, the already signed Forbearance with the La Promenade guarantee was attached to the email with no comment whatsoever. The first time I learned that La Promenade was a guarantor of the outstanding \$38,281,193.64 of indebtedness under the Ravines Commitment, was in Mr. Choo’s affidavit in support of the CCAA Application.

48. The Central 1 Forbearance was agreed to without IMC’s consent and erodes IMC’s faith in La Promenade to continue to faithfully service the IMC Loan and deal with IMC’s security in an honest and transparent manner. It also amounts to a further Event of Default under the IMC Loan as the IMC Mortgage A&D bars the creation of any other unregistered or beneficial interest in the Property other than IMC.

### **IMC Demands Payment**

49. As a result of the continuing defaults under the IMC Loan since February 2024 IMC made demand of La Promenade on October 18, 2024 (the “**Demand Letter**”). IMC:

- (a) advised La Promenade that it was in default of its obligations pursuant to both the Commitment Letter and the Commitment Amending Letter;
- (b) demanded payment for the full amount of the IMC Loan as well as all accrued interest and costs; and

-14-

- (c) delivered a Notice of Intention to Enforce a Security pursuant to section 244(1) of the BIA.

50. As of October 18, 2024, the total amount of indebtedness owing to IMC under the IMC Loan was \$37,164,521.60, plus accrued interest. A copy of the Demand Letter and BIA Notice is attached as **Exhibit “N”**.

### **The Promenade Amalgamation**

51. On October 18, 2024 Mr. Difilippo advised IMC that Ashcroft required the consent of IMC in respect of a proposed amalgamation of La Promenade with another corporation controlled by Choo and Ashcroft (the “**Promenade Amalgamation**”).

52. Ashcroft represented the purpose of the Promenade Amalgamation was to optimize the structuring of a sale of an Ashcroft student residence located at 256 Rideau Street, Ottawa (“**Envie Rideau**”) for tax purposes. They advised that closing of the transaction was scheduled 10 days later on October 28, 2024.

53. On October 22, 2024 I advised Mr. Difilippo that the requested consent was “not a straightforward request for IMC to process” and that we could not promise that we would be able to provide consent, or in a timely manner.

54. IMC nevertheless considered providing the consent and immediately began to undertake its own due diligence of the proposed amalgamation including ascertaining the potential tax implications on La Promenade.



-15-

55. We were subsequently advised that the closing date was extended to a “drop dead” date of October 31, 2024. On October 25 and 29, 2024, I advised Mr. Difilippo that providing the consent by the following Monday was “unrealistic” and “unlikely.” A copy of the correspondence between IMC and Ashcroft on this issue between October 18, 2024 and November 4, 2024 is attached as **Exhibit “O”**.

56. In the course of IMC doing its due diligence on the Promenade Amalgamation, it retrieved from the Ontario Ministry of Public and Business Service Deliver the Articles of Amalgamation for “Ashcroft Homes – La Promenade Inc.” which shows that La Promenade and 3137425 Ontario Inc. amalgamated on October 25, 2024. I attach the Certificate of Amalgamation and the Articles of Amalgamation as **Exhibit “P”**.

57. Neither Mr. DiFilippo nor anyone from Ashcroft or La Promenade ever told IMC that the Promenade Amalgamation occurred on October 25, 2024. It appears that Ashcroft proceeded with the amalgamation without informing IMC or obtaining our consent, and did so knowing that we were continuing our due diligence.

58. IMC never consented to the Promenade Amalgamation.

59. The completion of the Promenade Amalgamation without consent constitutes an event of default under the IMC Loan. In addition, I am concerned that the Promenade Amalgamation and sale of Envie Rideau gives rise to a potential new tax liability, including a potential super-priority lien held by CRA, in the newly amalgamated La Promenade.

**Contemplated Forbearance Agreement and La Promenade Amalgamation**

60. Around the same time Ashcroft was seeking IMC's consent to the Promenade Amalgamation, it sought a forbearance agreement.

61. Although IMC initially considered granting a forbearance, it was never entered into due to IMC's lack of confidence in La Promenade's management for all of the reasons set out above, including the Promenade Amalgamation.

62. The Choo Affidavit says at paragraph 95 that management hopes the contemplated forbearance agreement will be "acceptable to both the lender and the debtor." There is currently no contemplated forbearance agreement. The suggestion that there will be one defies the known realities of both parties that IMC will not agree to such an arrangement.

**The Pillar Capital Corp. Guarantee and the Envie Rideau Vendor Take Back**

63. Through the Choo Affidavit, IMC learned for the first time that La Promenade also became a guarantor on a \$17,800,000 credit facility from Pillar Capital Corp. to 2181291 Ontario Inc. (the "**Pillar Capital Guarantee**"). Choo characterizes 2181291 Ontario Inc. as another company within the "Ashcroft Homes Group".

64. IMC was never informed of and certainly never consented to the Pillar Capital Guarantee. This is another event of default under the IMC Loan.

65. The Choo Affidavit also explains that La Promenade owns a vendor take back mortgage with a value of \$15,000,000 as against the real property sold in the Envie Rideau sale described above, which is located at 256 Rideau Rd., Ottawa ("**Envie Rideau VTB**").

66. According to Choo, the Envie Rideau VTB secures a debt owed by Forum Asset Management Acquisitions Inc. – the purchaser of Envie Rideau. Until October 29, 2024, the Envie Rideau VTB was a La Promenade asset. However, as described in the Choo Affidavit at paragraph 91, it has now become collateral for the obligations of 2181291 Ontario Inc. – the borrower under the Pillar Capital Guarantee.

67. The Pillar Capital Guarantee and the pledging of Envie Rideau VTB once again represent Ashcroft’s use of La Promenade’s equity to support other Ashcroft related ventures, without IMC’s consent – thereby further imperiling IMC’s security. While IMC never consented to the Promenade Amalgamation such that there was no specific assignment of the Envie Rideau VTB to IMC, IMC has security over all present and future assets of La Promenade, making the Envie Rideau VTB a part of its security under the IMC Loan.

68. Apart from the Choo Affidavit, IMC has been given little insight into the particulars of these and other arrangements entered into by La Promenade, at the behest of Ashcroft and Choo.

#### **The DUCA Financial Services Credit Union Ltd. Registration**

69. As revealed for the first time in the Choo Affidavit (at paragraph 92), DUCA Financial Services Credit Union Ltd. (“DUCA”) purportedly registered a security against La Promenade (the “DUCA Registration”). No particulars are provided in respect of this registration. IMC did not agree to the registration of any security interest by DUCA.

70. In a Notice of Application dated April 9, 2024, DUCA sought the appointment of a receiver in respect of a loan between DUCA and Ashcroft Homes – 101 Richmond Road Inc., Ashcroft Homes – 108 Richmond Road Inc., and Ashcroft Homes – 111 Richmond Road Inc (the “DUCA

**Loan**). The DUCA Loan closed on November 30, 2018, and matured on November 30, 2023. The DUCA Receivership Notice of Application is attached as **Exhibit “Q”**.

71. As disclosed in materials supporting DUCA’s receivership application, the purpose of the DUCA Loan was to assist “Ashcroft Homes” in refinancing existing debt with DUCA, and for an equity take out to be used for an equity injection into a project known as the “Ashcroft Le Promenade II.” Given that security was apparently registered against La Promenade (without our consent), it appears that “Ashcroft Le Promenade II” is in fact the Promenade Senior Suites. The Affidavit of Ivan Bogdanovich (without exhibits), sworn April 23, 2024 filed in support of the DUCA Receivership Notice of Application is attached as **Exhibit “R”**.

72. The DUCA Registration represents yet another unconsented use of La Promenade’s equity to Ashcroft’s other financial obligations.

#### **The Ravines Seniors Suites and Park Place Seniors Suites Second Mortgage Loans**

73. On December 5, 2022, IMC entered into a Commitment Letter jointly with 2265132 Ontario Inc. (“**Ravines Seniors Suites**”) and 2067166 Ontario Inc. (“**Park Place Seniors Suites**”) in respect of a second mortgage loan for \$11,500,000 (the “**IMC Second Mortgage Loan**”). Both Ravines Seniors Suites and Park Place Seniors Suites are CCAA Applicants. As stated in the Choo Affidavit (at paragraphs 46 and 76), 32% of the IMC Second Mortgage Loan was allocated to Ravines Seniors Suites, and 68% to Park Place Seniors Suites.

74. The IMC Second Mortgage Loan sits second in priority to two separate loans extended by ACM Advisors Ltd. to Ravines Seniors Suites and Park Place Seniors Suites respectively.

75. IMC is concerned about the ability and willingness of Park Place Seniors and Ravines Seniors Suites to repay the IMC Second Mortgage Loan.

### **Ashcroft's Other Business Challenges**

76. IMC is separately concerned about the reputation in the marketplace of Ashcroft assets, particularly its seniors' residences. There are a number of public records which suggest that the services offered at Ashcroft Homes Group properties, and the Promenade Seniors Suites in particular, is substandard. This contributes to negative perception in the marketplace with a resulting decreased occupancy and reduced overall value. IMC's confidence in the ability for the Promenade Seniors Suites, under current management, to operate profitably is eroded as a result.

77. These concerns are evident in the occupancy rate of the Promenade Seniors Suites, which sits at only approximately 65%. Given the general demand for greater housing supply across the Canadian market, including in the Ottawa area, I would expect a properly managed seniors' residence to achieve a stable occupancy above 80%.

### **Regulatory Orders**

#### ***Inspection Report – Promenade Senior Suites***

78. A Final Inspection Report from the Retirement Homes Regulatory Authority, an agency created pursuant to the *Retirement Homes Act*, 2010, S.O. 2010, c. 11 ("**RHA**"), and dated October 23, 2024 (the "**150 Rossignol Inspection Report**"), notes concerns concerning operations at the Promenade Seniors Suites. A copy of the 150 Rossignol Inspection Report is attached as **Exhibit "S"**.

79. Among the noted concerns was the updating of daily and weekly menu options, the following of certain food safety procedures, poor attendance to the required individual diets of certain residents, and failures to complete plans of care for residents.

***Compliance Order – Les Promenades***

80. Relatedly, a Compliance Order under the *RHA* was issued on July 3, 2024 against the business operated under the name Les Promenades (the “**110 Rossignol Crescent Compliance Report**”). A copy of the 110 Rossignol Crescent Compliance Report is attached as **Exhibit “T”**.

81. Les Promenade as 110 Rossignol Crescent is located directly beside Promenade Seniors Suites at 150 Rossignol. It is not owned by La Promenade, but is an Ashcroft portfolio property. Promenade Seniors Suites and Les Promenades offer different levels of care. In such circumstances, it is often the case that one spouse will live in one residence and the other will live in the residence offering a greater level of care (in this case Les Promenades). Since both are branded as “Promenade” and “Alavida” properties, I expect that members of the general public would associate the properties together.

82. The 110 Rossignol Crescent Compliance Report noted several contraventions of the *RHA*. Among those noted was a failure to have a written plan of care for each resident describing the care services being provided, a failure to ensure a resident’s substitute decision-maker was involved in their plan of care, and a failure to protect residents from abuse.

83. The issues identified in both the inspection report and the compliance report and the public nature of both reports reflect poorly on current management of the Alavida Retirement Portfolio

and Ashcroft. These reports similarly impact the marketability of La Promenade Senior Suites with the resulting poor occupancy rate, all of which impacts upon the value of the property.

### *Media Coverage*

84. A recent CBC News article, published on June 20, 2024, concerning Alavida's Retirement Portfolio similarly reflects negatively upon Alavida and therefore all of the assets within its portfolio. A copy of the article is attached as **Exhibit "U"**.

85. The article notes that across Alavida's four retirement residences in Ottawa, residents are being forced to leave their units after Alavida began removing longstanding "marketing discounts" applied to monthly rent and service fees.

86. IMC believes broad reputational harm to the Alavida Retirement Portfolio cannot be remedied absent a change in management of the business appointed by KSV, who could take steps to normalize the affairs of Promenade Seniors Suites and to address its reputational issues.

### **La Promenade Excess Lands**

87. Adjacent to the Promenade Seniors Suites sits the Excess Lands, which are also owned by La Promenade. Until a recent severing of the real property, the Excess Lands formed part of the lands on which the Promenade Seniors Suites sit. After the severance, the Excess Lands are now municipally located at 100 Rossignol Drive, Ottawa.

88. The Excess Lands are zoned for both residential and non-residential uses. In or around September 2024, La Promenade listed the Excess Lands for sale with CBRE Land Services Group. A copy of the CBRE Land Services Group Brochure for 100 Rossignol Drive, Ottawa is attached as **Exhibit "V"**.

89. As of the date of this affidavit, IMC is not aware of any serious offers to purchase the Excess Lands since they were listed for sale.

**La Promenade's Net Total Profit and Net Equity**

90. The financial statements disclosed in the Choo Affidavit show that La Promenade's total liabilities for year ended 2023 exceed its assets by \$16,950,868. While its net operating profit for 2024 (as of September 2024) was \$2,283,172, La Promenade sustained a net loss of profit of \$1,652,828 when income tax, and principal and interest payments on loans, are accounted for.

91. As evidenced by La Promenade's Financial Statements for the year ending on December 31, 2023, its total deficit has worsened from 2022 to 2023, and 2023 to 2024.

**The Additional Stay Parties' Equity Position**

92. Further, the Choo Affidavit (at paragraph 170; and paragraph 54 of the associated factum in support of the Initial CCAA Order) suggests that the "Additional Stay Parties" to the Initial CCAA Order – that being Choo, Manny DiFilippo, Envie Enterprises Inc, the Choo Trust, Alavida, and 1384274 Ontario Inc – do not have sufficient assets to meet the full debt demands of the lenders that are guaranteed by the Additional Stay Parties. Choo claims that his own net worth is "caught up" in projects of the Respondents.

93. It is unclear from the Net Equity of each of the Respondents' as set out in the Choo Affidavit at paragraph 143, how the total Net Equity of La Promenade accounts for or includes the claimed net worth of Choo. This only increases IMC's concern about current management continuing to manage La Promenade and the whole portfolio.



**Reduced Occupancy and Outdated Appraisals**

94. Further, I believe that the equity value of \$63,000,000 for La Promenade as described in the Choo Affidavit (at paragraph 90) is overstated. In his affidavit at paragraph 90 Mr. Choo relies upon appraised valuations dated December 1, 2023 for Promenade Senior Suites and July 2023 for the Excess Lands.

95. The December 1, 2023 Appraisal by Colliers values the Promenade Senior Suites at \$66,410,000 as “as-complete/stabilized” current market value. The Colliers report notes that:

It is an Extraordinary Assumption of this report that as of the effective date, the Subject Property is operating at a stabilized rate, including occupancy, rents and expenses. Any alteration to this assumption will have an impact on the final estimate of value contained herein [page 10].

96. In estimating the value of Promenade Senior Suites as “stabilized”, Colliers assumed an occupancy rate of 90% (page 46). The difference between the existing approximately 65% occupancy rate and an assumed 90% occupancy rate would have a very material impact on market value. I attach a copy of the December 1, 2023 Colliers Report for Promenade Senior Suites as **Exhibit “W”**.

97. Only a current “as is/where is” valuation would give a true market value for Promenade Senior Suites. No such valuation exists to my knowledge.

98. I also note that the Colliers report is described as being for the “sole and exclusive use by Ashcroft Group of Companies and any other Intended User specifically identified for first mortgage financing only.” The reliance on the report for any other use is described as “strictly prohibited” unless Colliers has provided consent in writing (page 6). It is unclear whether Colliers provided consent to Ashcroft to use reference to the reports in its CCAA filing.

99. Further, the Colliers report indicates that it is made as of the effective date (November 30, 2023) only and should not be relied on as of any other date without receiving prior written authorization from Colliers. The report correctly notes that “real estate markets and assets are subject to significant volatility and change; and can be affected by numerous economic and political conditions as well as other conditions” (page 6).

100. Colliers also prepared a July 5, 2023 appraisal for the Excess Lands. This report is similarly out of date and should not be relied upon to assess current market value. This is another reason the equity valuation in the Choo affidavit is unreliable.

#### **The Appointment of Hawco Peters**

101. The Choo Affidavit indicates (at paragraph 148) that the Ashcroft Homes Group has engaged the services of Hawco Peters and Associates Inc. (“**Hawco Peters**”) as financial advisor in July of 2024. Under the Initial CCAA Order, Hawco Peters was appointed as Financial Advisor to the Respondents.

102. The Choo Affidavit indicates that the purpose of the Hawco Peters engagement is to assist in the sourcing and securing of additional capital to assist in refinancing and restructuring the Respondents to this Application. However, IMC is concerned that the Hawco Peters engagement does not represent a sufficiently robust plan to secure additional financing on behalf of the Respondents to this Application.

103. The Choo Affidavit’s statement that Hawco Peters has already sourced multiple term sheets worth hundreds of millions of dollars is currently unsupported by sworn documentation

accompanying the Choo Affidavit. As such, IMC is not confident that this alleged funding will be realized.

104. IMC is instead concerned that the continuation of the Initial CCAA Order and appointment of Grant Thornton as monitor is merely an attempt to buy La Promenade and the other Respondents more time to try and secure more funding, during which time IMC and the other lenders will become increasingly indebted under their respective loan agreements. This is while the concerns about the operation of the Promenade Seniors Suites will also persist.

105. Relatedly, IMC also has considerable doubts about Hawco Peters' lack of experience in refinancing real estate investments, especially in the Ottawa market, given it is based in Calgary, Alberta. Hawco Peters' lack of experience is an additional material concern.

106. IMC is also concerned that the Administration Charge granted by the Initial CCAA Order will only further grow if the order is extended, allowing La Promenade and the other Respondents to prime the CCAA Applicants' funds through a drawn out CCAA process.

#### **Appointment of KSV as Receiver**

107. As noted above, IMC and the other mortgage lenders in the Interim Receiver application are proposing that KSV serve as interim receiver over all debtors covered by the Initial CCAA Order.

108. The General Security Agreement and IMC Mortgage A&D both contemplate the appointment of a receiver upon the occurrence of an Event of Default.

109. Section 7.07 of the IMC Mortgage A&D states that:

**Section 7.07 Receiver**

Upon the occurrence of an Event of Default, the Chargee may in its discretion, with or without entering into possession of the Property or any part thereof, by instrument in writing, appoint a "Receiver" (which shall include a receiver, a manager, a receiver and manager, administrator or other Person with similar powers) of the Property or any part thereof with or without security ...

110. Similarly, the General Security Agreement states that:

**Section 5.01 Remedies**

Upon and following the occurrence of an Event of Default, ... the Secured party may appoint, by written instrument, a receiver, manager or receiver and manager (each herein referred to as the "Receiver") ...

111. I understand that KSV is a licensed insolvency trustee and the senior professionals who are sought to be involved are all registered members of the Canadian Association of Insolvency and Restructuring Professionals with significant experience in Canadian insolvency proceedings, including receiverships and insolvency proceedings in the real estate sector, including of seniors' residences.

**Conclusion**

112. IMC has lost faith in La Promenade's ability and willingness to pay its outstanding debt to IMC, which is in default. As detailed above, La Promenade and the Choo Parties have taken numerous steps to further imperil IMC's security, absent IMC's consent.

113. Further, IMC has serious doubts about La Promenade's ability to maximize the profitability of the Promenade Seniors Suites while operating it safely and in accordance with the *RHA*.

114. IMC has significant concerns about a debtor led insolvency proceeding given the conduct of the debtor to date:

-27-

- (a) La Promenade's default under the IMC Loan on February 1, 2024 despite an extension of the Loan via the Commitment Amending Letter in December 2022;
- (b) La Promenade's failure to take necessary steps to complete the Alavida Facility;
- (c) La Promenade's status as a guarantor under the Central 1 Forbearance absent IMC's consent (which constitutes an Event of Default);
- (d) The completion of the Promenade Amalgamation absent IMC's consent (which constitutes an Event of Default);
- (e) The failure to complete a forbearance agreement between La Promenade and IMC due to La Promenade's above-noted defaults, including completion of the Promenade Amalgamation;
- (f) La Promenade's agreement to the Pillar Capital Guarantee absent IMC's consent;
- (g) La Promenade's pledging of the Envie Rideau VTB (an asset of La Promenade) as collateral for the Pillar Capital Guarantee, absent IMC's consent;
- (h) The DUCA Registration against La Promenade absent IMC's consent;
- (i) The Promenade Seniors Suites' occupancy rate of only roughly 65%;
- (j) The 150 Rossignol Inspection Report and the 110 Rossignol Compliance Report, which have caused reputational and financial harm to the Promenade Seniors Suites;
- (k) Negative media coverage concerning the removal of "marketing discounts" from Alavida retirement residences;

- (l) The failure to market and sell the Excess Lands in order to pay the IMC Loan; and
- (m) La Promenade’s increasingly poor balance sheet as evident through the reported net total profit and net equity positions in the Choo Affidavit.

115. La Promenade should not be able to retain control of Promenade Seniors Suites while it further imperils IMC’s security under the Loan and expends more funds through the CCAA process while it looks for additional funding. La Promenade and Ashcroft have had numerous opportunities to seek and obtain additional financing, to no avail. Further, IMC has little faith that the funding Hawco Peters has allegedly arranged will be completed in the necessary time. Instead, IMC views this purported funding as a further tactic of delay and evinces La Promenade’s lack of transparency in its dealings with the secured lenders.

116. KSV is better placed to operate the Promenade Seniors Suites as a going concern to improve its viability while it also directs the obtaining of future financing opportunities, as well as any future restructuring of the Respondent entities.

**SWORN** by Curtis Jackson at the city of Toronto, in the Province of Ontario before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

*Adam Davis*

Commissioner for Taking Affidavits  
(or as may be)

**ADAM DAVIS**

*Curtis Jackson*

**CURTIS JACKSON**

This is Exhibit "A" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

**From:** [Curtis Jackson](#)  
**To:** [Manny Difilippo](#); [Darren Schmidt](#)  
**Cc:** [David Choo](#)  
**Subject:** Re: Demand Letter  
**Attachments:** [Outlook-mkhjr2bt.png](#)

---

Hi Manny,

IMC does not consent to the registration of a subordinate charge on our Property/Security, including but not limited to the properties located at 130 and 150 Rossignol Drive, Ottawa, ON.

For clarity, we have now retained litigation counsel to pursue enforcement and they have reached out to Neil Schwartz with respect to the application.

Regards,  
Curtis



**Curtis Jackson, MBA**  
**Vice-President**

Direct: 416-814-2603  
Cell: 647-471-7478  
E-mail: [curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)

199 Bay Street, Suite 1900, Commerce Court West, Box 271, Toronto, ON M5L 1E9 | [www.imcapital.com](http://www.imcapital.com) | *FSRA License #11975*

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited. You may unsubscribe from e-communications at any time by clicking [here](#).

---

**From:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>  
**Sent:** Monday, November 18, 2024 5:42 PM  
**To:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>; Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>  
**Cc:** Sarah Hawco <[sarah@hawcopeters.com](mailto:sarah@hawcopeters.com)>; Suzanne Fisher <[SFisher@central1.com](mailto:SFisher@central1.com)>; Fisher, Heather <[Heather.Fisher@gowlingwlg.com](mailto:Heather.Fisher@gowlingwlg.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>  
**Subject:** Demand Letter

CAUTION:External

Good afternoon gentlemen, further to my email of Friday of last week, as we await for the next steps regarding your demand letter and the suggestion that we move to Forbearance terms....as we work towards a takeout of this loan and also progressing our discussions with potential interested parties on the purchase of the Promenade community, we have been asked by Central 1, the primary lender on the Ravines Retirement property which is currently operating with a forbearance agreement to allow the registration of a \$20 MM charge on the promenade excess lands upon severance. For clarity, the \$20 MM second charge would be limited to the excess lands, known as 100 Rossignol.



I thank you for your consideration to this request.

Manny

---

**From:** Manny Difilippo  
**Sent:** November 15, 2024 3:42 PM  
**To:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>  
**Cc:** Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>; Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>; Tara Bonsor <[tbonsor@ashcrofthomes.ca](mailto:tbonsor@ashcrofthomes.ca)>  
**Subject:** RE: Demand Letter

Good afternoon Curtis, by way of an update on this matter, I was speaking with Neil today (he is now back in office) and I had suggested that we can a state of affairs from IMC before we proceeded with providing the various documents that your lawyer was requesting in advance of the 256 closing. As I noted to you last week, we have closed the Forum Transaction through the amalgamation, I would like to discuss or get your position as how we proceed with the suggested Forbearance terms.

I would be happy to continue to provide the previously requested information, however in light of where matters are now, is there a different set of documents that are more relevant for which we can work towards?

Regards,

Manny

---

**From:** Manny Difilippo  
**Sent:** November 4, 2024 10:18 AM  
**To:** 'Curtis Jackson' <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>  
**Cc:** Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>; Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>; Tara Bonsor <[tbonsor@ashcrofthomes.ca](mailto:tbonsor@ashcrofthomes.ca)>  
**Subject:** RE: Demand Letter

Good morning Curtis, yes the transaction with Forum closed on Oct 30<sup>th</sup>.

Also, Neil and I will be working on the list of requirements as requested from Owen Wright. However, currently Neil is out of the office and we will get the required material to your Lawyer, on his return.

Manny

This is Exhibit "B" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in cursive script that reads "Adam Davis".

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

**From:** [Jonathan Chen](#)  
**To:** [Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)  
**Cc:** [Militza Boljevic](#); [Adam Davis](#)  
**Subject:** Ashcroft Homes - La Promenade Inc. - 130 & 150 Rossignol Drive  
**Date:** Monday, November 18, 2024 6:48:12 PM  
**Attachments:** [image001.png](#)

---

Neil,

We have been retained by Institutional Mortgage Capital Canada Inc. We understand that you represent the Borrower with respect to the above loan.

IMC has instructed us to commence an application to appoint a receiver.

We assume that your firm will act as litigation counsel on behalf of the Borrower. If that is incorrect, please advise.

We will be in touch again shortly.

Jonathan



**Jonathan Chen**\*

*pronouns: he/him*

T 416-865-3553  
[jchen@litigate.com](mailto:jchen@litigate.com)

130 Adelaide St W  
Suite 2600  
Toronto, ON  
Canada M5H 3P5  
[www.litigate.com](http://www.litigate.com)

This e-mail may contain legally privileged or confidential information. This message is intended only for the recipient(s) named in the message. If you are not an intended recipient and this e-mail was received in error, please notify us by reply e-mail and delete the original message immediately. Thank you. Lenczner Slaght LLP.

This is Exhibit "C" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in cursive script that reads "Adam Davis".

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

# IMC INSTITUTIONAL MORTGAGE CAPITAL

TD Centre, TD North Tower, 77 King Street West  
Suite 4120, P.O. Box 117, Toronto, ON M5K 1G8

September 24, 2020

Ashcroft Homes – La Promenade Inc.  
18 Antares Drive  
Ottawa, ON  
K2E 1A9

Attention: Manny Difilippo

**Re: Promenade Seniors Suites - First Mortgage Loan**

Dear Sirs:

Institutional Mortgage Capital Canada Inc., as general partner of IMC Limited Partnership (the "Lender") offers to make a first mortgage loan (the "Loan") to Ashcroft Homes – La Promenade Inc (the "Borrower") on and subject to the terms and conditions set out in this letter and the attached Schedules (collectively, the "Commitment").

## **A. BUSINESS TERMS**

- Property:** Part Lots 34 and 35, Concession 1 Cumberland (Old Survey), designated as Parts 7 and 8 on Reference Plan 4R-29684, PIN 14501-0928 LT, municipally known as Promenade Seniors Suites, 130 and 150 Rosignol Drive, Ottawa, Ontario, including all related improvements, leases, rents and other personal property (as defined in the Loan documents, collectively, the "Property").
- Maximum Loan Amount:** \$42,000,000 (the "Loan Amount").
- Initial Advance:** \$37,000,000
- Potential Subsequent Advance:** One subsequent advance totalling not more than \$5,000,000 shall be available to the Borrower upon the Property achieving a Minimum DSCR (as described below) for three (3) consecutive calendar months and also subject to the following:
- (a) such subsequent advance must be drawn within one (1) year of the initial advance of funds under the Loan, failing which any funds not drawn will cease to be available to the Borrower;
  - (b) there being no Event of Default or any other event that could be an Event of Default;
  - (c) a clear title subsearch; and
  - (d) payment by the Borrower of all Lender's reasonable costs relating to such advance, including the Lender's draw fee in the amount of \$1,000 plus applicable taxes and certain other conditions as set out in the Loan documents.

"Minimum DSCR" for the purposes of satisfying the conditions for the Potential Subsequent Advance shall be defined as the underwritten net cash flow of the Property, as determined by the Lender, providing for a debt service coverage ratio of 1.10x. Such calculation shall be based on an average of the previous three (3) consecutive calendar months, subject to (i) rental income not trending downwards, and (ii) expenses being in line with industry standards, as determined by the Lender acting reasonably.

- Term:** 27 months from the Interest Adjustment Date (the "Term"), the last day of which is the maturity date (the "Maturity Date").
- Interest Adjustment Date:** The first day of the calendar month following the initial Loan advance (or if advanced on the first day of a month, the date of the initial Loan advance).
- Amortization:** Interest only.
- Closing:** October 5, 2020. The initial advance of the Loan must be completed on or before October 19, 2020 (the "Commitment Expiry Date"), subject to the terms and conditions of this Commitment.
- Interest Accrual Period:** Each calendar month of the Term, provided that the first Interest Accrual Period shall mean the period from and including the initial advance of the Loan to the last day of the same calendar month.
- Interest Rate:** The Interest Rate for each Interest Accrual Period will be set by the Lender on the last business day of the immediately preceding calendar month (or for the initial Interest Accrual Period, at the time of the initial advance of the Loan) based on the formula set out below. The determination of the Interest Rate by the Lender for each Interest Accrual Period shall be final and binding on the Borrower absent manifest error.
- For each Interest Accrual Period during the Term (other than the final 3 Interest Accrual Periods), the Interest Rate will be the greater of (a) the annual prime rate of interest announced, quoted or charged from time to time by TD Canada Trust, at its head office location in Toronto, as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans made by TD Canada Trust to Canadian customers (the "Prime Rate") plus 3.30%, and (b) 5.75%.
- For each of the final 3 Interest Accrual Periods of the Term and each month thereafter until all outstanding Loan indebtedness is paid in full (the "Step-Up Date"), the Interest Rate will be the greater of (a) the Prime Rate plus 6.00%, and (b) 8.45% (the "Adjusted Rate").
- Interest will be compounded and payable monthly not in advance.
- Recourse:** The Lender shall have full recourse to the Borrower for all Loan obligations.
- Guarantor:** Alavida Lifestyles Inc., The David and Shanti Choo Family Trust 2016 and David Choo (collectively, the "Guarantor") will guarantee all Loan obligations.
- The Trust will be released from its guarantee provided that both of the following conditions are satisfied: (i) David Choo personally maintains a minimum personal net worth of \$100,000,000 (excluding the value of any interest he may have as beneficiary of the Trust) at all times until all Loan indebtedness is paid in full to the Lender, and (ii) the Trust does not have or subsequently acquire, at any time, any direct or indirect ownership interest in the Property or in the ownership interests (shares, partnership interests or otherwise) of the Borrower or any other Person that has a direct or indirect ownership interest in the Property.
- Indemnitor:** The Borrower and the Guarantor (collectively, the "Indemnitor") will provide an indemnity to the Lender and certain related persons for, among other things, fraud, environmental matters, misrepresentation and misappropriation of funds, in the Lender's standard form.
- Beneficial Owner:** The Borrower does not hold any interest in the Property in trust or as nominee for any other person.
- Maximum LTV:** At the time of the initial Loan advance, the LTV must not exceed 62% of the appraised value of the Property.
- Minimum DSCR:** At the time of the initial Loan advance, the Debt Service Coverage Ratio ("DSCR") shall not be less than 1.00x of underwritten net cash flow (as determined by the Lender), including the Interest Reserve.

**Payments:** Interest payments shall be on the first day of each month and shall be calculated monthly, not in advance, on the basis of the actual number of days in each month on the outstanding Loan balance and shall be paid by automatic debit. For the period following the Step-Up Date, the amount of each monthly interest payment will be reset by the Lender (or its Loan servicer) based on the Adjusted Rate. All outstanding Loan indebtedness is due and payable to the Lender in full on the maturity date.

**Prepayment:** The Borrower may prepay all (but not less than all) of the outstanding Loan indebtedness at any time, subject to the Borrower providing 60 days' prior written notice or payment of 60 days' interest in lieu of such notice, and subject to payment by the Borrower to the Lender of the prepayment charge and other amounts required under the Loan. If such prepayment occurs at any time prior to the applicable Minimum Interest Amount having been paid to the Lender in full, the Borrower must concurrently pay to the Lender, in addition to all other Loan indebtedness being prepaid, a prepayment charge equal to that portion of the applicable Minimum Interest Amount that remains unpaid at that time (the "Prepayment Charge"). Such Prepayment Charge will be fully earned by the Lender on such prepayment being made. "Minimum Interest Amount" means, in respect of any prepayment, a total amount of interest paid to the Lender under the Loan prior to such prepayment of not less than \$2,127,500.

**Prepayment Requires Full Month's Interest:**

If any prepayment of the Loan permitted herein is made on a date which is not the first day of a month, the Borrower must pay to the Lender an amount equal to all interest that would have accrued on the Loan (absent such prepayment) at the applicable interest rate up to and including the next regularly scheduled payment date, in addition to all other outstanding Loan indebtedness.

**Fees:**

The following fees will be payable by the Borrower:

- (a) An application fee in the amount of \$25,000 payable to, and fully earned by, the Lender, which is fully earned and non-refundable in all circumstances and whether or not the Loan closes (receipt acknowledged).
- (b) Transaction fees in the total amount of \$290,000 as follows:
  - (i) A syndication fee in the amount of \$80,000, payable to the Lender, which fee is payable and fully earned and non-refundable in all circumstances upon issuance of this Commitment and whether or not the Loan closes, subject only to default by the Lender.
  - (ii) A commitment fee in the amount \$210,000 payable to the Lender, which fee is payable and fully earned and non-refundable in all circumstances upon issuance of this Commitment and whether or not the Loan closes, subject only to default by the Lender.

The transaction fees shall be payable as follows:

- (i) 50% of such transaction fees in the amount of \$145,000 shall be immediately payable by wire transfer as follows:

Beneficiary Name:	IMC Limited Partnership
Beneficiary Address:	TD Centre, TD North Tower, 77 King Street W., Suite 4120, Toronto, ON
Bank Name:	TD CANADA TRUST
Bank Address:	55 King Street West, Toronto, ON
Swift Code:	TDOMCATTOR
Bank #:	004
Transit #:	19922
Account #:	5278974

- (ii) the balance of such transaction fees shall be payable on the earlier of (i) successful completion of the initial advance under the Loan and deducted from the Loan advance, and (ii) default by the Borrower.

- (c) An annual loan administration fee in the amount of \$5,000 plus applicable taxes payable to the Lender's Loan servicer on each anniversary of the interest adjustment date until all Loan indebtedness is repaid in full.

**Subordinate Liens:**

Except for the leasing/financing of non-material equipment in the ordinary course of the Borrower's business of owning and operating the Property but only if and so long as the aggregate of all amounts payable under all such equipment leases and/or financing do not exceed \$250,000 and such amounts are secured only by the related equipment, no subordinate mortgages, liens, charges or other financial encumbrances or security interests are permitted in respect of the Property (including without limitation, financing leases or other security in respect of any fixtures, furniture, equipment or other personal property) at any time without the prior written consent of the Lender in its sole discretion.

Notwithstanding the foregoing, the Loan documents will include provisions that permit subordinate debt secured by the Property in favour of IMC Limited Partnership (or an investment fund managed by IMC Limited Partnership), provided (a) no event of default or any event that could become an event of default has occurred and is uncured, (b) the Borrower demonstrating to the Lender's satisfaction its ability to make all payments when due under the subordinate debt, (c) the aggregate indebtedness under the Loan and such subordinate debt will have a maximum loan to value ratio of not more than 75% as determined by the Lender, and (d) and otherwise on terms and conditions satisfactory to the Lender.

**Third Party Costs:**

The Borrower will pay all costs and expenses incurred by or on behalf of the Lender in connection with the Loan ("third party costs"), including without limitation, all legal, appraisal, engineering, environmental assessments, lease review, title insurance, credit reports and insurance consultant fees, costs and expenses, including all applicable taxes, as such costs, expenses and taxes are incurred, whether or not the Loan closes. The Lender acknowledges receipt of a deposit of \$25,000 to be applied by the Lender in accordance with this Commitment.

**Reserves:**

The Borrower will establish and fund with the Lender (or its Loan servicer) all reserves required by Schedule A hereto.

**Transfers:**

Any transfer of any interest in the Property or any part thereof, or any change of effective voting control of any Borrower Entity having a registered, unregistered or beneficial ownership interest in the Property from time to time (including any change of ownership of more than 50% of the voting securities in the capital structure of such person) will require the prior written consent of the Lender in its sole discretion. Notwithstanding the foregoing, the Lender's consent to any transfer or change of control will remain subject to the satisfaction by the Borrower of certain conditions set out in the Loan documents, in each case at the Borrower's sole cost and expense, including without limitation, payment by the Borrower of all fees, costs and expenses (plus applicable taxes) incurred by the Lender, its Loan servicer and legal counsel relating to such transfer or change of control, and payment by the Borrower to the Lender (or its Loan servicer) of an assumption fee equal to 0.50% of the Loan Amount (such fee not to exceed \$30,000.00), plus applicable taxes.

**Potential Severance:**

The Lender acknowledges and agrees that the Lender shall release the Lender's security with respect to certain excess lands comprising that part of the Property designated as Part 8 on Reference Plan 4R-29684 (subject to final approval of the line of severance as herein provided and herein called the "Excess Parcel"), without payment in reduction or on account of the then outstanding Principal Amount, provided that the Borrower has obtained a severance of the Excess Parcel from the Property and provided that the following terms and conditions are met to the satisfaction of the Lender:

- (a) no Event of Default under the Loan documents has occurred which is continuing, and no event or circumstance exists which, with the passage of time or the giving of notice, or both, would constitute an Event of Default under the Loan documents;
- (b) the line of severance between the Excess Parcel and the Main Parcel shall be approved by the Lender acting reasonably;



- (c) the Borrower shall not build a retirement facility on the Excess Parcel without the prior written consent of the Lender;
- (d) the Excess Parcel shall be severed from the Property so as to create a permanently severed parcel which shall be separately assessed from the remaining parcel of the Property (the "Main Parcel");
- (e) all the conditions of such severance and the Borrower's ability to satisfy such conditions shall be met within the timeline imposed by the applicable municipal authorities;
- (f) following completion of such severance, each of the Excess Parcel and the Main Parcel shall separately comply with all applicable laws, including all applicable zoning and building by-laws;
- (g) all municipal and private services and utilities (including without limitation road access) presently serving the Property shall continue to be available to the Excess Parcel and the Main Parcel at all times either from public roadways or public easements adjoining the Excess Parcel and the Main Parcel, or if by private easement, provided each such easement is satisfactory to the Lender;
- (h) if applicable, upon the date of the severance, a reciprocal operating and easement agreement shall be in place between the owners of the Excess Parcel and the Main Parcel and their respective mortgagees which shall ensure, *inter alia*, the integrated operation, maintenance and repair, continued availability of all municipal and private services and utilities and a fair sharing of costs of all shared or common areas including, if required by Lender, security for such payment;
- (i) the Chargor shall pay to the Chargee its partial discharge fee in the amount of \$1,000 plus applicable taxes; and
- (j) the Borrower agrees it shall be responsible for all reasonable costs and expenses of the Lender, its solicitor and, if applicable, any third party professionals with respect to its review and approval of the severance.

Upon satisfaction of all the conditions acceptable to the Lender, the Lender will provide, at the sole cost of the Borrower, a discharge of the Lender's security with respect to the Excess Parcel, prepared and registered by the Borrower.

**Closing Conditions:**

The Lender will not be obligated to make the initial advance of the Loan unless and until all terms and conditions of this Commitment have been fully complied with by the Borrower at its sole cost and expense on or before the Commitment Expiry Date and to the satisfaction of the Lender in its sole discretion. The Lender must be satisfied in its sole discretion with all due diligence investigations, inspections and reports with respect to all matters that it considers necessary or desirable with respect to the Loan, the Property and each Borrower Entity (and the principals thereof), including without limitation all closing/underwriting deliveries and other matters set out in Schedule B. Without limiting the foregoing, the Property, including its physical, environmental and financial condition, title (including title insurance and all title encumbrances) and all tenants and leases, will be subject to the Lender's approval in its sole discretion prior to the initial Loan advance. All such conditions are for the sole benefit of the Lender and may be waived by the Lender in writing at any time.

**B. GENERAL PROVISIONS**

1. **Borrower Entity/Lender Entity:** In this Commitment, (a) "Borrower Entity" means the Borrower, Indemnitor, any Guarantor and Beneficial Owner, each person having a registered, unregistered or beneficial ownership interest in the Property from time to time, including (i) each partner of any Borrower Entity which is a general partnership, (ii) each general partner of any Borrower Entity which is a limited partnership and each limited partner thereof that undertakes any active management or control of such limited partnership (but shall not include any limited partner thereof so long as the such limited partner does not undertake any active management or control of such limited partnership) and each other person defined as a Borrower Entity in the Loan documents, and (b) "Lender Entity" means each of the Lender, the Custodian (defined below), the Loan servicer, all persons having an ownership interest in the Loan from

time to time, and their respective employees, officers, directors, partners, agents and consultants. Each mortgagor of the Property must be a corporation. Each Borrower and Beneficial Owner must be Canadian resident.

2. **Property:** In this Commitment, "Property" includes the entire freehold estate in the lands, and all present and future buildings, improvements, fixtures, equipment, chattels, leases and rents, as described in the Lender's standard Loan documents.
3. **Loan Documents:** The Loan will be evidenced and secured by (a) a first priority freehold mortgage, charge, assignment and security interest of the Property, including a mortgage, a general assignment of rents and leases, and a general security agreement (together with all necessary registrations in each applicable jurisdiction), (b) a full recourse guarantee from the Guarantor, (c) an indemnity from the Indemnitor, and (d) such other security as the Lender may otherwise reasonably require. Prior to the initial Loan advance, the Borrower will provide corporate and enforceability opinions from legal counsel in each jurisdiction in form and content satisfactory to the Lender. All Loan documents will be in the Lender's standard form, subject only to such modifications acceptable to the Lender to reflect the subject Loan transaction.
4. **Events of Default:** If an Event of Default occurs, the Lender, at its option, may immediately accelerate the Loan and enforce all of its rights and remedies under the Loan documents and applicable laws. "Event of Default" has the meaning set out in the Lender's standard Loan documents and includes, but is not limited to: (a) any default by the Borrower in any Loan payment or reserve payment when due; (b) any transfer or lien is granted or created in respect of the Property in breach of the Loan documents; (c) any failure by any Borrower Entity to comply with its Insurance obligations under the Loan documents; (d) any failure by the Borrower to pay all utilities and realty taxes in respect of the Property when due; (e) any default by any Borrower Entity in observing or performing any other covenant, condition or obligation under any Loan document on its part to be observed or performed (except any default enumerated as a separate Event of Default or which is expressly stated to be immediate or to have no applicable notice, grace or cure period) which is not cured within the applicable notice, grace or cure period provided therein, or if no such period is expressly provided and is not expressly excluded, within 30 days following such written notice of such default; (f) any misrepresentation by any Borrower Entity in connection with the Loan; (g) certain acts of bankruptcy and insolvency in respect of any Borrower Entity as set out in the Lender's standard Loan documents; (h) any default or enforcement proceedings occur or are taken under any other encumbrance of the Property whether ranking prior or subsequent to the Lender's security; and (i) any expropriation of the Property occurs which, in the opinion of the Lender in its sole discretion, either (i) materially impairs the value or marketability of the remaining Property, or (ii) has or could reasonably be expected to have a material adverse effect (as defined in the Loan documents). Each Borrower Entity will immediately advise the Lender of an Event of Default in respect of its Loan.

Upon any acceleration or prepayment of all or any part the Loan (including any acceleration as a result of any Event of Default), the Borrower agrees to pay the Prepayment Charge to the Lender, in addition to all other amounts then due and owing under the Loan.

5. **Deposit for Third Party Costs:** The deposit for third party costs paid to the Lender pursuant to this Commitment (including any such deposit previously paid to the Lender under any letter of intent) will be held and applied by the Lender to all third party costs incurred by it and/or any unpaid portion of the fees set out in this Commitment in each case whether or not the Loan closes. The portion of such deposit so applied will be non-refundable to the Borrower in all circumstances. The Lender will refund the unexpended balance of such deposit to the Borrower at Loan closing, or if the Lender determines that the Loan will not close for any reason, but in each case only after the Lender has determined and paid all such third party costs and/or any unpaid portion of the fees set out in this Commitment. If the Lender's third party costs exceed the deposit, the Borrower will pay the excess amount to the Lender forthwith on demand. The Borrower agrees that it will not be entitled to receive any interest on such deposit.
6. **Closing:** The Lender will have the right in its sole discretion to terminate this Commitment in respect of the Loan at any time if the initial advance of the Loan is not fully advanced on or before the Commitment Expiry Date for any reason (other than default by the Lender), notwithstanding any intervening negotiations, the preparation and/or delivery of the Loan documents, or any other dealings or course of conduct between any of the parties at any time, unless a written extension of the Commitment Expiry Date has been expressly agreed to and executed and delivered by each of the parties hereto.
7. **Material Adverse Change:** Notwithstanding the satisfaction of all Loan conditions and/or any other event or circumstance of any kind, the Lender will not be required to advance the Loan and may terminate this Commitment at any time if it determines, in its sole discretion, that any event or circumstance has occurred which, in the opinion of the Lender in its sole discretion, either has or could reasonably be expected to have a material adverse effect on (i) the value or marketability of the Property (including without limitation, the physical, environmental, or financial condition of the Property or any tenant or lease of the Property), or (ii) the financial or other condition of any Borrower

Entity or its ability to observe and perform any of its respective covenants and obligations to the Lender under or in respect of the Loan and the Loan documents when due.

8. Changes to Property: Neither the Borrower nor any other Borrower Entity is permitted to demolish, remove, construct, materially alter, add to, repair or restore the Property or any portion thereof (collectively, "Alterations"), nor consent to or permit any other person to make such Alterations, without obtaining in each instance the Lender's prior written approval in its sole discretion. Nothing herein will prevent or restrict the Borrower or any other Borrower Entity from complying with its obligations to maintain and repair the Property in accordance with the Loan documents.
9. Property Management: The manager of the Property and each property management agreement will be subject to the prior written approval of the Lender in its sole discretion from time to time.
10. Approval of Leases: 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. The Loan documents will include certain other requirements for new leases and renewals and extensions of existing leases, and certain representations and warranties and other covenants from the Borrower concerning the status and future dealings with all leases and rents.

The Borrower must obtain the Lender's prior written consent to enter into, renew or extend any Material Commercial Lease, which consent may be given or withheld by the Lender in its sole discretion. This provision does not apply to any renewal or extension of an existing Material Commercial Lease which is exercised pursuant to, and the terms of which are governed by, any such Material Commercial Lease. In this Commitment and each of the Loan documents, "Material Commercial Lease" means any lease (excluding a lease for one or more residential units, rooms or beds for residential purposes, but including any ground lease or head lease for residential or any other purposes) granted to any person for premises of more than 5,000 square feet and having a term (inclusive of all renewal and extension options, whether or not exercised) of 10 years or more.

In the case of residential leases, the Borrower's standard residential lease form will be subject to the prior approval of the Lender from time to time and all residential leases will be made by the Borrower using such standard form in effect from time to time. The Borrower represents and warrants to the Lender that (a) all rents charged to the residential tenants at the Property are legal under the applicable laws, (b) no proceedings exist which could result in a decrease in the legal rents chargeable or which could result in the issuance of an order prohibiting rent increases, and (c) no orders exist requiring any rent decreases or which prohibit rent increase.

11. Financial Statements: The Borrower must deliver quarterly rent rolls, occupancy summaries and operating statements for the Property and annual financial statements from each Borrower Entity prepared in accordance with generally accepted accounting principles, and such other information respecting the Property and each Borrower Entity as the Lender may reasonably require from time to time and as set out in the Loan documents.
12. Information and Materials: The Borrower represents and warrants that all information and materials provided or delivered to the Lender in connection with the Loan, including the Property and each Borrower Entity, are correct and complete as of the date provided and will continue to be correct and complete on Loan closing, failing which the Lender will have no obligation to make any advance of the Loan. The Borrower acknowledges that the Lender's decision to make the Loan will be based on all such information and materials. The Borrower must promptly disclose to the Lender from time to time any and all changes in such information and materials or any additional information or materials relating to the Property or any Borrower Entity which may reasonably be expected to influence the Lender's decision to make the Loan.
13. Credit Investigations: Each Borrower Entity authorizes the Lender or its representatives to make inquiries of, and exchange or obtain information, data and credit reports with, third parties regarding the character, general reputation, personal characteristics, financial and credit condition of such Borrower Entity, including its respective directors, officers, shareholders, partners and principals.
14. Consent to Disclosure: Each Borrower Entity acknowledges and agrees that the Loan may be sold or syndicated without restriction and without notice to or the consent of any Borrower Entity. Each Lender Entity may release, disclose, exchange, share, transfer and assign from time to time, as it may determine in its sole discretion, all financial and other information and materials relating to any Borrower Entity, the Property or the Loan (including financial statements and all other information relating to the Loan) provided to or obtained by it, without restriction and without notice to or the consent any Borrower Entity as follows: (i) to any existing or proposed Lender Entity; (ii) to

any subsequent or proposed purchaser of or investor in the Loan; (iii) to any governmental authority having jurisdiction over such sale or syndication of the Loan; (iv) to any other person in connection with the sale or syndication of the Loan or in connection with any collection or enforcement proceedings taken under or in respect of the Loan and/or the Loan documents; and (v) to any third party advisors and agents of any of the foregoing persons, such as lawyers, accountants, consultants, appraisers, credit verification sources and servicers. Each Borrower Entity irrevocably consents to the collection, obtaining, release, disclosure, exchange, sharing, transfer and assignment of all such information and materials.

15. Custodian and Loan Servicer: Institutional Mortgage Capital Canada Inc., as general partner for IMC Limited Partnership and as custodian and agent for itself and on behalf of investors in the Loan from time to time (In such capacity, the "Custodian") will advance the Loan and will be named as the Lender in the Loan documents. The Custodian will have, and may exercise, at all times without restriction and either directly or through the Loan servicer, all of the rights and benefits of the Lender under this Commitment (without any assignment being required) and will hold the Loan, the Loan indebtedness and Loan documents solely as custodian and agent for the Investors and all other persons having an ownership interest in the Loan from time to time. Each reference to "Lender" in this Commitment includes the Custodian. The Lender and such other Loan investors will be entitled to receive and enjoy, through the Custodian, all right, title and interest of the Custodian in respect of the Loan and the Loan documents and the full benefit thereof at all times. The Lender may also appoint a Loan servicer from time to time, without notice to or the consent of any Borrower Entity, to collect all Loan payments and proceeds and to exercise and enforce any or all rights, remedies or benefits, or perform any or all obligations, of the Lender and/or the Custodian under or in respect of the Loan, the Loan documents (whether or not expressly provided therein) and/or applicable laws, and such Loan servicer may appoint a sub-servicer from time to time in respect of any such matter. Each Borrower Entity will be entitled to deal exclusively with the Custodian and the Loan servicer in respect of all matters relating to the Loan and the Loan documents and agrees that all enforcement actions or proceedings may be brought by the Custodian and/or the Loan servicer on behalf of the Lender and all other persons having an ownership interest in the Loan from time to time and irrevocably waives any requirement that the Lender or such other Loan investors be a party thereto.
16. Full Recourse: Notwithstanding any other provision in any Loan document, the respective obligations and liabilities of each Borrower Entity under the Loan and each of the Loan documents are full recourse to each such Borrower Entity and all of its respective property and assets without limitation or restriction of any kind.
17. Limited Recourse to Lender Entities: No Lender Entity nor any of their respective assets will have or be subject to any actions, proceedings, losses, damages, liabilities, claims, demands, costs or expenses of any kind or nature made by or on behalf of any Borrower Entity arising from or relating to, directly or indirectly, the Loan, including the making or administration of the Loan or any default or other act or omission by any Lender Entity under or relating to the Loan or any of the Loan documents, and each Borrower Entity hereby agrees to indemnify and save each Lender Entity harmless from and against all such matters.
18. Brokerage Commission: Each Borrower Entity will be solely responsible for and will pay any brokerage or finder's fees, commissions or other compensation payable to any person not affiliated with or contracted by the Lender in connection with the Loan and will indemnify and hold each Lender Entity harmless in respect of same.
19. Assignment: The Lender and any Loan investor, at its cost, may sell, transfer or assign the Loan, the Loan indebtedness and the Loan documents, or any interest therein, from time to time before or after closing without notice to or the consent of any Borrower Entity. Thereafter, the Lender will have no further obligations under or in respect of the Loan or the Loan documents. This Commitment may not be sold, transferred or assigned by any Borrower Entity.
20. Effect of Commitment. This Commitment, together with the Loan documents will constitute the entire agreement between the parties in respect of the Loan and supersedes any letter of intent previously issued by or on behalf of the Lender in its entirety. Each Borrower Entity acknowledges that this Commitment is only a summary of the basic terms of the Loan, and that the Loan documents will include additional terms and conditions not specifically referenced herein as the Lender deems necessary or appropriate. This Commitment can only be changed, modified or extended by a written instrument executed and delivered by the Lender and each Borrower Entity. This Commitment and any amendments hereto will survive the execution and delivery of the Loan documents by the Borrower Entity, provided, however, that in the event of any express conflict or inconsistency between any provision of this Commitment and any provision of any Loan document, the provision of such Loan document will prevail to the extent of such conflict or inconsistency. The existence of additional terms, conditions or provisions (including any rights, remedies, representation and warranties) contained in any Loan document will not be construed or deemed as being in conflict with this Commitment.
21. Participation: Each Borrower Entity agrees to co-operate in good faith with all reasonable requests and/or inquiries made by or on behalf of the Lender (or any Loan owner) in connection with the sale, syndication and/or participation

of the Loan, and further agrees, if requested by or on behalf of the Lender (or any Loan owner) to restructure all or any part of the Loan and the Loan documents (at no cost to the Borrower), including without limitation, the creation of multiple tranches evidenced by separate promissory notes or participation interests (which may be pari passu or senior/subordinate as required), to make all reasonable amendments to the Loan documents and to provide all additional and/or updated financial and other information concerning the Property, its tenants and/or each Borrower Entity as the Lender or Loan owner may require from time to time, provided that the financial terms of the amended and/or restructured Loan are not materially more onerous, in the aggregate, than its original financial terms.

22. Further Assurances: Each Borrower Entity must promptly cure any defect in the preparation, execution and delivery of the Loan documents to which it is a party and will promptly execute and deliver or cause to be executed or delivered, upon request by the Lender all such other and further documents, agreements, opinions, certificates and instruments as may be required by the Lender to more fully state its obligations as set out in any Loan document or to make any recording, file any notice or obtain any consent, including any documents required by the Lender in connection with the sale and/or syndication of the Loan.
23. Construction of Loan Documents: In this Commitment: (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders, (b) reference to any Borrower Entity, Lender Entity or any other person includes their respective heirs, executors, administrators, legal representatives, successors and assigns, (c) all dollar amounts are expressed in Canadian dollars, (d) the division of any Loan document into separate Articles, Sections, Subsections and Schedule(s), and the insertion of headings is for convenience of reference only and will not affect the construction or interpretation of such Loan document, (e) if more than one person is named as, or otherwise becomes or assumes the obligations and liabilities of any Borrower Entity, then all obligations and liabilities of such persons will be joint and several, (f) notwithstanding any other provision of this Commitment, the Loan documents or applicable laws to the contrary, it is the express intention of the parties that the words "sole discretion" mean the exercise of discretion that is completely and absolutely subjective in all respects and does not create or imply a duty or obligation of any kind on the part of the person exercising such discretion to act objectively or to apply objective standards, and which is not subject to any restriction, limitation, challenge or review of any kind, (g) time is of the essence, and (h) the parties hereto have expressly agreed and required that this Commitment as well as all documents related thereto, including all agreements and notices, be drafted in English. Les parties aux présentes ont expressément exigé que la présente entente ainsi que tout document y relié, incluant toute entente et tout avis, soit rédigés en anglais. All schedules and addenda annexed hereto form part of this Commitment. The rights and obligations of the parties with respect to the Loan documents in respect of the Loan will be determined in accordance with the laws of the Province in which the Property is located and federal laws applicable thereto.
24. Withholding Taxes. This provision will not apply to any deduction or withholding for taxes under the laws of Canada or any province thereof ("Canadian taxes") or for taxes of a country or jurisdiction other than Canada ("foreign taxes") arising from or in respect of the Loan payment where such deduction or withholding arises solely as a result of a change in the current status of the Lender as a resident of Canada, or as a result of any assignment of the Loan by the Lender to a non-resident of Canada. Subject to the foregoing, to the extent that any payment on or in respect of the Loan will become subject to a deduction or withholding imposed on such Loan payment for Canadian taxes or foreign taxes (including any deduction or withholding arising from a change in applicable laws), the amount of such Loan payment will be automatically increased by an amount which ensures that the Lender receives, after such deduction or withholding is made including any additional withholding or deduction on such additional amount and without any credit to the Borrower therefor, the full amount of the payment specified in the Loan documents. The Borrower will pay the amount of any such deduction or withholding to the applicable taxing authority as required by applicable laws and, upon request, provide the Lender with evidence of such payment.
25. Survival of Representations, Warranties and Covenants: The representations, warranties, covenants and obligations of each Borrower Entity contained in each Loan document in respect of the Loan will (a) survive any advance or repayment of the Loan, any full or partial release, termination or discharge of any Loan document, and any remedial proceedings taken by any Lender Entity under any Loan document or applicable law, (b) enure to the benefit of the Lender and each person having an ownership interest in the Loan from time to time notwithstanding such Loan owner is not a party to any Loan document, and (c) be fully effective and enforceable by the Lender notwithstanding any due diligence performed by or on behalf of any Lender Entity or any breach or other information (to the contrary or otherwise) known to any Lender Entity at any time. Such representations and warranties are deemed to be made on the date of execution of each such Loan document and are deemed repeated as of Loan closing.
26. Effect of Termination: No termination of this Commitment will limit, restrict or otherwise affect in any way (i) the obligations of any Borrower Entity to pay to the Lender all third party costs incurred by or on behalf of the Lender in connection with the Loan or any of the fees set out in this Commitment or any deposit for third party costs specified in this Commitment, (ii) the rights of the Lender in respect of any deposits paid to the Lender in respect of the Loan, including its right to apply the deposit for third party costs as set out herein, and (iii) any rights and remedies of the

Lender against any Borrower Entity arising from any breach of this Commitment by such Borrower Entity, including any claim for damages.

- 27. Counterparts/Facsimile Transmission: This Commitment may be executed in counterparts, and each such counterpart will be deemed to be an original and all of which together constitute one and the same document. Delivery of this Commitment by any party may be made by facsimile or other electronic transmission to any other party, the broker or their respective agents and will be valid and binding as if it is an originally signed document.
- 28. Acceptance: If this Commitment is not executed by each Borrower Entity and returned without amendment to the Lender on or before September 28, 2020 then this Commitment will immediately terminate and will be null and void and the Lender will have no further obligations hereunder. Each person executing and delivering this Commitment on behalf of each Borrower Entity has full power and authority to bind such Borrower Entity to the terms and conditions of this Commitment and is executing this Commitment on their behalf.

IMC LIMITED PARTNERSHIP, by its general partner,  
INSTITUTIONAL MORTGAGE CAPITAL CANADA INC.

*Jean Monardo*

Per: \_\_\_\_\_  
Jean Monardo

FSRA Licence No. 11975

ACCEPTED AND AGREED as of the 25 day of September, 2020.

ASHCROFT HOMES - LA PROMENADE INC.

*[Signature]*

Per: \_\_\_\_\_  
David Choo, President *MANW/DIFILIPPO, CFO*

ALAVIDA LIFESTYLE INC

*[Signature]*

Per: \_\_\_\_\_  
David Choo, President *MANW/DIFILIPPO, CFO*

THE DAVID AND SHANTI CHOO FAMILY TRUST 2016

*[Signature]*  
Per: \_\_\_\_\_  
David Choo, Trustee

*[Signature]*  
Per: \_\_\_\_\_  
Shanti Choo, Trustee

*[Signature]*  
\_\_\_\_\_  
DAVID CHOO

*[Signature]*

**SCHEDULE A – RESERVES**

1. **Realty Tax Reserve:** At Loan closing, the Borrower will pay all realty taxes due and payable within 60 days. Thereafter, the Borrower will deposit with the Lender on each payment date under the Loan 1/12th of the annual realty taxes as estimated by the Lender. In addition, on Loan closing, the Borrower will deposit with the Lender a further amount which, when added to such monthly deposits, will result in the Lender having sufficient funds to pay the next realty tax interim installment or final installment one month in advance. If at any time the deposits are not sufficient to pay realty taxes when due, the Borrower will pay the deficiency to the Lender within 10 days of written notice. The Borrower will provide the Lender with all realty tax bills immediately upon receipt.
 

Realty Tax Reserve (Immediate):	\$0
Realty Tax Reserve (Monthly):	\$10,143
  
2. **Interest Reserve:** On Loan closing, the Borrower shall establish an immediate interest reserve (the "Interest Reserve") in the amount of \$1,250,000 to be deducted from the initial advance of the Loan and held by the Lender or its Loan servicer. The Borrower shall be permitted to draw on the Interest Reserve as follows:
  - (a) The full monthly interest payments for the initial 6 months of the Loan shall be deducted from the Interest Reserve;
  - (b) Except as set out in 2(c) below, the full monthly interest payments shall be paid by the Borrower by automatic debit;
  - (c) The balance remaining in the Interest Reserve shall be allocated proportionately on account of partial payment for the last 3 months of the Loan with the balance of the monthly interest payments being paid by the Borrower by automatic debit.
  
3. **HST Self-Assessment Reserve:** Unless the Borrower is able to provide satisfactory evidence prior to closing that all HST self-assessment amounts have been remitted to the Canada Revenue Agency, the Borrower will deposit with the Lender on Loan closing \$2,075,000 for HST self-assessment amounts owing to the Canada Revenue Agency ("CRA Reserve"). The Borrower will provide confirmation of HST self-assessment amounts owing to the Canada Revenue Agency, and the Lender shall authorize release of the CRA Reserve forthwith.
  
4. **Additional Reserves:** Upon an Event of Default and within 10 days' notice from the Lender, the Borrower will establish additional reserves with the Lender to pay the reasonable costs of insurance premiums, utility charges, and/or the performance of specific maintenance, repairs or capital improvements to the Property or any work for the prevention, clean-up or remediation of environmental, health or safety conditions at the Property, as determined by the Lender acting reasonably.
  
5. **No Entitlement to Interest:** No Borrower Entity will be entitled to receive any interest or other investment earnings on any reserves or deposits held by or on behalf of the Lender for respect of any Loan, whether or not earned or arising from time to time.
  
6. **Security.** All reserves will be subject to a first priority security interest granted in favour of the Lender pursuant to the Loan documents as additional security for the Loan.
  
7. **Disbursement/General Provisions:** Upon completion or payment of any reserve item (and the satisfaction of any additional conditions specified in the Loan document governing disbursement of such reserve), the Borrower may submit to the Lender a request for payment or release of any reserve funds in a form specified by the Lender which will include and certify (a) the item and costs incurred (including evidence of completion or payment), (b) that all related work has been completed in a good and workmanlike manner in compliance with the Loan documents and all applicable laws, (c) documentary evidence that such work is fully paid and that all conditions governing disbursement of such reserve have been satisfied, and (d) evidence of compliance with all the applicable lien laws, including compliance with all holdback requirements and evidence that no lien is registered against the Property. Provided no Event of Default exists and upon the Lender's verification of the payment request, the Lender will pay to the Borrower an amount approved by the Lender from the applicable reserve, less any Lender's costs and expenses with respect thereto. The Lender will not be required to make disbursements more frequently than once monthly. The Lender reserves the right to make any such disbursement directly to the person(s) entitled to receive such payment and the Borrower will execute and deliver all necessary directions.
  
8. **Other Applicable Provisions:** Upon an Event of Default, the Lender may retain all reserves held and, at its sole option, apply same to the Loan indebtedness, or to any costs and expenses for which the reserve is held, or to cure any Event of Default. The Borrower shall reimburse the Lender and its Loan servicer on demand for all costs and expenses incurred in administering the reserves (which costs and expenses will bear interest at the interest rate and

may be deducted from the reserves). The Lender has the sole right to direct the investment of the reserves. All interest and other investment earnings accruing on the reserves will be for the Lender's sole benefit.

9. **Loan Servicer:** Notwithstanding any other provision hereof, each reserve required by this Commitment will be established and administered on behalf of the Lender with and by its Loan servicer from time to time, and all rights, privileges and benefits of the Lender hereunder (including the right to receive, hold and administer all reserve funds) may be held, exercised and/or enforced by such Loan servicer on behalf of the Lender from time to time.





SCHEDULE B – UNDERWRITING / CLOSING DELIVERIES

On or before Loan closing, the Lender must receive and be satisfied in its sole discretion with each of the following deliveries. Notwithstanding that the Lender may retain and instruct all third party agents directly, the Borrower will remain solely responsible at all times for obtaining, delivering and completing, all at the Borrower's expense, all of the following deliveries and matters prior to Loan closing, and the Lender will have no responsibility or liability of any kind of any such deliveries and matters are not made or completed in form and content satisfactory to the Lender.

1. Appraisal report acceptable to the Lender establishing the market value of the Property.
2. Environmental assessments of the Property prepared by an environmental consultant acceptable to the Lender, confirming to the Lender's satisfaction, that the Property complies with all applicable environmental laws. The Lender reserves the right, in its sole discretion, to require a "Phase II" environmental assessment of the Property or such other environmental investigation reports of the Property, in each case at the Borrower's expense. The Loan documents will contain detailed environmental representations, warranties and covenants in addition to the environmental indemnity from the Indemnitor. **(Received)**
3. Architect's certificate of substantial completion. **(Received)**
4. A reliance letter for each of the above reports, which letter must be acceptable to the Lender and must include the following language: "Institutional Mortgage Capital Canada Inc. as general partner of IMC Limited Partnership, and its successors, assigns and co-lenders (collectively, the "Lender") may rely on the above-referenced report as if it were an original addressee, and our potential liability to the Lender arising from this report is limited to the amount of professional liability insurance maintained in a minimum amount of \$1 million."
5. Building location survey/real property report/certificate of location of the Property prepared by a licensed surveyor and satisfactory to the Lender, if available. **(Received)**
6. Confirmation of adequate parking and compliance with zoning requirements.
7. Standard form residential lease used for all existing residential leases for the Property. **(Received)**
8. Copy of the property management agreement, if applicable. **(Received)**
9. Property, liability and other insurance in compliance with the Lender's standard insurance. All insurance shall be in the form and amount and with such deductibles, endorsements and insurers as required by the Lender.
10. Certified or notarized copies of those documents evidencing formation, organization, valid existence, good standing and due authorization of and for each Borrower Entity for the execution, delivery and performance of the Loan documents.
11. All Loan documents required by this Commitment executed and delivered by each Borrower Entity, fully registered in all appropriate registries and in the priority required by the Lender.
12. Corporate and enforceability opinions from Borrower's counsel for each Borrower Entity.
13. Lender's title insurance policy (from a title insurer and with such endorsements as approved or required by the Lender). Title, zoning and all permitted encumbrances shall be satisfactory to the Lender.
14. Such financial and other information, statements and documents with respect to the Property, any Borrower Entity or otherwise as the Lender or its counsel may reasonably require in connection with the underwriting or closing of the Loan.
15. Such documentation and information, including identification, required by the Lender to comply with all applicable laws and regulations governing proceeds of crime, money laundering and terrorist financing.

This is Exhibit "D" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink that reads "Adam Davis". The signature is written in a cursive style with a large initial 'A' and a long, sweeping tail.

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

**ACKNOWLEDGEMENT AND DIRECTION**  
**("Promenade Seniors Suites - 1st Mortgage")**

**TO:** ROSE, PERSIKO, RAKOWSKY, MELVIN LLP (Ronald B. Melvin)

**AND TO:** FIRST CANADIAN TITLE INSURANCE COMPANY

**RE:** INSTITUTIONAL MORTGAGE CAPITAL CANADA INC. loan to ASHCROFT HOMES - LA PROMENADE INC. upon the security of all property and assets comprising Part Lots 34 & 35, Concession 1 Cumberland (Old Survey), designated as Parts 7 & 8 on Plan 4R-29684, PIN 14501-0928 LT, 130 & 150 Rossignol Drive, Ottawa, Ontario

**This will confirm that:**

1. Each of the undersigned has reviewed the information set out in this Acknowledgment and Direction and in the draft forms of each document described below, a copy or copies of which is/are attached hereto as "Document in Preparation" (individually and collectively, the "**Document**");
  - (a) Charge/Mortgage in respect of the property described above.
  - (b) Notice of a General Assignment of Rents - General in respect of the property described above.
2. Each of the undersigned confirms that the information contained in each Document is accurate;
3. Each of the undersigned is in fact a party named in each Document and has not misrepresented its identity to its solicitors or to you;
4. The effect of this Acknowledgment and Direction and each Document has been fully explained to each of the undersigned by its own solicitors and it is understood that each of the undersigned is a party to and bound by the terms and provisions of each Document to the same extent as if it had signed the same;
5. Any registered user of the Teranet System who is a member of any law firm named above is authorized and directed to: (i) electronically sign and register each Document on behalf of each of the undersigned; and (ii) insert, complete or amend any omitted or incorrect dates and other particulars in each Document which are not inconsistent with the terms and conditions of the above-noted transaction and/or which may be required or advisable for the proper registration of such Document;
6. In the event of any investigation by the Director of Titles appointed under the Land Titles Act (Ontario) or the Registry Act (Ontario), as the case may be, regarding suspected fraudulent or unlawful activity or registration in connection with any Document, the undersigned hereby irrevocably consents to you releasing to the said Director of Titles a true copy of this Acknowledgment and Direction upon request by the said Director of Titles;
7. This Acknowledgment and Direction, and any amendment hereto, may be executed by the parties hereto (i) by facsimile transmission, email transmission or any other similar method to which the Electronic Commerce Act (Ontario) would apply, and any such execution as aforesaid shall be valid, binding and enforceable to the same extent as an originally signed document; and (ii) in two or more counterparts, and when each party has executed and delivered a counterpart of the same to you, such counterparts taken together shall be deemed to be a fully executed original copy of this Acknowledgment and Direction as though all parties had executed the same document. Each of the undersigned hereby irrevocably consent to and authorize their respective solicitors to consolidate the signed pages of each such executed counterpart into a single document, which consolidated document shall be deemed to be a fully executed original copy of this Document as though all parties had executed the same document; and
8. If necessary or appropriate, you are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form of the Document Registration Agreement authorized or recommended from time to time by the Law Society of Ontario. Each of the undersigned acknowledges that such Document Registration Agreement has been reviewed by it or by its solicitors and that the undersigned shall be bound by the terms of such Document Registration Agreement.

DATED this 04 <sup>October</sup> day of ~~September~~, 2020.

ASHCROFT HOMES - LA PROMENADE INC.

Per:   
 David Choo, President

I have authority to bind the Corporation.

**Properties**

**PIN** 14501 - 0928 LT **Interest/Estate** Fee Simple

**Description** PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 7, 8, PLAN 4R29684; TOGETHER WITH AN EASEMENT OVER PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 2, 4, PLAN 4R29684 IN FAVOUR OF PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PART 7, PLAN 4R29684 AS IN OC1822752; TOGETHER WITH AN EASEMENT OVER PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 2, 3, 4, 5, 6, PLAN 4R29684 IN FAVOUR OF PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PART 7, PLAN 4R29684 AS IN OC1822752; SUBJECT TO AN EASEMENT IN GROSS OVER PLAN 4R30928 AND PART 1 ON PLAN4R31325 AS IN OC2032997; CITY OF OTTAWA

**Address** 130 AND 150 ROSSIGNOL DRIVE  
OTTAWA

**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** ASHCROFT HOMES - LA PROMENADE INC.  
Acting as a company

**Address for Service** 18 Antares Drive  
Ottawa, Ontario, K2E 1A9

I, DAVID CHOO, President, have the authority to bind the corporation.

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

**Chargee(s)****Capacity****Share**

**Name** INSTITUTIONAL MORTGAGE CAPITAL CANADA INC.  
Acting as a company

**Address for Service** TD Centre, TD North Tower  
77 King Street West  
P. O. Box 117, Suite 4120  
Toronto, Ontario, M5K 1G8  
(Promenade Seniors Suites - 1st Mortgage)

**Provisions**

**Principal** \$42,000,000.00 **Currency** CDN

**Calculation Period** MONTHLY

**Balance Due Date** 2023/01/01

**Interest Rate** SEE SCHEDULE

**Payments**

**Interest Adjustment Date** 2020 10 01

**Payment Date** 1st day of each and every month

**First Payment Date** 2020 11 01

**Last Payment Date** 2023 01 01

**Standard Charge Terms** N/A

**Insurance Amount** Full insurable value

**Guarantor**

**File Number**

**Chargee Client File Number :** 20200355 / CHARGE PROMENADE

**SCHEDULE - ADDITIONAL PROVISIONS**  
**("Promenade Seniors Suites - 1st Mortgage")**

**ARTICLE 1 - INTERPRETATION AND CONSTRUCTION**

**Section 1.01 Definitions.**

In this Charge, unless something in the subject matter or context is inconsistent therewith:

**"Adjusted Rate"** means the variable annual rate of interest which is the greater of (a) the Prime Rate plus 6.00%, and (b) 8.45%, which rate of interest shall be compounded and payable monthly, not in advance, both before and after demand, default and judgment. The Adjusted Rate will be effective on and after the Step-Up Date (or if not a Business Day, the next Business Day thereafter).

**"Affiliate"** or **"affiliate"** of any Person means any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such first-mentioned Person; and **"Affiliated"** or **"affiliated"** shall have the corresponding meaning.

**"Applicable Laws"** means all applicable federal, provincial, state and municipal laws, statutes, regulations, rules, by-laws, orders, permits, licenses, authorizations, approvals and all applicable common laws or equitable principles whether now or hereafter in force and effect, whether in Canada, the United States of America or elsewhere.

**"Borrower Entity"** means the Chargor, the Borrower, each Indemnitor, each Guarantor (if any), and each Person having any registered, unregistered or beneficial ownership interest in all or any part of the Property from time to time, including (i) each partner of any Borrower Entity which is a general partnership, (ii) each general partner of any Borrower Entity which is a limited partnership and each limited partner thereof that undertakes any active management or control of such limited partnership (but shall not include any limited partner thereof so long as the such limited partner does not undertake any active management or control of such limited partnership).

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

**"Charge"** means, for the non-electronic paper based registration system, the Charge/Mortgage of Land (Form 2) to which this Schedule is attached, this Schedule and all other schedules thereto, or for the electronic registration system, the Charge prepared in the electronic format and registered electronically pursuant to Part III of the *Land Registration Reform Act* (Ontario), including this Schedule and all other schedules thereto.

**"Chargee"** means Institutional Mortgage Capital Canada Inc., in its capacity as general partner for and on behalf of IMC Limited Partnership, and each Person who acquires the right, title and interest of the Chargee under the Loan Documents.

**"Chargor"** means, individually and collectively, each Person named as Chargor in this Charge.

**"Commercial Leases"** means, collectively, all present and future leases, agreements to lease, subleases, concessions, licenses and other similar agreements by which the use and occupancy of the Property or any part thereof are granted to any Person for any purpose (excluding Residential Leases but including any ground lease or head lease of any kind and for any purposes), together with all related credits, rights, options, claims, causes of action, guarantees, indemnities, security deposits and other security related thereto, including each Material Commercial Lease.

**"Commitment Letter"** means the commitment letter governing the Loan.

**"control"** means the possession or ownership, either 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, partnership interests, trust unit or other instruments having the capacity to elect the directors, trustee or committees responsible for the control, management and direction of any Person or to otherwise control, manage or direct any Person, by contract or otherwise; and **"controlled"** and **"controlling"** shall have the corresponding meanings.

**"Costs"** means all fees, costs, charges and expenses of any Lender Entity for or incidental to (i) preparing, executing and registering the Loan Documents and making each advance of the Loan; (ii) collecting, enforcing and realizing on or under the Loan or the Loan Documents, including any workout or modification of the Loan or the Loan Documents agreed to by the Chargee in its sole discretion; (iii) inspecting, protecting, securing, completing, insuring, repairing, equipping, taking and keeping possession of, administering, managing, selling or leasing the Property, including curing any defaults under or renewing any leasehold interest, and all other protective disbursements or just allowances which may be added to principal or otherwise secured by this Charge under Applicable Laws; (iv) appointing a receiver, receiver and manager or other Person with similar powers (under the Loan Documents, Applicable Laws or otherwise) and all fees, costs and expenses of such receiver, receiver and manager or other Person and their respective agents; (v) conducting and/or obtaining any environmental audits or other inspections, tests or reports with respect to the Property; (vi) complying with any notices, orders, judgments, directives, permits, licenses, authorizations or approvals with respect to the Property; (vii) performing the obligations of any Borrower Entity under the Loan Documents; (viii) all legal fees and disbursements in connection with any of the foregoing matters, on a full indemnity or equivalent basis; (ix) allowances for the time, service, work or effort of any Lender Entity in connection with any of the foregoing matters, and if the Loan has been securitized, any recovery fee, workout fee and all special servicing fees which relate to the Loan and which become payable to any Loan servicer in such securitization from time to time; (x) terminating and/or replacing any manager of the Property and/or any management agreement relating to the Property as provided in the Loan Documents; (xi) without limiting the foregoing, any other amounts, fees, costs, charges or expenses payable or reimbursable to any Lender Entity under any of the Loan Documents or Applicable Laws; and (xii) all applicable taxes on all amounts, fees, costs, charges and expenses otherwise included in "Costs". "Costs" also include interest at the Interest Rate on all such fees, costs, charges and expenses (and applicable taxes) from the date incurred until paid to the Chargee.

“**Environmental Laws**” means all present and future Applicable Laws, permits, certificates, licenses, agreements, standards and requirements relating to environmental or occupational health and safety matters, including the presence, release, reporting, investigation, disposal, remediation and clean-up of Hazardous Substances.

“**Environmental Proceeding**” has the meaning set out in Section 4.02(m) of this Charge.

“**Equipment**” means all machinery, equipment, appliances, furniture, furnishings, chattels, fixtures (including all heating, air conditioning, ventilating, waste disposal, sprinkler and fire and theft protection equipment, plumbing, lighting, communications and elevator fixtures) and other similar property of every kind and nature whatsoever now or hereafter located upon or used in connection with the Property or appurtenant thereto, excluding any such personal or moveable property which is owned by a Tenant.

“**Event of Default**” or “**default**” means any of the following events: (a) any default by the Chargor in payment of all or any portion of the Loan Indebtedness when due or in payment of any Loan reserves when due under the Loan Documents; (b) if any Transfer occurs in breach or violation of the provisions of any of the Loan Documents; (c) if any Lien is made, created, issued, incurred or permitted to exist in respect of, or registered against, all or any part of the Property in breach or violation of the provisions of any of the Loan Documents (whether or not having priority over the security thereof); (d) any failure by any Borrower Entity to comply with its obligations under any of the Loan Documents with respect to insurance, including the provisions of Article 5 of this Charge; (e) any utility charges and Realty Taxes in respect of the Property are not paid when due; (f) any Borrower Entity defaults in observing or performing any other covenant, condition or obligation under any Loan Document on its part to be observed or performed which default is not cured within the applicable notice, grace or cure period, or if no such period is provided and is not expressly excluded, within thirty (30) days following written notice of such default to such Borrower Entity (but for greater certainty, there is no such notice, grace or cure period in respect of any other Event of Default separately enumerated in this definition or which is expressly stated in any Loan Document to be immediate or to have no applicable notice, grace or cure period); (g) any representation or warranty of any Borrower Entity in any Loan Document, or in any financial statement or other document at any time delivered by or on behalf of any such Borrower Entity to any Lender Entity in connection with the Loan that is incorrect or misleading in any material respect as of the date of delivery to such Lender Entity or as of such other date specified therein; (h) any Borrower Entity becomes insolvent, makes any assignment in bankruptcy, makes any assignment for the benefit of creditors or makes any proposal to or seeks relief from its creditors under any bankruptcy, insolvency, reorganization, liquidation, moratorium, receivership or other similar laws affecting or relating to creditor’s rights, any order, declaration or judgement of any court is made adjudging or declaring any Borrower Entity bankrupt or insolvent or ordering the liquidation, winding-up, reorganization or arrangement of any Borrower Entity or granting any Borrower Entity protection from its creditors or appointing any trustee, receiver, receiver and manager, administrator, sequestrator or other Person with similar powers in respect of any Borrower Entity or all or any part of its assets, or any proceedings are commenced by or against any Borrower Entity seeking any such order, declaration or judgement; (i) any default by any Borrower Entity under any mortgage, charge, hypothec, security interest or other financial encumbrance of all or any part of the Property ranking in priority to or subsequent to the security of the Loan Documents which is not cured within any cure periods applicable thereto; (j) any attornment of rents or withdrawal of consent to collect rents, power of sale or other sale by creditor, judicial sale, foreclosure, taking payment, taking possession or other enforcement or realization (whether or not permitted hereunder) proceedings are commenced against or in respect of any Borrower Entity, the Property or any part thereof under or in respect of such mortgage, charge, hypothec, security interest or other financial encumbrance or any holder thereof takes possession or control of any part of the Property; (k) any writ of execution, distress, attachment or other similar process is issued or levied against any Borrower Entity or all or any part of its assets, or any judgement or order is made against any Borrower Entity by a court of competent jurisdiction, and such writ, distress, attachment, process, judgment or order either (i) relates to or includes the Property or any part thereof, or (ii) in the opinion of the Chargee in its sole discretion, has or could be expected to have a Material Adverse Effect; (l) any part of the Property is expropriated and, in the opinion of the Chargee in its sole discretion, such expropriation has or could be expected to have a Material Adverse Effect; or (m) any other Event of Default expressly provided under any Loan Document.

“**Governmental Authority**” means any federal, provincial, state, municipal or other form of government or any political subdivision or agency thereof, any body or authority exercising any functions of government, and any court, whether in Canada, the United States of America or elsewhere.

“**Guarantor**” means each Person named as Guarantor under any guarantee forming part of the Loan Documents.

“**Hazardous Substance**” means any substance or material that is prohibited, controlled or regulated by any Governmental Authority including any contaminants, pollutants, asbestos, lead, polychlorinated by-phenyl or hydrocarbon products, any materials containing same or derivatives thereof, underground storage tanks, dangerous or toxic substances or materials, controlled products, and hazardous wastes.

“**Indemnitor**” means each Person named as Indemnitor under any indemnity forming part of the Loan Documents.

“**Initial Rate**” means the variable annual rate of interest which is the greater of (a) the Prime Rate plus 3.30%, and (b) 5.75%, which rate of interest shall be compounded and payable monthly, not in advance, both before and after demand, default and judgment.

“**Interest Accrual Period**” means a calendar month of the Term, commencing on the first day of each calendar month to and including the last day of the same calendar month, provided that the first Interest Accrual Period shall mean the period from and including the date of the initial Loan advance to and including the last day of the same calendar month.

“**Interest Adjustment Date**” means the date specified as the Interest Adjustment Date in this Charge.

“**Interest Rate**” means (i) for the period commencing on the initial Loan advance to and including the day immediately prior to the Step-Up Date, the Initial Rate; and (ii) for the period commencing on the Step-Up Date to and including the date upon which the Loan Indebtedness is paid in full to the Chargee, the Adjusted Rate.

**"Lands"** means the lands and premises described in this Charge (for a Charge in the non-electronic paper-based registration system, being the lands and premises described in Box 5 of the Charge/Mortgage of Land (Form 2) and in any schedule thereto, or for a Charge in the electronic registration system, being the lands and premises described in this Charge as the "Properties").

**"Leases"** means, collectively, all Commercial Leases and Residential Leases.

**"Lender Entity"** means each of the Chargee, the Loan servicer, the "Lender" named in the Commitment Letter, each Person having an ownership interest in the Loan from time to time, any receiver, receiver and manager, administrator or other Person with similar powers appointed by the Chargee, the issuer of any securities backed by or representing any direct or indirect interest in the Loan or any pool of loans that includes the Loan, and their respective employees, officers, directors, partners, agents and consultants.

**"Lien"** means any mortgage, charge, pledge, hypothec, assignment, lien, lease, sublease, easement, preference, priority, trust or other security interest or encumbrance of any kind or nature whatsoever with respect to any property or asset, including any title reservations, limitations, provisos or conditions.

**"Loan"** means the loan made by the Chargee to the Chargor in the Principal Amount pursuant to the Loan Documents.

**"Loan Documents"** means, collectively, all documents, instruments, agreements and opinions now or hereafter creating, evidencing, securing, guaranteeing and/or relating to the Loan and the Loan Indebtedness or any part thereof from time to time, including the Commitment Letter and this Charge.

**"Loan Indebtedness"** means the aggregate of (i) the Principal Amount, (ii) all interest and compound interest at the Interest Rate, (iii) Costs, (iv) the Prepayment Charge, if applicable, (v) any amount, cost, charge, expense or interest added to the Loan Indebtedness under the Loan Documents or Applicable Laws or which is otherwise due and payable thereunder or secured thereby from time to time, and (vi) all other monetary obligations of any Borrower Entity under or in respect of the Loan and the Loan Documents.

**"Material Adverse Effect"** means a material adverse effect on any of (i) the value or marketability of all or any part of the Property, or the servicing, development, construction, use, leasing, operation or management thereof by any Person; or (ii) the ability of any Borrower Entity to observe and perform any of its respective covenants and obligations to the Chargee under or in respect of the Loan and the Loan Documents when due, or (iii) the validity, enforceability or priority of any of the Loan Documents, any of the respective covenants, obligations and liabilities of any Borrower Entity thereunder, or any of the rights and remedies of the Chargee thereunder, or (iv) the business, assets, property or financial condition of any Borrower Entity, taken as a whole.

**"Material Agreement"** means (i) each agreement or contract to which any Borrower Entity is a party or which it is bound or may hereafter become a party or be bound which is material and which relates to the ownership, use, operation and/or financing of the Property, or which, if breached or contravened by such Borrower Entity or if terminated, could reasonably be expected to have a Material Adverse Effect, and (ii) each of the Loan Documents and each Material Commercial Lease.

**"Material Commercial Lease"** means each Commercial Lease which is (i) for premises comprising 5,000 square feet or more, or (ii) for premises comprising greater than 1,000 square feet, but less than 5,000 square feet, and having a term (inclusive of all renewal and extension options, whether or not exercised) of ten (10) years or more.

**"Maturity Date"** means the date specified as the Balance Due Date in this Charge.

**"Minimum DSCR"** means, as at any specified time, the underwritten net cash flow of the Property, as determined by the Chargee, providing for a debt service coverage ratio of 1.10x. Such calculation shall be based on an average of the previous three (3) consecutive calendar months based on supporting documents and information to be provided by and at the Chargor's sole expense, and subject to (i) rental income not trending downwards, and (ii) expenses being in line with industry standards, as determined by the Chargee acting reasonably.

**"Minimum Interest Amount"** means the amount of \$2,127,500 payable by the Chargor on account of regular interest (and not including any compound interest) on the outstanding Principal Amount from the date of the initial Loan advance until the date of any acceleration or prepayment of the Principal Amount occurring prior to the Maturity Date (including any acceleration as a result of an Event of Default).

**"Monthly Payment"** means each monthly payment of interest only payable by the Chargor to the Chargee on account of the Loan on each Payment Date up to and including the Maturity Date.

**"Organization Documents"** means, collectively, in respect of any Person other than a natural Person, all of the constating or organizational documents and instruments governing or giving rise to the creation, formation, existence, organization and operation of such Person from time to time, including (i) in respect of a corporation, its articles of incorporation, memorandum of association, articles of association, any amendments thereto and other similar or related documents and instruments, or (ii) in respect of any partnership, its partnership agreement, any amendments thereto, registrations and other similar or related documents and instruments; and (iii) in respect of a trust, its deed of trust or declaration of trust, any amendments thereto and other similar or related documents and instruments.

**"Payment Date"** means the first day of each calendar month occurring during the Term commencing on the first day of the first calendar month following the Interest Adjustment Date and ending on the Maturity Date.

**"Permitted Encumbrances"** means, as of any particular time and in respect of the Property, each of the following encumbrances: (i) all Commercial Leases which are either disclosed to and accepted by the Chargee in its sole discretion prior to the initial Loan advance or entered into subsequent to the initial Loan advance in compliance with the Loan

Documents, (ii) all Residential Leases; (iii) Liens specifically set out as exceptions to title in Schedule B to the title insurance policy issued to the Chargee in respect of this Charge and accepted by the Chargee in its sole discretion prior to the initial Loan advance; (iv) Liens otherwise expressly permitted under the terms of the Loan Documents; (v) any Liens which secure or comprise Permitted Equipment Financing; and (vi) such other title exceptions disclosed to and accepted by the Chargee in its sole discretion and in writing from time to time; provided that in the opinion of the Chargee in its sole discretion, all such Permitted Encumbrances, in the aggregate, do not have and could not be expected to have a Material Adverse Effect.

**“Permitted Equipment Financing”** means the leasing or financing (including renewals) of non-material Equipment in the ordinary course of the Chargor’s business of owning and operating the Property but only if and so long as (i) the Equipment leased is readily replaceable without material interference or interruption to the operation of such Property taken as a whole, (ii) such lease and/or financing is secured only by the Equipment leased or financed thereunder, and (iii) the aggregate of all remaining amounts payable by any Borrower Entity under all such leases and financings of Equipment up to and including the expiry or maturity of such leases and financings do not exceed the sum of \$250,000.

**“Person”** means any individual, general or limited partnership, joint venture, sole proprietorship, corporation, unincorporated association, trust, trustee, executor, administrator, legal representative or Governmental Authority.

**“Prepayment Charge”** means, with respect to any acceleration or prepayment of the Principal Amount occurring prior to the Maturity Date (including any acceleration as a result of an Event of Default), the amount which is equal to the positive difference, if any, between the Minimum Interest Amount and the aggregate amount paid by the Chargor on account of regular interest (and not including any compound interest) on the outstanding Principal Amount from the date of the initial Loan advance until the date of such acceleration or prepayment. The Prepayment Charge will be calculated by the Chargee in accordance with its standard methodology two (2) Business Days immediately prior to the proposed or anticipated date of prepayment or acceleration.

**“Prime Rate”** means, at any time, the annual rate of interest established from time to time by TD Canada Trust, at its head office location in Toronto, Ontario, as a reference rate then in effect for determining interest rates that TD Canada Trust will charge its customers of varying degrees of creditworthiness in Canada on Canadian dollar demand loans.

**“Principal Amount”** means the principal amount specified in the Charge (for a Charge in the non-electronic paper based registration system, being the dollar amount specified in Box 4 of the Charge/Mortgage of Land (Form 2), or for a Charge in the electronic registration system, being the dollar amount specified in the Charge as “Principal”).

**“Property”** means all legal and beneficial right, title, estate and interest in and to the Lands in fee simple, including any leasehold interest of the Chargor in the Lands, together with all buildings, structures, fixtures, and improvements of any nature and kind now or hereafter located on such Lands, and all Equipment, Leases, Rents and all other appurtenances thereto. Without limiting the foregoing, **“Property”** also includes all of the following real and personal property, rights and claims and in each case, both present and after-acquired: (i) all Permitted Encumbrances, Material Agreements and permits, licenses or approvals relating to such Property or its management or operation; (ii) all reserves held by the Chargee (or its Loan servicer) under the Loan Documents, (iii) all proceeds, awards or payments of any nature or kind, together with any interest thereon, relating to any part of such Property; (iv) all expropriation proceeds relating to such Property; (v) all insurance proceeds and any unearned insurance premiums and all refunds or rebates of Realty Taxes relating to such Property; (vi) all claims and rights relating to such Property, including any claims for loss or damage to, or diminution of value of, any part of such Property; (vii) all deposits, security or advance payments of any nature or kind relating to such Property; (viii) all surveys, drawings, designs, reports, studies, tests, plans and specifications relating to such Property; (ix) any other property subject to (or required to be subject to) the security in favour of the Chargee for the Loan Indebtedness from time to time, including any cash deposit paid to the Chargee under Section 6.01(v) of this Charge; and (x) all renewals, substitutions, improvements, accessions, attachments, additions, replacements and proceeds to, of or from each of the foregoing components of the Property or any part thereof and all conversions of such Property or the security constituted thereby, so that immediately upon the acquisition, construction, assemblage, placement or conversion of same, each of the foregoing shall be deemed a part of the Property and shall automatically become subject to the security of the Loan Documents as fully and completely and with the same priority and effect as if now owned by the Chargor and specifically described herein, without any further mortgage, charge or hypothecation by the Chargor.

**“Realty Taxes”** means all taxes, duties, rates, imposts, levies, assessments and other similar charges, whether general or special, ordinary or extraordinary, or foreseen or unforeseen, including municipal taxes, school taxes and local improvement charges, and all related interest, penalties and fines which at any time may be levied, assessed, imposed or be a Lien on all or any part of the Property.

**“Receiver”** has the meaning set out in Section 7.07.

**“Rents”** means all revenues, receipts, income, credits, deposits, profits, royalties, rents, additional rents, recoveries, accounts receivable and other receivables of any kind and nature whatsoever arising from or relating to the Property or any part thereof, including all amounts payable under any Lease and all amounts arising from or relating to any guest rooms, parking or other facilities and services, meeting rooms, common areas, restaurants or other food and beverage facilities and services, vending machines, telephone, television, cable and internet services, laundry and housekeeping facilities and services, and the provision or sale of any other goods and services, and any payment, consideration or compensation of any kind to which any Borrower Entity is or becomes entitled relating to or arising from, directly or indirectly, the full or partial termination, cancellation, amendment, modification or release of any Lease or any Tenant in respect thereof.

**“Residential Leases”** means, collectively, all present and future leases, agreements to lease, subleases, concessions, licenses and other similar agreements by which the use and occupancy of one or more residential units, rooms or beds comprising the Property are granted to any Person for residential purposes (including a hotel, motel, manufactured home community, or other similar use) or any uses ancillary thereto (but excluding any ground lease or head lease of any kind and for any purpose, which will be considered a Commercial Lease for all purposes), together with all related credits, rights, options, claims, causes of action, guarantees, indemnities, security deposits and other security related thereto.



“**Step-Up Date**” means the first day of the third (3rd) calendar month immediately prior to the Maturity Date.

“**Tenant**” means any lessee, sublessee, licensee or grantee of a right of occupation under a Lease and each guarantor, indemnitor or other obligor thereunder or in respect thereof.

“**Term**” means the term of the Loan up to and including the Maturity Date.

“**Transfer**” means: (a) any conveyance, assignment, transfer, sale, granting or creation of an option or trust with respect to, or other disposition of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) any registered, unregistered or beneficial interest in the Property or any part thereof (but excluding any expropriation); or (b) any change in the effective voting control of any Person comprising the Chargor or any Person having any registered, unregistered or beneficial ownership interest of any part of the Property from the effective voting control of such Person existing as of the initial Loan advance (including any change of ownership more than 50% of the voting securities in the capital structure of any such Person); or (c) any agreement to do or complete any of the matters referred to in (a) or (b) above which is not conditional upon compliance with Subsection 4.02(d) hereof.

## **Section 1.02 Interpretation and Construction.**

In each of the Loan Documents, including this Charge: (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the word “including” means “including, without limitation.”; (c) any reference to a statute means the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor or replacement statute thereto; (d) any reference to the Commitment Letter, any Loan Document, any Lease or other agreement or instrument includes all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto from time to time; (e) reference to the Chargee, Chargor (including equivalent references to such Persons, such as “Lender” and “Borrower”), Indemnitor, any Guarantor, any Lender Entity or Borrower Entity, and any other Person includes their respective heirs, executors, administrators, legal representatives, successors and permitted assigns, and reference to “corporation” includes a company or other form of body corporate; (f) all dollar amounts are expressed in Canadian dollars; (g) the division of any Loan Document into separate Articles, Sections, Subsections and Schedule(s), and the insertion of headings is for convenience of reference only and does not affect the construction or interpretation of such Loan Document; (h) the Chargee’s right to give or withhold any consent or approval, make any determination or exercise any discretion will be exercised by the Chargee acting reasonably (unless otherwise expressly provided in the Loan Documents), except that following an Event of Default and notwithstanding the foregoing and any other provision of any Loan Document or Applicable Laws to the contrary, the Chargee will be entitled to give, withhold, exercise or make all such rights, determinations or discretions in its sole discretion at all times (even if such Loan Document expressly requires the Chargee to act reasonably); (i) notwithstanding any other provision of the Loan Documents or any Applicable Laws to the contrary, the words “sole discretion” mean the giving, withholding, exercising or making of the applicable right, determination or discretion in a manner that is completely and absolutely subjective in all respects and that the Person giving, withholding, exercising or making such right, determination or discretion has no duty or obligation at any time to act objectively or to apply any objective criteria or to conform to any other standard, it being the intention that the exercise of “sole discretion” by any Person will not be subject to any restriction, limitation, challenge or review of any kind whatsoever at any time by any Borrower Entity, any court or any other Person; (j) the Loan Documents are the result of negotiations between the parties thereto and will not be construed in favour of or against any party by reason of the extent to which any party or its legal counsel participated in its preparation; (k) notwithstanding the actual date of execution or registration of this Charge, this Charge may be referred to in the Loan Documents as having been executed as of or bearing a formal date of **September 15, 2020**; (l) if more than one Person is named as, or otherwise becomes liable for or assumes the obligations and liabilities of, the Chargor or any other Borrower Entity under any of the Loan Documents, then all such obligations and liabilities of all such Persons so named or who subsequently become liable for such obligations and liabilities are joint and several; (m) time is of the essence; (n) all obligations of the Chargor in the Loan Documents are deemed to be covenants by the Chargor in favour of the Chargee; (o) any reference to the knowledge, belief or awareness of the Chargor includes (and is deemed to include) the knowledge, belief and/or awareness of each Person comprising the Chargor and each Person having any registered, unregistered or beneficial ownership interest in the Property or any part thereof from time to time and their respective directors, officers, partners and employees; (p) where any reference is made in any of the Loan Documents to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to, a trust, such reference will be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to, the trustee(s) of the trust; (q) if there is any conflict or inconsistency between any provision of this Charge and the provision of any other Loan Document, the provision of this Charge will prevail to the extent of any such conflict or inconsistency; (r) this Charge is intended by the parties to have been executed by the Chargor under seal for all purposes with the intention that this Charge be a specialty under Applicable Laws, whether or not a seal is actually affixed hereto; and (s) unless the Chargee otherwise elects at any time in writing and in its sole discretion, the mortgage, charge, assignment or security interest created by this Charge and any other Loan Document will not (i) extend or apply to the last day of any lease or agreement to lease in respect of real property now held or hereafter acquired by the Chargor or any other Borrower Entity as lessee, but the Chargor (for itself and on behalf of each Borrower Entity holding such leasehold interest) agrees that such last day will be held in trust for the Chargee, and if the Chargee elects to enforce such mortgage, charge, assignment or security interest in respect of such lease or agreement to lease, such last day will be assigned by the Chargor or such other Borrower Entity holding same to the Person acquiring such lease or agreement to lease from the Chargee or as the Chargee may otherwise expressly direct, (ii) extend to or apply to consumer goods or the shares of any unlimited company or unlimited liability corporation, or (iii) render the Chargee liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Chargor or any Borrower Entity is party or by which it is bound. This Charge is intended to supplement and not derogate from the other Loan Documents and the existence of additional terms, conditions or provisions (including any rights, remedies, representations and warranties) contained in this Charge will not be construed as being or deemed to be in conflict with such other Loan Documents. The delivery of this Charge for registration by direct electronic transmission will have the same effect for all purposes as if this

Charge was in written form, signed by the Chargor and delivered to the Chargee. For the purposes of this Charge and each of the other Loan Documents, reference to the terms "Charge", "charge", "Chargor" and "Chargee" shall mean "Mortgage", "mortgage", "Mortgagor" and "Mortgagee" respectively and vice versa.

### **Section 1.03 Survival of Representations, Warranties and Covenants.**

The representations, warranties, covenants and obligations of each Borrower Entity in the Loan Documents (i) will survive the making of any advance or full or partial repayment of the Loan, any full or partial release, termination or discharge of any Loan Document, and any enforcement or realization proceedings taken by any Lender Entity under any such Loan Document or Applicable Laws; (ii) will enure to the benefit of the Chargee for itself and on behalf of each Lender Entity, (iii) will be fully effective and enforceable by the Chargee notwithstanding any due diligence performed by or on behalf of any Lender Entity or any breach by any Borrower Entity of any of its obligations and liabilities in respect of the Loan or any other information (to the contrary or otherwise) known to any Lender Entity at any time; and (iv) will not be released, discharged or otherwise affected by the bankruptcy, winding-up, liquidation, dissolution or insolvency of, or any change in, any Borrower Entity, Lender Entity or any other Person that is a party to any agreement with any Lender Entity, including any change in the constitution of any partnership constituting any Lender Entity, Borrower Entity or other Person. Without limiting the foregoing, the representations, warranties, covenants and obligations of the Chargor under the Loan Documents will be fully binding upon and enforceable against the Chargor when it is the beneficial owner of the Property and when it is a trustee, agent or nominee of the Property for any other Person. The representations and warranties of each Borrower Entity in the Loan Documents are deemed to be made to the Chargee, for itself and for the benefit of each Lender Entity, on the date of execution of each Loan Document by such Borrower Entity and are deemed repeated by each such Borrower Entity on the date of each Loan advance (in each case, whether or not expressly stated in any Loan Document). The Chargor acknowledges and agrees that (i) each reference to Institutional Mortgage Capital Canada Inc., as Chargee under this Charge and in its other capacities and/or designations under each of the other Loan Documents, refers to Institutional Mortgage Capital Canada Inc. in its capacity as general partner for and on behalf of IMC Limited Partnership, and (ii) IMC Limited Partnership holds the Loan, the Loan Indebtedness and Loan Documents as custodian and agent for and on behalf of one or more investors therein from time to time and its or their respective successors and assigns from time to time. The Chargee has the sole and exclusive right to hold, receive, exercise, enforce and/or otherwise deal with, at all times in its sole discretion and without restriction, either directly or through a Loan servicer appointed by it, all of the rights, remedies, benefits and privileges of the Chargee under the Loan, Loan Documents and Applicable Laws as agent and custodian for and on behalf of all Persons having an ownership interest in the Loan from time to time. The Chargee may appoint a Loan servicer from time to time in its sole discretion, without notice to or the consent of any Borrower Entity, to collect and receive all Loan payments and proceeds, and to exercise and enforce any or all rights, remedies or benefits, or perform any or all obligations, of the Chargee under or in respect of the Loan, the Loan Documents and/or Applicable Laws, and such Loan servicer may appoint a sub-servicer from time to time in respect of any such matters. Each Borrower Entity will deal exclusively and at all times with the Chargee or its Loan servicer in respect of all matters relating to the Loan and the Loan Documents. Without limiting the foregoing, all enforcement actions or proceedings may be brought by the Chargee and/or the Loan servicer under or in respect of the Loan and the Loan Documents on behalf of each Lender Entity and the Chargor (for itself and on behalf of each Borrower Entity) irrevocably waives any requirement that any Person(s) having an ownership interest in the Loan from time to time be a party thereto. Notwithstanding any provision of the Loan Documents or Applicable Laws to the contrary, all claims, losses, costs or other amounts for which the Chargee is entitled to indemnity under any of the Loan Documents include claims, losses, costs or other amounts made against or incurred by the Chargee, the Loan servicer and/or each Person having an ownership interest in the Loan from time to time (whether or not specifically stated) and each such indemnity shall enure to the benefit of the Chargee, the Loan servicer and each such Person, and their respective successors and assigns. To the extent that any Lender Entity is entitled to indemnity for or in respect of any matter under any of the Loan Documents but is not a party thereto, such indemnity will be a valid and effective indemnity in favour of such Lender Entity for all purposes and the Chargee will hold and be entitled to enforce the full benefit of such indemnity on behalf of all such Lender Entities.

### **Section 1.04 Recourse.**

Notwithstanding any other provision in any Loan Document to the contrary, the respective obligations and liabilities of each Borrower Entity under the Loan and each of the Loan Documents are full recourse to each such Borrower Entity and all of its respective property and assets at all times without limitation or restriction of any kind.

### **Section 1.05 REIT Provision.**

Notwithstanding any other provision of this Charge or any other Loan Document, if any Borrower Entity is a real estate investment trust (a "REIT"), the obligations of the REIT under the Loan Documents are not personally binding upon, and resort will not be had to, nor will recourse or satisfaction be sought from, the private property of any of: (a) the unit holders of the REIT; (b) annuitants or beneficiaries under a plan of which a unit holder of the REIT acts as a trustee or carrier; and (c) trustees, officers or employees of the REIT, provided that the Property will remain bound by and subject to this Charge and the other Loan Documents, and the Chargee will have full recourse to the Property, at all times and without limitation or restriction of any kind. Any obligation of the REIT set out in the Loan Documents will, to the extent necessary to give effect to such obligation, be deemed to constitute, subject to the provisions of the previous sentence, an obligation of the trustees of the REIT in their capacity as trustees of the REIT. Nothing herein will (i) constitute a bar to any action against the REIT for specific performance of any of its obligations under any Loan Document, or (ii) limit, restrict or otherwise affect the validity or enforceability of the obligations and liabilities of any Borrower Entity under this Charge or any other Loan Document.

## **ARTICLE 2 - CHARGE**

### **Section 2.01 Charge.**

As security for the payment and performance to the Chargee of the Loan Indebtedness and the observance and performance by the Chargor of all of its other covenants and obligations hereunder and under the other Loan Documents, the Chargor hereby mortgages, charges, assigns and grants a security interest in the Property to and in favour of the Chargee.

**Section 2.02 Continuing Security.**

This Charge will operate until all Loan Indebtedness has been fully paid to the Chargee and all other obligations of the Chargor under the Loan Documents have been fully performed, each in the manner contemplated by this Charge and the other Loan Documents, and a discharge of this Charge is executed and delivered by the Chargee to the Chargor pursuant to Section 7.13. Without limiting any other provision hereof, this Charge secures, *inter alia*, a current or running account and any portion of the Principal Amount may be advanced or readvanced by the Chargee in one or more sums at any future date or dates and the amount of such advances or readvances when so made will be secured by this Charge and be repayable with interest at the Interest Rate and this Charge will be security for the ultimate balance owing to the Chargee arising from the current and running accounts represented by advances or readvances of the Principal Amount or any part thereof with interest at the Interest Rate and all other amounts secured hereby and notwithstanding any change in the amount, nature or form of the Loan Indebtedness from time to time. If the whole or any part of the Principal Amount or other amount secured hereby is repaid, this Charge will be and remain valid security for any subsequent advance or readvance of any part of the Loan Indebtedness by the Chargee to the Chargor until such time as the Chargee has executed and delivered to the Chargor a complete discharge of this Charge. The provisions relating to defeasance contained in Subsection 6(2) of the *Land Registration Reform Act* (Ontario) are hereby expressly excluded from this Charge.

**Section 2.03 Subsequent Advance.**

Following the initial Loan advance, the Chargor has the option to request one (1) subsequent advance of the Loan (the "**Subsequent Advance**") in the principal amount of up to \$5,000,000 (the "**Subsequent Advance Limit**") upon and subject to satisfaction by the Chargor of each of the following conditions prior to the proposed Subsequent Advance being made by the Chargee, in each case at the Chargor's sole cost and expense and to the satisfaction of the Chargee in its sole discretion:

- (a) the Chargor gives the Chargee written notice of such request for the Subsequent Advance (which notice shall be irrevocable by the Chargor) at least thirty (30) days prior to the date of such proposed Subsequent Advance;
- (b) the Borrower must demonstrate to the satisfaction of the Lender that the Property has achieved the Minimum DSCR for three (3) consecutive calendar months;
- (c) both at the time any notice of request for the Subsequent Advance is given to the Chargee and at the time immediately preceding the Subsequent Advance, no Event of Default shall have occurred which remains outstanding and no event has occurred and remains outstanding which, with the passing of time or the giving of notice or both, would be an Event of Default;
- (d) the Chargor and each other Borrower Entity must execute and deliver, in the Chargee's form, such documents, confirmations and opinions as the Chargee may require acting reasonably, including a compliance certificate executed and delivered by the President of the Chargor, in the Chargee's required form and including each of the following statements and certifications made as of the date of such certificate and without exception or qualification of any kind: (i) that there is no Event of Default and no event has occurred which, with the passing of time or giving of notice or both, would be an Event of Default under the Loan, (ii) that each of the representations and warranties of each Borrower Entity set out in the Loan Documents, including the representations and warranties set out in Section 4.02 of this Charge, are true and correct as though made the date of such certificate; and (iii) that all of the terms, covenants and conditions of the Loan Documents to be performed or complied with by each Borrower Entity have been complied with
- (e) the Chargor shall deliver to the Chargee a clear title subsearch of the Property showing no new title encumbrances of any kind, save and except for those previously approved in writing by the Chargee;
- (f) the Chargor must pay the Chargee's draw fee in the amount of \$1,000 plus applicable taxes; and
- (g) the Chargor must pay all reasonable Costs (plus applicable taxes) of the Chargee, the Loan servicer, the title insurer and their respective legal counsel relating to each such Subsequent Advance, its review of the Chargor's compliance with these terms and conditions, and the preparation and review and/or recording of all documents and legal opinions.

Notwithstanding anything to the contrary, the Subsequent Advance must be drawn on or before the first (1st) anniversary of the initial Loan advance, and any portion of the Subsequent Advance Limit that is not drawn prior to such date will cease to be available to the Chargor as a Subsequent Advance.

Until all of the foregoing conditions in respect of any proposed Subsequent Advance have been satisfied by the Chargor to the full satisfaction of the Chargee in its sole discretion, the Chargee shall not be required to provide any Subsequent Advance, notwithstanding the giving or acceptance of any notice of request for the proposed Subsequent Advance, any other partial fulfilment of the conditions in respect of the proposed Subsequent Advance, any approval, agreement, waiver, correspondence, communications and/or course of dealings by or on behalf of the Chargee, its Loan servicer or any other Person in respect of the proposed Subsequent Advance, or any other act, event, circumstance, matter or thing of any kind. For greater certainty and without limiting the foregoing, if any Event of Default occurs prior to the drawing of the proposed Subsequent Advance and is uncured, or if any event occurs prior to the commencement of the drawing of the proposed Subsequent Advance, with the passing of time or the giving of notice or both, would be an Event of Default, then notwithstanding any other provision of this Charge or Applicable Laws to the contrary, the giving or acceptance of any notice requesting the proposed Subsequent Advance, any approval, agreement, waiver, correspondence, communications and/or course of dealings by or on behalf of the Chargee, its Loan servicer or any other Person or any other act, event, circumstance, matter or thing of any kind, the conditions for the proposed Subsequent Advance will be deemed for all purposes not to have been satisfied and the proposed Subsequent Advance will not be effective or binding on the Chargee for any purpose.

**ARTICLE 3 - PAYMENT PROVISIONS****Section 3.01 Covenant to Pay.**

The Chargor acknowledges itself indebted and promises to pay the Loan Indebtedness to the Chargee as and when provided in this Charge, without legal or equitable set-off, deduction, abatement, defence or claim of any kind.

**Section 3.02 Interest.**

The Principal Amount advanced to the Chargor from time to time will bear interest at a variable rate per annum equal to the Interest Rate in effect for each Interest Accrual Period, which interest shall be compounded and payable monthly, not in advance, both before and after default, demand, maturity and judgment until paid. The Interest Rate for each Interest Accrual Period will be set by the Chargee on the last Business Day of the immediately preceding calendar month, or in the case of the initial Interest Accrual Period, at the time of the initial advance of the Loan. Interest shall be charged on the actual number of days elapsed in each Interest Accrual Period and, except as otherwise provided in Section 3.03(a), shall be payable in arrears. The establishment of the Prime Rate and the determination by the Chargee of the Interest Rate for each Interest Accrual Period shall be final and binding on each Borrower Entity subject only to manifest error.

The Chargor acknowledges and agrees, both for itself and on behalf of each Borrower Entity, that the increase in the Interest Rate on the Step-Up Date occurs solely by passage of time, and not as a result of the occurrence of any default or Event of Default.

**Section 3.03 Payment Provisions.**

The Chargor will pay the Loan Indebtedness to the Chargee as follows: (a) on the date of the initial Loan advance, the Chargor shall pay to the Chargee, in advance, interest on the outstanding Principal Amount at the Interest Rate for the initial Interest Accrual Period (at the option of the Chargee, such interest may be deducted from the initial Loan advance); (b) on each Payment Date following the Interest Adjustment Date and until and including the Maturity Date, the Chargor shall make monthly payments of interest only each in an amount equal to the interest accrued on the outstanding Principal Amount during the Interest Accrual Period ending on the day immediately prior to such Payment Date at the Interest Rate in effect for such Interest Accrual Period; (c) any part of the Loan Indebtedness that is not principal or interest on principal will be payable on demand with interest thereon at the Interest Rate; and (d) the balance of the Loan Indebtedness then remaining including the outstanding Principal Amount together with any interest thereon at the Interest Rate will become due and be paid on the Maturity Date.

**Section 3.04 Compound Interest.**

Interest will accrue on overdue interest at the Interest Rate from time to time, both before and after default, demand, maturity and judgment until paid and shall be due and payable by the Chargor to the Chargee forthwith. If such overdue interest and compound interest are not paid on or before the next Payment Date, a rest will be made and compound interest at the Interest Rate will be payable on the aggregate amount then due, both before and after maturity, default and judgment, and so on from time to time until paid. All compound interest will be added to the Loan Indebtedness and will be secured by this Charge and the Loan Documents.

**Section 3.05 Receipt of Payment.**

Payment will not be deemed to have been made until the Chargee has actually received such money. The Chargor assumes all risk if payments are lost or delayed. Any payment received after 12:00 noon Toronto time on any day will be deemed, for the purpose of calculation of interest, to have been made and received on the next Business Day. Payments will be made to the Chargee at such place as the Chargee may designate from time to time by notice to the Chargor.

**Section 3.06 Wire Transfer/Pre-authorized Chequing.**

The Chargor, on written request from the Chargee, and at the Chargee's option, will make all payments pursuant to this Charge by pre-authorized chequing or electronic debit entry on an account maintained by the Chargor and will execute and provide such written authorizations and sample cheques as the Chargee may require.

**Section 3.07 Dishonoured Cheques or Payments.**

If any of the Chargor's cheques are not honoured when presented for payment or if a pre-authorized payment is not honoured, the Chargor will immediately pay the Chargee a reasonable servicing fee as determined by the Chargee or its servicer to cover the administration costs and expenses arising therefrom. Until paid, such servicing fee, together with interest thereon at the Interest Rate, will be added to the Loan Indebtedness and will be secured by the Loan Documents.

**Section 3.08 No Right of Prepayment.**

Except as expressly provided in this Section 3.08 or elsewhere in this Charge, the Loan Indebtedness may not be prepaid in whole or in part at any time prior to the Maturity Date.

The Chargor may prepay all (but not less than all) of the outstanding Loan Indebtedness at any time during the Term, subject to the satisfaction of the following terms and conditions:

- (a) the Chargor shall either (i) give the Chargee not less than sixty (60) days prior written notice of such prepayment (which notice shall be irrevocable by the Chargor and will specify the date on which such prepayment will be made), or (ii) make payment to the Chargee of sixty (60) days interest in lieu of the notice required pursuant to subsection (i), such interest to be calculated using the Interest Rate in effect for the Interest Accrual Period during which such prepayment is made;
- (b) the Chargor shall concurrently pay to the Chargee:
  - (i) the outstanding Principal Amount;

- (ii) all accrued and unpaid interest (including any additional interest payable pursuant to subsection 3.08(a)(ii) hereof, if applicable);
- (iii) if such prepayment is not made on a Payment Date, in addition to all other amounts, an amount equal to all interest that would have accrued, absent such prepayment, on the Principal Amount at the applicable Interest Rate up to and including the next regularly scheduled Payment Date;
- (iv) if such prepayment occurs prior to payment of the Minimum Interest Amount and in addition to all other amounts, the Prepayment Charge; and
- (v) all other outstanding Loan Indebtedness.

Any failure by the Chargor to pay to the Chargee such prepayment on the date specified in any notice given by the Chargor hereunder shall be an immediate Event of Default.

If any acceleration (including any acceleration under Section 4.02(d) hereof) or prepayment of all or any part of the Principal Amount should occur for any reason whatsoever (whether as a result of any Event of Default, Applicable Laws or otherwise) prior to payment of the Minimum Interest Amount, then the Prepayment Charge will immediately become due and payable by the Chargor to the Chargee, in addition to all other Loan Indebtedness. Such Prepayment Charge will be added to the Loan Indebtedness and until paid, will bear interest at the Interest Rate and will be secured by the Loan Documents.

The Chargor acknowledges and agrees that the Prepayment Charge represents fair and reasonable compensation for the loss that the Chargee (and any Person having an ownership interest in the Loan) may sustain from any acceleration or prepayment of the Principal Amount prior to payment of the Minimum Interest Amount and that such Prepayment Charge is commercially reasonable and a genuine pre-estimate of such loss and is not a penalty. Nothing in this paragraph creates any right of prepayment of all or any part of the Loan Indebtedness in favour of the Chargor or any other Person at any time. The Chargor agrees to indemnify, pay and save each Lender Entity harmless from and against all actions, proceedings, claims, demands, judgments, losses, damages, liabilities, costs or expenses (including legal fees) made against or incurred by such Lender Entity arising from or relating directly or indirectly to (i) the failure of the Chargor to pay such Prepayment Charge to the Chargee upon any acceleration or prepayment of the Loan (including any acceleration as a result of an Event of Default) and/or (ii) any claim, action or proceeding alleging that such Prepayment Charge is not payable to or enforceable by the Chargee under Applicable Laws for any reason. Until paid, any amounts payable to any Lender Entity hereunder, together with interest thereon at the Interest Rate, will be added to the Loan Indebtedness and will be secured by the Loan Documents.

#### **Section 3.09 Application of Payments.**

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

#### **Section 3.10 Costs.**

The Chargor covenants to pay all Costs to the Chargee forthwith upon demand whether or not all or any part of the Principal Amount is advanced. Until paid, all Costs together with interest thereon at the Interest Rate will be added to the Loan Indebtedness and will be secured by the Loan Documents. The Chargor, for itself and on behalf of each Borrower Entity, agrees that any recovery fee, workout fee and all special servicing fees which become payable to any Loan servicer in respect of the Loan at any time during the Term and which are included in Costs are fair and commercially reasonable costs and expenses incurred by the Chargee and do not constitute a fine, penalty or default interest charged on arrears of principal or interest.

#### **Section 3.11 Deemed Re-investment.**

There will be no allowance or deduction for deemed re-investment with respect to any amounts paid to the Chargee on account of interest under the Loan.

#### **Section 3.12 Advance Directed to Pay Reserves and Costs.**

Notwithstanding any Applicable Laws to the contrary, any amounts directed from any Loan advance by the Chargor to be paid as a reserve under the Loan Documents or to be paid on account of any Costs will be considered to be fully and immediately advanced to the Chargor for all purposes, will bear interest at the Interest Rate from and after the date of such Loan advance, and shall be fully and immediately secured by the Loan Documents in priority to all other Liens.

#### **Section 3.13 Reserves.**

In addition to the Loan Indebtedness, the Chargor must pay to the Chargee all Loan reserves required by the Loan Documents when due.

## ARTICLE 4 - REPRESENTATIONS, WARRANTIES AND COVENANTS

**Section 4.01 Statutory Covenants.**

The implied covenants under subsection 7(1) of the *Land Registration Reform Act* (Ontario) are expressly incorporated in this Charge but are varied so that they apply to the Chargor when it is the beneficial owner of the Property and to the Chargee when it is a trustee of the Property for any other Person. The covenants in this Charge supplement and do not derogate from such implied covenants.

**Section 4.02 Representations, Warranties and Covenants.**

The Chargor, for itself and on behalf of each Borrower Entity, represents and warrants to and covenants with the Chargee, for itself and for the benefit of each Lender Entity, as follows:

- (a) **Authorization.** Each Borrower Entity (i) which is a corporation, is a duly organized and validly existing corporation under the laws of its governing jurisdiction; (ii) which is a partnership or trust, is a valid and subsisting partnership or trust, as the case may be, under the laws of its governing jurisdiction; (iii) to the extent it owns any registered, unregistered or beneficial interest in the Property, has full power, authority and legal right to own its interest in the Property and to carry on its business with respect to the Property in compliance with all Applicable Laws and is duly licensed, registered or qualified in all jurisdictions where the character of its undertaking, property and assets or the nature of its activities makes such licensing, registration or qualification necessary or desirable; (iv) has full power, authority and legal right to enter into each of the Loan Documents to which it is a party and to do all acts and execute and deliver all other documents as are required to be done, observed or performed by it in accordance with their respective terms; (v) has taken all necessary action and proceedings to authorize the execution, delivery and performance of the Loan Documents to which it is a party and to observe and perform the provisions of each in accordance with its terms; (vi) will maintain in good standing its existence, capacity, power and authority as a corporation, partnership or trust, as the case may be, and shall not liquidate, dissolve, wind-up, terminate, merge, amalgamate, consolidate, reorganize or restructure or enter into any transaction or take any steps in connection therewith; (vii) will not make or permit any amendment to its Organizational Documents or continue into any other jurisdiction outside of Canada (from that existing as of the initial Loan advance) in each case without the prior written consent of the Chargee in its sole discretion; (viii) will not change its name, chief executive office, principal place of business or domicile or continue into any other jurisdiction within Canada without giving the Chargee 30 days' prior written notice, and (ix) which is the Chargor, is a corporation resident in Canada for the purposes of the *Income Tax Act* (Canada).
- (b) **Enforceability.** The Loan Documents constitute valid and legally binding obligations of each Borrower Entity which is a party thereto enforceable against each of them in accordance with their respective terms and are not subject to any right of rescission, set-off (legal or equitable), counterclaim or defence. Neither execution and delivery of the Loan Documents, nor compliance with the terms and conditions of any of them, (i) has resulted or will result in a breach or violation of the Organizational Documents governing any Borrower Entity, (ii) has resulted or will result in a breach of or constitute a default under Applicable Laws or any agreement or instrument to which any Borrower Entity is a party or by which it or the Property or any part thereof is bound, or (iii) requires any approval or consent of any Person except such as has already been obtained.
- (c) **Title and Security.** The Chargor is the sole registered, legal and beneficial owner of the Property and no other Person has any registered, unregistered or beneficial ownership interest therein. The Chargor has good and marketable title to the Property free and clear of all Liens other than Permitted Encumbrances. This Charge and the other Loan Documents will be at all times a good and valid first priority mortgage, charge, assignment of and security interest in and of the entire legal and beneficial ownership interest in the Property in priority to all other Liens other than Permitted Encumbrances. The Chargor will defend title to the Property for the benefit of the Chargee from and against all actions, proceedings and claims of all Persons. The Chargor will not permit the Property or any part thereof to be subject to or included in any condominium or strata title regime or any other form of multiple ownership or governance.
- (d) **Transfers and Liens.** No Transfer will be made or permitted to be made without the prior written consent of the Chargee in its sole discretion. Other than Permitted Encumbrances, no Liens will be created, issued, incurred or permitted to exist (by operation of law or otherwise and whether prior to, *pari passu* with or subordinate to this Charge or the other Loan Documents or the security thereof) in respect of, or registered against, any part of the Property or any interest therein (except in favour of the Chargee as security for the Loan), without the prior written consent of the Chargee at its sole option exercisable in its sole discretion. Any Lien not permitted hereby must be fully vacated and discharged from the Property by the Chargor forthwith. If, without the prior written consent of the Chargee, any Transfer or Lien of any part of the Property or any interest therein (other than a Transfer or Lien otherwise expressly permitted under the terms hereof) is made, created, incurred, taken or permitted to exist, then the Chargee, at its sole option exercisable in its sole discretion and without limiting its other rights and remedies hereunder, may declare an Event of Default to have occurred and the Loan Indebtedness (including the Prepayment Charge) to be immediately due and payable by the Chargor to the Chargee, in which event all of the Chargee's rights and remedies under this Charge, the other Loan Documents and Applicable Laws will become immediately enforceable. Notwithstanding the foregoing, if the Chargee elects to provide its consent to any Transfer or Lien, then notwithstanding such consent, such Transfer or Lien will be subject at all times to the satisfaction by the Chargor of each of the following terms and conditions prior to the completion of such Transfer, in each case at the Chargor's sole cost and expense and to the satisfaction of the Chargee in its sole discretion: (i) no Event of Default has occurred and is uncured and no event has occurred and is uncured which, with the passing of time or the giving of notice or both, would be an Event of Default, (ii) the Chargee has approved in its sole discretion the financial condition, managerial

capacity and ownership structure of the transferee, (iii) the transferee and each other Borrower Entity must execute and deliver, in the Chargee's form, an assumption agreement and such other indemnities, confirmations, insurance policies (including title insurance) and opinions as the Chargee may require in its sole discretion, (iv) INTENTIONALLY DELETED; (v) the Chargor must pay all fees, costs and expenses (plus applicable taxes) of the Chargee, the Loan servicer and its legal counsel relating to such Transfer, its review of Chargor's compliance with these terms and conditions, the preparation and review and/or recording of any and all documents and legal opinions relating thereto, including any governmental or third-party fees, costs, taxes or assessments thereon, (vi) the Chargor must pay to the Chargee an assumption fee with respect to such Transfer equal to 0.50% of the Principal Amount (such fee not to exceed \$30,000.00), plus applicable taxes, (vii) registered title to the Property must be held at all times by a corporation resident in Canada for the purposes of the *Income Tax Act* (Canada), and (viii) the Chargor must satisfy all other conditions imposed by the Chargee in respect of such Transfer.

Notwithstanding any other provision of any Loan Documents to the contrary, no Transfer otherwise permitted by this Charge will be permitted, and the Chargee may withhold its consent to such Transfer, if, in the opinion of the Chargee or its legal counsel in its sole discretion, it would result in a novation of the Loan under Applicable Laws or if it has or could be expected to have a Material Adverse Effect. This Section 4.02(d) supersedes all provisions governing Transfers set out in the Commitment Letter and any addenda thereto.

Notwithstanding the restrictions contained in the first paragraph of this Section 4.02(d), and provided no Event of Default has occurred and is uncured and no event has occurred and is uncured which, with the passing of time or the giving of notice or both, would be an Event of Default, the Chargor may place a subordinate Lien on the Property in favour of the Chargee (or an Affiliate of the Chargee or an investment fund managed by IMC Limited Partnership) in an amount and upon terms and conditions satisfactory to the Chargee in its sole discretion, and subject to the satisfaction of each of the following conditions prior to the granting of such subordinate Lien, in each case at the Chargor's sole cost and expense and to the satisfaction of the Chargee in its sole discretion: (i) the Chargor must demonstrate that (A) the Chargor will be able to make all payments when due under the indebtedness secured by such subordinate Lien from Property cash flow, including all amounts due on maturity, after all payments due on account of the Loan, all Loan reserves and all Property expenses (both capital and non-capital) are paid, (B) the aggregate of all Loan Indebtedness and all indebtedness secured by such subordinate Lien must have a maximum loan to value ratio of not more than 75%, as determined by the Chargee (or the Loan servicer), and (C) there are no insolvency issues with respect to any Borrower Entity; (ii) if required by the Chargee in its sole discretion, the subordinate lender must execute and deliver to the Chargee a subordination and standstill agreement in the Chargee's required form, which agreement must include a full subordination and postponement of the subordinate Lien and all indebtedness secured thereby to the Loan Documents, all Loan Indebtedness and all Loan reserves, restrictions on payment of such subordinated indebtedness from Property cash flow, and complete standstill provisions restricting the enforcement by the subordinate lender of all of its rights and remedies under or in respect of the subordinate Lien and all indebtedness secured thereby without the Chargee's prior written consent in its sole discretion; and (iii) the Chargor must pay all fees, costs and expenses (plus applicable taxes) of the Chargee, the Loan servicer and its legal counsel relating to the Chargee's review and approval of such subordinate Lien, its review of Chargor's compliance with these terms and conditions and the preparation and review and/or recording of any and all documents and legal opinions relating thereto, including any governmental or third-party fees, costs, taxes or assessments thereon.

- (e) Realty Taxes and Utility Charges. The Chargor will pay or cause to be paid all Realty Taxes and utility charges relating to the Property when due. Without limiting the foregoing, the Chargor will also comply with its obligations under the Commitment Letter and/or rate lock confirmation with respect to Realty Tax reserves and any applicable tax instalment payment plan applicable to the Property, including making all payments thereunder when due. The Chargor will deliver to the Chargee receipted invoices or other evidence of payment of (i) Realty Taxes as set out in the Commitment Letter, and (ii) utility charges upon request by the Chargee.
- (f) Litigation. There are no existing or threatened actions, proceedings or claims against or relating to the Property or any Borrower Entity or, to the Chargor's knowledge, any prior owner of the Property, except in each case as disclosed to and accepted by the Chargee in writing prior to the initial Loan advance. Upon becoming aware of any threatened or actual action, proceeding or claim against or relating to the Property or any Borrower Entity or any prior owner of the Property, the Chargor will promptly notify and provide the Chargee with such information concerning same as the Chargee may require from time to time.
- (g) Property. The Property is in good condition and repair, complies with all Applicable Laws, Permitted Encumbrances, Material Agreements, permits, licenses and approvals, and the current location, occupancy, operation and use of the buildings, structures and other improvements on the Property (including all existing and permitted uses of the Property by Tenants) either comply with all Applicable Laws, or to the extent of any non-compliance, such non-compliance is legally permitted under Applicable Laws. No buildings, structures or other improvements have been made, altered or removed from the Property since the date of the survey provided to the Chargee prior to the initial Loan advance and such survey accurately shows the location thereof. Except as expressly disclosed as exceptions to title in Schedule B to the title insurance policy issued to the Chargee in connection with the initial Loan advance and accepted by the Chargee in its sole discretion, the Chargor is not aware of any action, proceedings, notices, judgments, orders or claims by any Person alleging or relating to any non-compliance by the Property with any Applicable Laws, Permitted Encumbrances, Material Agreements or any permits, licenses or approvals and the Chargor shall promptly notify and provide the Chargee with particulars of any default thereunder and any other information as the Chargee may require from time to time. All

services and utilities necessary for the use and operation of the Property are located in the public highway(s) abutting the Property (or within easements disclosed to and approved by the Chargee in writing prior to the initial Loan advance) and are connected and available for use. The Property has unrestricted and unconditional rights of public access to and from public highways (completed and available for public use) abutting the Property at all existing access points. There is no existing or threatened expropriation or other similar proceeding in respect of the Property or any part thereof.

- (h) Use and Maintenance. Neither the Chargor nor any other Borrower Entity will change the use of or abandon the Property, commit or permit any waste of the Property or remove or permit the removal of any building, structure or other improvement from the Property (other than any Tenant's improvements which are removable by a Tenant in accordance with its Lease). The Chargor will diligently maintain, use, manage, operate and repair the Property in a safe and insurable condition, in accordance with Applicable Laws, Permitted Encumbrances, Material Agreements, permits, licenses and approvals, in a prudent and business-like manner, and in keeping with the highest standards for similar properties in the locality in which the Property is situated. The Chargor will promptly make or cause to be made at its expense all repairs and replacements to the Property necessary to comply with this Subsection in a good and workmanlike manner and equal or better in quality to the original work, and in compliance with all Applicable Laws, Permitted Encumbrances, Material Agreements, permits, licenses and approvals.
- (i) Changes to Property. Neither the Chargor nor any other Borrower Entity will demolish, remove, construct, alter, add to, repair or restore the Property or any portion thereof (collectively, "Alterations") nor consent to or permit any other Person to make such Alterations, without obtaining in each instance the Chargee's prior written consent in its sole discretion. Nothing herein will prevent or restrict any Borrower Entity from complying with its obligations to maintain and repair the Property in accordance with the Loan Documents.
- (j) Management. The manager of the Property and each management agreement will each be subject to the prior written approval of the Chargee in its sole discretion from time to time. The manager will not be removed or replaced and the management agreement shall not be terminated or amended without the prior written consent of the Chargee in its sole discretion. Upon an Event of Default, the Chargee may terminate, or require the Chargor to terminate, any such management agreement and/or manager of the Property and may retain, or require the Chargor to retain, a new manager of the Property approved by the Chargee (in each case at the Chargor's sole expense). Each management agreement must contain termination provisions consistent with this Subsection.
- (k) Right of Inspection. The Chargee, the Loan servicer and their respective agents and employees will have the right, subject to the rights of Tenants under existing Leases, to enter and inspect the Property and/or make any environmental tests and inspections at all reasonable times and, except in an emergency or following an Event of Default, upon reasonable notice (which notice shall not be required to be writing) to the Chargor. The Chargee will not be considered to have taken possession of the Property or to otherwise become a mortgagee or chargee in possession of the Property by reason of its exercise of any such right.
- (l) Permits. The Chargor (i) has obtained all permits, agreements, rights, licences, authorizations, approvals, franchises, trademarks, trade names and similar property and rights (collectively "Permits") necessary to permit the lawful construction and the current occupancy, operation and use of the Property; (ii) is not in default under such Permits and will maintain all such Permits in good standing and in full force and effect; (iii) will not terminate, amend or waive any of its rights and privileges under any Permits without the Chargee's prior written consent in its sole discretion; and (iv) is not aware of any proposed changes or any notices or proceedings relating to any Permits (including pending cancellation, termination or expiry thereof). The Chargor will promptly notify and deliver to the Chargee particulars of any such changes, notices or proceedings that may arise from time to time.
- (m) Representations Regarding Environmental Matters. The Property and all activities conducted thereon comply with all Environmental Laws. The Property is not and will not be used at any time for the purpose of manufacturing or storing Hazardous Substances. The Property contains no Hazardous Substances (except those used incidentally in the ordinary course of business of the Chargor or any Tenant and in compliance with all Applicable Laws), has not been previously, and is not currently, subject to any remediation or clean-up of Hazardous Substances and there has not been and is no prior, existing or threatened investigation, action, proceeding, notice, order, conviction, fine, judgment, claim, directive or Lien of any nature or kind against or affecting the Property or the Chargor arising under or relating to Environmental Laws (each, an "Environmental Proceeding"). All existing environmental assessments, audits, tests and reports relating to the Property have been delivered to the Chargee. To the best of the Chargor's knowledge and belief, there are no pending or proposed changes to Environmental Laws or any Environmental Proceedings which would render illegal or affect the present use and operation of the Property. Neither the Chargor nor any other Person has used or permitted the use of the Property to generate, manufacture, refine, treat, transport, store, handle, dispose, transfer, produce or process Hazardous Substances or as a waste disposal site.
- (n) Covenants Regarding Environmental Matters. The Chargor will: (i) ensure that the Property and the Chargor comply with all Environmental Laws at all times; (ii) not permit any Hazardous Substance to be located, manufactured, stored, spilled, discharged or disposed of at, on or under the Property (except those used incidentally in the ordinary course of business of the Chargor or any Tenant and in compliance with all Environmental Laws); (iii) ensure that any Hazardous Substance brought onto the Property or used by any person on the Property shall be transported, used and stored only in accordance with Environmental Laws; (iv) notify the Chargee promptly of any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on, from, or under the



Property; (v) notify the Chargee promptly of any threatened or actual Environmental Proceedings that may arise from time to time and provide particulars thereof; (vi) remediate and cure in a timely manner any non-compliance by the Property or the Chargor with Environmental Laws, including removal of any Hazardous Substances; and (vii) provide the Chargee promptly upon request with such information and documents and take such other steps (all at the Chargor's expense) as may be required by the Chargee to confirm and/or ensure compliance by the Property, the Chargor and each Tenant of the Property with Environmental Laws.

- (o) Environmental Indemnity. Without limiting any other provision of any Loan Document, the Chargor will indemnify and pay, protect, defend and save each Lender Entity harmless from and against all actions, proceedings, losses, damages, liabilities, claims, demands, judgments, costs and expenses (including legal fees and disbursements on a full indemnity or equivalent basis) (collectively "Environmental Claims") occurring, imposed on, made against or incurred by such Lender Entity arising from or relating to, directly or indirectly, whether or not disclosed by any environmental assessment obtained by any Lender Entity prior to the initial Loan advance and whether or not caused by the Chargor or within its control: (i) any actual or alleged breach of Environmental Laws relating to or affecting the Property, (ii) the actual or alleged presence, release, discharge or disposition of any Hazardous Substance in, on, over, under, from or affecting all or part of the Property or surrounding lands, including any personal injury or property damage arising therefrom, (iii) any actual or threatened Environmental Proceeding affecting the Property including any settlement thereof, (iv) any assessment, investigation, containment, monitoring, remediation and/or removal of all Hazardous Substances from all or part of the Property or surrounding areas or otherwise complying with Environmental Laws; or (v) any breach by any Borrower Entity of any Loan Document or Applicable Laws relating to environmental matters (including Section 4.02(m) and Section 4.02(n) above). Notwithstanding any other provision of this Charge or any other Loan Document, the Chargor agrees that each Lender Entity will have full and unrestricted recourse to the Chargor, each Indemnitor and all of their respective property and assets for all such Environmental Claims.
- (p) Estoppel Certificates. Within fifteen (15) days following a request by the Chargee from time to time, the Chargor will provide the Chargee with a written statement confirming the status of the Loan in form and content required by the Chargee or Loan servicer, including the amount of the Loan Indebtedness, interest rate and payment terms and particulars of all existing or alleged defaults, claims, offsets or defences.
- (q) Financial and Other Information. All financial statements and other information delivered to any Lender Entity by or on behalf of each Borrower Entity in connection with the Loan are complete and correct in all material respects as of the date of delivery to such Lender Entity or as of such other date specified therein, and include all material facts and circumstances concerning the financial or other condition or status of the Property, each Borrower Entity or its business and operations necessary to ensure all such statements and information so provided are not misleading as of the date of delivery to such Lender Entity or as of such other date specified therein. There has been no material adverse change in the financial or other condition of the Property, any Borrower Entity or its business and operations since the date such statements and information were delivered to such Lender Entity or since the date specified therein, as applicable. No Borrower Entity has any material liability (contingent or otherwise) or other unusual or forward commitment not reflected in such financial statements. Each Borrower Entity has filed all tax returns required by Applicable Laws and has paid, when due, all taxes, surtaxes, duties, rates, withholdings, all source deductions (for income tax, employment insurance and other matters) and other similar charges (including related interest, penalties and fines) imposed on it or required to be made by Applicable Laws or any Governmental Authority.
- (r) Financial Statements. The Chargor will provide the following financial statements and information to the Chargee, certified by the Chargor or the related Borrower Entity and prepared in accordance with generally accepted accounting principles consistently applied and in form and substance acceptable to the Chargee: (i) on the first days of each quarter year (commencing on the first day of any month as determined by the Chargee in its sole discretion and which may not correspond to the calendar quarter years), an operating statement, rent roll and occupancy summaries for the Property with respect to the immediately preceding quarter year; (ii) annual financial statements for each Borrower Entity that is not an individual, within ninety (90) days after the end of each fiscal year of each such Borrower Entity; (iii) on each anniversary of the Interest Adjustment Date, an updated net worth statement from each Borrower Entity that is an individual; and (iv) such other information with respect to the Property and/or any Borrower Entity reasonably requested from time to time by the Chargee. The Chargee, the Loan servicer and/or their respective agents have the right to make inspections and audits of the Property and all books and records relating to the Property and each Borrower Entity at such time(s) as the Chargee may determine in its sole discretion and at the Chargor's expense, and the Chargor will cooperate and will cause each other Borrower Entity to cooperate fully therewith.
- (s) Not a Construction Loan. Except as otherwise expressly disclosed by the Chargor in writing and accepted by the Chargee prior to the initial Loan advance, the Chargor covenants, represents and warrants that the Loan and the proceeds thereof are not to be used for the purpose of securing the financing of any improvement (within the meaning of the *Construction Act* (Ontario)) to the Property or for repaying any mortgage or charge which was taken to secure the financing of an improvement to the Property.

#### **Section 4.03 Performance of Covenants and Default.**

The Chargor will observe and perform and cause to be observed and performed all covenants, provisos and conditions contained in this Charge and the other Loan Documents. The Chargor represents and warrants to the Chargee, as of the date of each Loan advance, that no Event of Default has occurred and no event has occurred which with the giving of

notice, lapse of time or both would constitute an Event of Default. Upon becoming aware of any such Event of Default or event, the Chargor will promptly deliver to the Chargee a notice specifying full particulars of same.

#### **Section 4.04 Required Notices.**

Without limiting (and in addition to) any other notices required to be provided by any Borrower Entity to the Chargee pursuant to this Charge or any of the other Loan Documents, the Chargor will give prompt written notice to the Chargee of each of the following matters or events (in each case, not later than time period specified in this Section 4.04, or if no time period is specified, then no later than five (5) Business Days following the occurrence of such specified matter or event): (i) any Event of Default or any other event which has occurred and is uncured which, with the passing of time or the giving of notice or both, would be an Event of Default, together with full particulars of same; (ii) any Transfer (whether or not permitted by the Loan Documents) however arising; (iii) the existence of any Lien, however arising, on all or any part of the Property in breach of Section 4.02(d) of this Charge; (iv) any condition, event, action, omission, activity, occurrence or incident that is, or could reasonably be considered to result in or give rise to, a breach of any provision of Section 4.02(m) or Section 4.02(n) of this Charge; (v) any notice or claim of any kind received by or on behalf of any Borrower Entity from or on behalf of any Governmental Authority or other Person relating to any actual, potential or alleged non-compliance by the Property or any Borrower Entity of any Environmental Laws; (vi) any notice or claim of any kind received by or on behalf of any Borrower Entity from any Person relating to any actual, potential or alleged default by any Borrower Entity under, or any dispute relating to, any of the Material Agreements, Permitted Encumbrances or Leases, and/or the Property or any part thereof; (vii) any damage or destruction to, or any actual or threatened expropriation proceedings with respect to, all or any part of the Property; (viii) any actual or threatened cancellation or termination of any insurance required to be maintained by this Charge; (ix) any actual or threatened litigation, dispute, arbitration or other proceeding relating to the Property or any Borrower Entity, and all material events and developments in any such proceedings (and the Chargor shall provide the Chargee all information requested by the Chargee from time to time concerning the status of such proceedings); (x) any change in any banking arrangements of each Borrower Entity relating to the Property (including any change in the bank or bank branch with whom any Borrower Entity maintains any bank account to which any Rents or other proceeds of the Property are or will be deposited or held from time to time); and (xi) copies of any Material Agreements, Permitted Encumbrances or Leases (to the extent not previously delivered to the Chargee prior to the initial Loan advance) and all amendments to any Material Agreements, Permitted Encumbrances or Leases.

### **ARTICLE 5 - INSURANCE**

#### **Section 5.01 Insurance Coverage.**

The Chargor must maintain at its sole expense the following insurance coverages with respect to the Property for the benefit of the Chargee (for itself and on behalf of each Person having an ownership interest in the Loan from time to time) until the Loan Indebtedness has been fully paid and satisfied: (a) insurance against loss or damage by fire, casualty and other hazards as are now or subsequently covered by an "all risk" policy with such endorsements as the Chargee may reasonably require from time to time, covering one hundred percent (100%) of the full replacement cost of the buildings, structures and improvements comprising the Property (including footings and foundations); (b) rental insurance covering one hundred percent (100%) of the total Rents from the Property for not less than an eighteen (18) month period (to be determined once each calendar year); (c) comprehensive broad form boiler and machinery coverage; (d) "Comprehensive General Liability Form" of commercial general liability insurance coverage with the "Broad Form CGL" endorsement, providing coverage on a per occurrence basis in an amount not less than Five Million Dollars (\$5,000,000.00) per occurrence; (e) during such time or times as there is construction of any buildings or other improvements on the Property (it being acknowledged that such construction is subject to the prior written approval of the Chargee in its sole discretion), builders' all risk insurance; and (f) such other insurance as required by the Chargee from time to time in its sole discretion. The Chargor represents and warrants to the Chargee that all such insurance is in full force and effect from and after the initial Loan advance.

#### **Section 5.02 Policy Terms.**

All insurance required by this Article must have a term of not less than one year and must be in the form and amount and with such deductibles, endorsements and with such insurers as are acceptable to the Chargee from time to time in its sole discretion. Original or certified copies of all insurance policies will be delivered by the Chargor to the Chargee immediately and evidence of its renewal or replacement must be delivered not less than thirty (30) days before any policy expires or is terminated. If insurance certificates or binders evidencing such insurance and acceptable to the Chargee are delivered prior to the initial Loan advance or renewal, as the case may be, the original or certified copies of such insurance policies may be delivered to the Chargee within ninety (90) days thereafter. All property, income and boiler and machinery policies will, in a manner satisfactory to the Chargee (i) contain either a stated amount endorsement or a waiver of any co-insurance provision, (ii) contain Canadian standard mortgage clauses in favour of the Chargee, and (iii) name the Chargee, on behalf of itself and any other Person having an ownership interest in the Loan from time to time, as first loss payee. The Chargor will not carry separate insurance, concurrent in kind or form or contributing in the event of loss, with any insurance required hereunder. If any insurance required by this Charge is not maintained by the Chargor at any time, the Chargee may (but is not obligated to) effect such insurance in any manner it shall determine in its sole discretion and all costs and expenses incurred by or on behalf of the Chargee in maintaining such insurance will be payable by the Chargor to the Chargee forthwith on demand. Until paid, such costs and expenses together with interest thereon at the Interest Rate will be added to the Loan Indebtedness and will be secured by the Loan Documents. As additional and separate security for payment and performance of the Loan Indebtedness and all of its other covenants and obligations under the Loan and the Loan Documents, the Chargor hereby assigns, transfers, grants a security interest in, and sets over to the Chargee, as a first priority Lien thereof, all legal and beneficial right, title and interest in and to all present and future insurance proceeds and expropriation awards in respect of the Property. The Chargor hereby irrevocably and unconditionally authorizes and directs the issuer of any such insurance proceeds or expropriation awards to make payment directly to the Chargee. Upon an Event of Default, all insurance proceeds and expropriation awards arising in respect of the Property will, at the option of the Chargee in its sole discretion, be applied in reduction of the Loan Indebtedness.

**Section 5.03 Comply with Insurance Policies.**

The Chargor will pay all premiums relating to all insurance required by this Article when due and shall promptly deliver to the Chargee received invoices or other evidence of payment. The Chargor will comply with all the terms of each insurance policy required by this Charge and all requirements of the insurer of each such policy. The Chargor will not by any action or omission invalidate any insurance policy required to be carried hereunder or materially increase the premiums on any such policy above the normal premium charged by the carrier of such policy.

**ARTICLE 6 - DAMAGE AND DESTRUCTION****Section 6.01 Damage and Destruction/Restoration.**

If any damage or destruction occurs to the Property, the Chargor will: (i) give prompt written notice to the Chargee of any damage or destruction to the Property and cause the Property to be secured in a safe manner; (ii) promptly notify the Chargee of the Chargor's good faith estimate of the cost of the work and materials required to repair or restore such damage or destruction (the "**Restoration Work**"); (iii) promptly commence and diligently prosecute the Restoration Work to completion in accordance with all Applicable Laws and the provisions of this Article to a standard at least equal to the replacement value and general utility of the Property immediately prior to such damage or destruction; (iv) complete the Restoration Work within nine (9) months after the date of the damage and no later than six (6) months prior to the Maturity Date; (v) ensure that the proceeds of the rental insurance required by this Charge shall offset fully any loss of Rents throughout the completion of the Restoration Work and a reasonable period thereafter for leasing the Property or if not, prior to the commencement of such Restoration Work, deposit with the Chargee in cash an amount equal to any deficiency (as estimated by the Chargee and calculated to the end of the period during which the Restoration Work and lease-up will be completed), to ensure that funds are available to pay when due all scheduled payments on account of the Loan Indebtedness throughout such period and the Chargor hereby grants a first priority security interest in such cash deposit and all proceeds of any such letter of credit to the Chargee as security for the payment and performance of the Loan and the Loan Indebtedness and all of its other covenants and obligations under the Loan and the Loan Documents; (vi) ensure that following completion of such Restoration Work, the same location, density, occupation, operation and use of the Property that existed at the time of the initial Loan advance will be legally permitted under all Applicable Laws (or a legal non-conforming use), unless otherwise approved by the Chargee in its sole discretion; (vii) pay all costs and expenses incurred by any Lender Entity in connection with the recovery and administration of all insurance proceeds and the Restoration Work, including approving plans and specifications, inspecting the Restoration Work, and all reasonable architects', adjusters', lawyers', engineers' and other consultants' fees and disbursements and (viii) promptly furnish at its own expense all necessary proofs of loss and do all necessary acts to ensure that the Chargee receives payment of all insurance proceeds.

**Section 6.02 Application of Insurance Proceeds.**

Provided no Event of Default exists, all insurance proceeds arising or relating to any damage or destruction to the Property net of all reasonable architects', adjusters', lawyers', and other consultants' fees and disbursements ("**Net Proceeds**") will be held by the Chargee and paid out from time to time (but not more frequently than every thirty (30) days) to pay the cost of the Restoration Work performed in accordance with this Article on and subject to satisfaction of the following terms and conditions (each of which shall be an obligation of the Chargor to promptly satisfy): (a) Within ten (10) days of such damage or destruction, Chargor will (i) deliver to the Chargee a certificate from an architect approved by the Chargee acting reasonably (the "**Architect**") estimating the cost of the Restoration Work, (ii) if the estimated cost exceeds the amount of Net Proceeds then held by the Chargee, the Chargor shall deliver to the Chargee an unconditional, irrevocable, demand letter of credit, in form, substance and issued by a bank acceptable to the Chargee in its sole discretion, in the amount of such excess, or a completion bond in form, substance and issued by a surety company acceptable to the Chargee in its sole discretion, (iii) provide to the Chargee evidence satisfactory to it in its sole discretion (including an appraisal and statements of cash flow and debt service) that upon the completion of the Restoration Work, the debt service coverage ratio and loan to value ratio (each as determined by the Chargee in accordance with its then current underwriting practices) will not be less than the debt service coverage ratio or more than the loan to value ratio specified in the Commitment Letter, and (iv) provide to the Chargee evidence satisfactory to it in its sole discretion, and agree in writing with the Chargee, that the Restoration Work will be completed in accordance with this Article; (b) If the Architect's estimate of the cost of the Restoration Work is equal to or exceeds \$1,700,000.00, such Restoration Work will be performed under the supervision of an Architect and in accordance with plans and specifications approved by the Chargee in its sole discretion; (c) Requests for payment of Net Proceeds held by the Chargee must be made by the Chargor on not less than ten (10) Business Days prior notice to the Chargee and must be accompanied by a certificate of an Architect, or if the Restoration Work is not required to be supervised by an Architect, by a certificate of the Chargor addressed to the Chargee, stating or containing (i) a detailed description of the completed Restoration Work for which the request for payment is made, (ii) that such Restoration Work has been completed in compliance with this Article, and has been approved by the Chargor and if applicable, the Architect, (iii) that the requested amount is due, or is required to reimburse the Chargor, for payments made to the contractor, subcontractors, materialmen, suppliers, labourers, engineers, architects or other Persons performing the Restoration Work and that when added to all payments previously made from Net Proceeds does not exceed the value of the Restoration Work done to the date (if required by the Chargee, the payment of the requested amount shall be made directly to such Persons pursuant to a written direction of the Chargor); (iv) that title to the personal property included in the request for payment is vested in the Chargor free and clear of all Liens, together with confirmation satisfactory to the Chargee in its sole discretion that such personal property is subject to the Chargee's security as a first priority security interest therein, (v) the remaining cost to complete the Restoration Work, (vi) the amount of all lien holdbacks required or permitted to be maintained under Applicable Laws in respect of such Restoration Work, (vii) the amount of such holdbacks actually maintained by the Chargor, (viii) that except for such actual holdbacks and the amount of the requested payment required to be paid to such Persons, all contractors, subcontractors, materialmen, suppliers, labourer, engineers, architects and other Persons performing such Restoration Work have been paid in full, and (ix) that no written notice of a construction lien, mechanics lien or other similar Lien under Applicable Laws has been received by the Chargor or the Architect or registered against the Property; and, (d) Prior to disbursing any Net Proceeds, (i) the Chargee must be satisfied in its sole discretion that all holdbacks required or permitted by Applicable Laws have been maintained and that no construction lien, mechanics lien or other similar Liens under Applicable Laws have been registered against the Property, and (ii) the Chargee has the right to inspect the Property to determine that the Restoration Work complies with this Article. The Chargor irrevocably waives any requirement of Applicable Laws which may require

the Net Proceeds to be used to restore or rebuild the Property. Notwithstanding the foregoing and provided that no Event of Default has occurred and is continuing, if the insurance proceeds from any damage or destruction do not exceed \$100,000.00 in the aggregate, such proceeds may be paid to and held by the Chargor provided that all such proceeds must be applied by the Chargor solely to the repair or restoration of such damage or destruction.

**Section 6.03 Holdbacks.**

Notwithstanding any other provision of this Charge, the Chargee is entitled to retain, and not disburse, from any payment of Net Proceeds pursuant to Section 6.02 in connection with any Restoration Work, a holdback or holdbacks from time to time in such amount(s) and for such period(s) of time as determined by the Chargee, in its sole discretion, in order to maintain and ensure the priority of this Charge as a first priority Lien of the Property at all times, to comply with all Applicable Laws and to ensure that all holdback and other related financial obligations and liabilities of the Chargee under Applicable Laws relating to or directly or indirectly arising from with the Restoration Work are and will continue to be fully satisfied solely by or from such holdbacks. Such holdback(s) will be retained by the Chargee until such time as (i) the Restoration Work has been fully completed in accordance with this Article with no material deficiency or defect, (ii) the Chargee will have received copies of any and all final certificates of occupancy or other certificates, licenses, permits and approvals required for the ownership, occupancy and operation of the Property in accordance with all Applicable Laws, (iii) the Chargee is satisfied in its sole discretion that the priority of this Charge as a first priority Lien of the Property will not be impaired or otherwise affected by the release of such holdback(s) and that all construction liens, mechanics liens or other similar Liens and all holdback and other related financial obligations and liabilities of the Chargee under Applicable Laws relating to directly or indirectly arising from such Restoration Work have either fully expired or have otherwise been fully satisfied, (iv) all costs and expenses of the Restoration Work (including all costs and expenses of any Lender Entity referred to in Section 6.01(vii)) have been fully paid, (v) there are no outstanding claims or disputes with respect to the Restoration Work, and (vi) no Event of Default exists. Provided no Event of Default exists, if any excess Net Proceeds held by the Chargee remain after satisfaction of all of the foregoing matters, such excess proceeds shall be paid to the Chargor.

**Section 6.04 Event of Default.**

If the Chargor fails to comply with any of its obligations under this Article, an Event of Default will have occurred, and notwithstanding any other provision hereof, the Chargee will have the right exercisable in its sole discretion to receive all Net Proceeds and to apply all Net Proceeds so received to the Loan Indebtedness. The Chargee may (but shall have no obligation to) perform or cause to be performed any incomplete Restoration Work, and may take such other steps as it deems advisable in connection therewith. The Chargor hereby waives all actions, proceedings, claims, demands and other rights against each Lender Entity arising out of any act or omission of the Chargee completing the Restoration Work and all matters relating thereto. The Chargee may apply all or any portion of the Net Proceeds (without complying with any requirements of this Article) to pay or reimburse each Lender Entity or any contractor or other Person retained by any Lender Entity for all costs of completing the Restoration Work without prior notice to or consent of the Chargor or any other Person. Any costs and expenses incurred by or on behalf of the Chargee in completing any Restoration Work will be Costs and shall be payable by the Chargor forthwith upon demand. Until paid, such costs and expenses, together with interest thereon at the Interest Rate, will be added to the Loan Indebtedness and will be secured by the Loan Documents.

**Section 6.05 Proceeds of Expropriation.**

Prior to an Event of Default, all proceeds of expropriation up to \$100,000 will be paid to the Chargor and must be re-invested by the Chargor in the Property. All proceeds of expropriation which exceed \$100,000 (or following an Event of Default, all expropriation proceeds) will be paid to and held by the Chargee and may be applied by the Chargee, in its sole option exercisable in its sole discretion, to reduction of the Loan Indebtedness then due or may be held by the Chargee as security for the Loan Indebtedness.

**ARTICLE 7 - EVENT OF DEFAULT AND REMEDIES**

**Section 7.01 Acceleration.**

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

**Section 7.02 Power of Sale.**

After the occurrence of an Event of Default which has continued for the minimum period provided by law, the Chargee, on giving the minimum notice required by law, may enter on, lease or sell the Property. If permitted by law, the Chargee may enter on, lease or sell the Property without notice. Any sale of the Property by the Chargee may be by public auction or private sale for such price and on such terms as to credit and otherwise with such conditions of sale as the Chargee in its sole discretion deems proper and in accordance with Applicable Laws. If any sale is for credit or for part cash and part credit, the Chargee will not be accountable for or be charged with any moneys until they are actually received in cash. The Chargee may rescind or vary any contract or sale and may buy and re-sell the Property, in each case in its sole discretion and without being answerable for loss occasioned thereby. No purchaser will be bound to inquire into the legality, regularity or propriety of any sale or be affected by notice of any irregularity or impropriety. No lack of default, want of notice or other requirement or any irregularity or impropriety of any kind will invalidate any sale pursuant to this Charge and the purchaser shall not be responsible for any damage or loss caused thereby. The Chargee may sell without entering into actual possession of the Property and while in possession will be accountable only for moneys which are actually received by it. The Chargee may, subject to the restrictions of Applicable Law, sell parts of the Property from time to time to satisfy any portion of the Loan Indebtedness, leaving the remainder of the Property as security for the balance of the Loan Indebtedness. The Chargee may sell the Property or any portion of the Property subject to the balance of the Loan Indebtedness not yet due at the time of such sale. The costs of any sale or other enforcement or realization proceedings pursuant to this Charge, the other Loan Documents and/or Applicable Laws, whether such sale or other proceeding proves

abortive or not, including taking, recovering or keeping possession of the Property or enforcing any other remedies pursuant to this Charge, the other Loan Documents and/or Applicable Laws will be payable by the Chargor to the Chargee forthwith upon demand. Until paid, such costs will be Costs, and together with interest thereon at the Interest Rate, will be added to the Loan Indebtedness and will be secured by the Loan Documents.

#### **Section 7.03 General Rights of Chargee.**

After the occurrence of an Event of Default, the Chargee may, but will not be obligated to, perform or cause to be performed any obligations of the Chargor pursuant to the Loan Documents, and for such purpose may do such things as may be required, including entering upon the Property and doing such things upon or in respect of the Property as the Chargee considers necessary, including any environmental testing, site assessment, investigation or study. No such performance by the Chargee shall relieve the Chargor from any default hereunder. The costs of all such actions taken by the Chargee shall be payable by the Chargor to the Chargee forthwith upon demand. Until paid, such costs will be Costs and, together with interest thereon at the Interest Rate, will be added to the Loan Indebtedness and will be secured by the Loan Documents.

In the event of a default by Chargor in payment of any amount due under any Lien against the Property, the Chargee may, in its sole discretion, pay such amount and any such amount incurred by the Chargee will be payable by the Chargor to the Chargee forthwith upon demand. Until paid, any amount so incurred by the Chargee will be Costs, and together with interest thereon at the Interest Rate, will be added to the Loan Indebtedness and will be secured by the Loan Documents, and in which event, the Chargee may, at its option, be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party so paid whether or not such Lien has or has not been discharged. The decision of the Chargee as to the validity or amount of any amount so paid will be final and binding on the Chargor.

#### **Section 7.04 Possession.**

Upon the occurrence of an Event of Default, the Chargee may enter into and take possession of the Property, as and when it may determine in its sole discretion, and each of the Chargee and each purchaser or lessee from the Chargee of the Property or any part thereof shall be entitled to have, hold, use, occupy, possess and enjoy the Property without let, suit, hindrance, interruption or denial of the Chargor or any other Borrower Entity or other Person. The Chargee may maintain, repair and complete the construction of the Property, inspect, manage, take care of, collect Rents and lease the Property or any part thereof (provided the Chargee has no obligation to perform, undertake or continue (if commenced) any of the foregoing actions) for such term (which may extend beyond the Maturity Date) and such rents and on such other terms and conditions (including providing any leasehold improvements and tenant inducements) as the Chargee may determine in its sole discretion, which lease(s) will have the same effect as if made by the Chargor, and the Chargee will have the power to amend, accept surrenders of or terminate any lease, in each case on such terms and conditions as it may determine in its sole discretion and all costs, charges and expenses incurred by the Chargee in the exercise of such rights (including allowances for the time, service, work or effort of the Chargee or any other Lender Entity in connection therewith, and all legal fees and disbursements incurred on a full indemnity or equivalent basis), will be payable by the Chargor to the Chargee forthwith on demand. Until paid, all such costs, charges and expenses will be Costs and, together with interest thereon at the Interest Rate, will be added to the Loan Indebtedness and will be secured by the Loan Documents. Each lease or renewal of lease made by the Chargee while in possession of the Property will continue for its full term notwithstanding the termination of the Chargee's possession and will be subject to the security of the Loan Documents at all times. The Chargor covenants and agrees that no Lender Entity will be liable for any loss or damage sustained by any Borrower Entity or any other Person resulting from any lease entered into by the Chargee, any failure to lease the Property, or any part thereof, or from any other act or omission of the Chargee or any receiver, receiver and manager, administrator or other Person with similar powers in managing the Property, and that no Lender Entity will be obligated to perform or discharge any obligation or liability of the Chargor to any other Borrower Entity or Person under any Lease, Loan Document or otherwise under Applicable Laws.

#### **Section 7.05 Carry on Business.**

Upon the occurrence of an Event of Default, the Chargee may in its sole discretion, carry on, or concur in the carrying on of all or any part of the business or undertaking of each Borrower Entity relating to the Property and enter on, occupy and use the Property (without charge by any Borrower Entity) in each case as and when the Chargee may determine in its sole discretion.

#### **Section 7.06 Borrow on the Security of the Property.**

Upon the occurrence of an Event of Default, the Chargee may raise money on the security of the Property or any part thereof in priority to the security of the Loan Documents or otherwise, as required for the purpose of the maintenance, preservation, protection or completion of the Property or any part thereof or to carry on all or any part of the business of each Borrower Entity relating to the Property, and in each case on such terms and conditions as the Chargee may determine in its sole discretion.

#### **Section 7.07 Receiver.**

Upon the occurrence of an Event of Default, the Chargee may in its discretion, with or without entering into possession of the Property or any part thereof, by instrument in writing, appoint a "Receiver" (which shall include a receiver, a manager, a receiver and manager, administrator or other Person with similar powers) of the Property or any part thereof with or without security and may from time to time remove any Receiver with or without appointing another in his stead, and in making such appointment or appointments or removing a Receiver the Chargee will be deemed to be acting for the Chargor (provided that no such appointment will be revocable by any Borrower Entity). Upon the appointment of any such Receiver from time to time, and subject to the provisions of the instrument appointing such Receiver, the following provisions will apply: (a) such Receiver may, in the discretion of the Chargee and by writing, be vested with all or any of the rights, powers and discretions of the Chargee, including the full right and power to enter, lease and sell the Property; (b) such Receiver, so far as concerns the responsibility for his acts or omissions, will be deemed the agent or attorney of the Chargor and not the agent of the Chargee (unless specifically appointed by the Chargee as the agent of the Chargee); (c) neither the appointment, removal or termination of such Receiver by the Chargee nor any act or omission by such Receiver will incur or create any liability on the part of the Chargee to the Receiver in any respect or constitute the

Chargee a chargee or mortgagee in possession of the Property or any part thereof; (d) such Receiver will be the irrevocable agent or attorney of the Chargor (unless the Chargee specifically appoints such Receiver as the agent for the Chargee) for the collection of all Rents falling due in respect of the Property or any part thereof; (e) the rights and powers conferred herein in respect of the Receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have; (f) without creating any liability on the part of the Chargee, the Chargee may from time to time fix the remuneration for such Receiver, who shall be entitled to deduct the same out of revenue or sale proceeds of the Property; (g) such Receiver will have the power from time to time to lease any portion of the Property which may become vacant for such term (which may extend beyond the Maturity Date) and will have the power to amend, accept surrenders of or terminate any Lease, in each case on such terms and conditions as it may determine in its sole discretion and in so doing (unless the Chargee specifically appoints such Receiver as agent for the Chargee), such Receiver will act as the attorney or agent of the Chargor and will have authority to execute under seal any Lease or surrender of any such premises or notice(s) of termination in the name of and on behalf of each such Borrower Entity, and the Chargor agrees to ratify and confirm whatever any Receiver may do in the Property; (h) such Receiver may make such arrangements, at such time or times as it may deem necessary without the concurrence of any other persons, for the repairing, completing, adding to, or managing of the Property, including completing the construction of any incomplete building or buildings, structures, services or improvements on the Property, and constructing or providing for leasehold improvements notwithstanding that the resulting cost may exceed the original principal amount of the Loan; (i) such Receiver will have full power to manage, operate, amend, repair or alter the Property or any part thereof in the name of the Chargor for the purpose of obtaining rental and other income from the Property or any part thereof; (j) no Receiver will be liable to any Borrower Entity to account for monies other than monies actually received by it in respect of the Property and out of such monies so received from time to time such Receiver will pay in the following order: (i) its remuneration aforesaid, (ii) all obligations, costs and expenses made or incurred by it, including any expenditures in connection with the management, operation, leasing, maintenance, repair, construction or alteration of the Property or any part thereof or any business or undertaking carried on by the Receiver thereon, (iii) interest, principal and other monies which may be or become a Lien upon the Property from time to time in priority to this Charge, including all Realty Taxes, (iv) to the Chargee, all Loan Indebtedness and all reserves payable to the Chargee under the Loan Documents, to be applied in such order as the Chargee determines in its sole discretion, and (v) at the discretion of the Receiver, interest, principal and other monies which may from time to time constitute a Lien on the Property subsequent in priority or subordinate to the interest of the Chargee under this Charge, and such Receiver may retain in its discretion reasonable reserves to satisfy accruing amounts and anticipated payments in connection with any of the foregoing; (k) the Chargee may at any time and from time to time terminate any receivership by notice in writing to the Chargor and to any Receiver; and (l) the Chargor hereby irrevocably releases and discharges the Chargee and every Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any Person claiming through or under it by reason or as a result of anything done by the Chargee or any Receiver under the provisions of this paragraph. The Chargor agrees to ratify and confirm all actions of any Receiver taken or made pursuant to this provision and agrees that neither the Receiver nor any other Lender Entity will be liable for any loss sustained by the Chargor or any other Borrower Entity or Person resulting from any such action or failure to act.

#### **Section 7.08 Power of Attorney.**

The Chargor hereby grants to each of the Chargee and to any Receiver, with full power of substitution, an irrevocable power of attorney coupled with an interest for the following purposes and which may be exercised at any time or times following the occurrence of an Event of Default: (i) to make any of the leases referred to in Section 7.04 and to assign any existing Lease or sell the unexpired term, (ii) to obtain, collect and receive any insurance proceeds or expropriation proceeds however arising with respect to the Property, to compromise or settle any claims relating to such proceeds, to endorse any cheques, drafts or other instruments representing such proceeds or awards, and to execute and deliver all instruments, proofs of loss, receipts, and releases reasonably required in connection therewith, (iii) to correct any mistakes in and otherwise completing and perfecting any Loan Documents, (iv) to protect, perfect, preserve the security of the Loan Documents and to collect, enforce and realize on or under the Loan, this Charge and/or the other Loan Documents and the security thereof including the exercise of any of the rights, powers, authority and discretion of the Chargor in respect of the Property, including collection of Rents and other money that may become or are now due and owing to the Chargor, and (v) without limiting the foregoing, to make all necessary conveyances, deeds, transfers, assurances, receipts and other documents and instruments as may be necessary to transfer title to all or any of the Property to any purchaser thereof and to complete all other matters pertaining thereto. The Chargor hereby ratifies all actions of the Chargee and any Receiver pursuant to each such power of attorney and confirms that no Lender Entity shall be liable for any loss sustained by any Borrower Entity or any other Person resulting from any such action or any failure to act.

#### **Section 7.09 Concurrent Remedies.**

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

#### **Section 7.10 Judgments.**

Neither the granting of this Charge or any other Loan Document, nor any proceeding or judgment taken or obtained against any Borrower Entity or any other Person for breach of its obligations contained in or secured by this Charge or any other Loan Document will merge or extinguish any such obligations, affect the Chargee's rights to receive interest on the Loan Indebtedness at the Interest Rate or suspend, impair or otherwise affect in any way any of the rights, remedies or powers of the Chargee under any of the Loan Documents or otherwise under Applicable Laws. Any such judgment may provide that interest thereon will be computed at the Interest Rate until such judgment is fully paid and satisfied.

#### **Section 7.11 Remedies Cumulative.**

The rights and remedies of the Chargee under this Charge and each of the other the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies otherwise provided under any of the other Loan Documents or Applicable Laws. No right or remedy of the Chargee will be exclusive of or dependent on any

other right or remedy and any one or more of such rights and remedies may be exercised independently or in combination from time to time in such order and at such times as the Chargee may see fit, and Chargee will not be obligated to exhaust any right or remedy before exercising any of its other rights and remedies pursuant to the Loan Document or under Applicable Laws. Any single or partial exercise by the Chargee of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in any Loan Document or under Applicable Laws will not waive, alter, affect or prejudice any other right or remedy to which the Chargee may be lawfully entitled for such default or breach.

#### **Section 7.12 Extension of Time and Waiver.**

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

#### **Section 7.13 Discharge of Charge and Release.**

Interest at the Interest Rate will continue to run and accrue on all Loan Indebtedness until full payment of such Loan Indebtedness has been received by the Chargee. The Chargee will have a reasonable period of time after full payment and satisfaction of the Loan Indebtedness to execute and deliver to the Chargor a discharge of this Charge from the Property. All reasonable legal and other expenses for the preparation, execution, delivery and registration of the discharge will be paid by the Chargor upon demand (unless prohibited by Applicable Laws). The Chargor will register such discharge. The Chargee may release in its discretion and at any time any Person or any part or parts of the Property from all or any part of the Loan Indebtedness or any security of the Loan Documents either with or without any consideration and without releasing any other part of the Property or any other Person from the Loan Documents or from any of the covenants contained in the Loan Documents, and without being accountable to any Borrower Entity for the value of the land released or for any money except that actually received by the Chargee. Every part or lot into which the Property is or may hereafter be divided will stand charged with the entire Loan Indebtedness and neither the Chargor nor any other Person will have any right to require that the Loan Indebtedness be apportioned with respect thereto. The Chargee may grant time, renewals, extensions, indulgences, releases and discharges, may take securities from and give the same up, may abstain from taking securities from or from perfecting securities, may accept compositions and proposals, and may otherwise deal with the Chargor and all other Persons and securities as the Chargee may see fit without prejudicing the rights of the Chargee under the Loan or the Loan Documents. No such release or other action will constitute, evidence or result in prepayment, repayment, readvance, accord and satisfaction, novation, nor, except as expressly provided in such release or discharge, a release or discharge of all or any part of the Loan Indebtedness, the Loan Documents or the security thereof, or a release of any of the other covenants, obligations or liabilities of any Borrower Entity in respect of the Loan. No such release or other action will be binding on the Chargee unless it is made in writing and executed and delivered by the Chargee.

### **ARTICLE 8 - INDEMNITY**

#### **Section 8.01 General Indemnity.**

Without limiting any other provision of any Loan Document, the Chargor hereby agrees to indemnify and pay, protect, defend and save harmless each Lender Entity from and against all actions, proceedings, claims, demands, judgments, losses, damages, liabilities, costs or expenses (including legal fees and disbursements on a full indemnity or equivalent basis and, if the Loan has been securitized, including any recovery fee, workout fee and special servicing fees that become payable to the Loan servicer following an Event of Default), imposed upon, made against or incurred by such Lender Entity directly or indirectly arising from or relating to any of the following (collectively, "Claims") (i) any default under or breach of any of the Loan Documents by any Borrower Entity or other Person, or any remedial or other proceedings taken by any Lender Entity thereunder or pursuant thereto, (ii) any accident, injury to or death of any person or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, parking areas, streets or ways, (iii) any use, non-use or condition in, on or about, or possession, alteration, repair, operation, maintenance or management of, the Property or any part thereof or on the adjoining sidewalks, curbs, parking areas, streets or ways, (iv) performance of any labour or services or the furnishing of any materials or other property in respect of the Property or any part thereof, (v) any claim by brokers, finders or similar Persons claiming to be entitled to a commission in connection with the Loan, any Lease or other transaction involving the Property or any part thereof, (vi) any taxes, fees, costs or expenses attributable to the execution, delivery, filing, or recording of any Loan Document, (vii) any Lien or other claim arising on or against the Property or any part thereof or asserted against any Lender Entity with respect thereto; and/or (viii) the claims of any Tenant or other Person arising under or relating to any Lease. Until paid, all such amounts payable to any Lender Entity hereunder will be Costs and, together with interest thereon at the Interest Rate, will be added to the Loan Indebtedness and will be secured by the Loan Documents.

**ARTICLE 9 - INTENTIONALLY DELETED****ARTICLE 10 - MISCELLANEOUS****Section 10.01 Notice.**

- (1) Any notice, demand or other communication required or permitted to be given or made to the Chargor pursuant to this Charge may be given or made in any manner permitted or provided by Applicable Laws, notwithstanding any provision of any other Loan Document to the contrary. Subject to the foregoing, any such notice, demand or communication may be given or made, at the option of the Chargee by personal delivery, by prepaid ordinary or registered mail (to the address for service of the Chargor set out in this Charge or to the last known address of the Chargor as shown in the Chargee's records) or by facsimile transmission to the facsimile number of the Chargor set out in Section 10.01(2) or the last known facsimile number of the Chargor as shown in the Chargee's records. Such notice will be sufficient although not addressed to any Person by name or designation and notwithstanding that any Person to be affected thereby may be unknown, unascertained or under a disability. Subject to Applicable Laws, the giving of such notice in the manner aforesaid will be as effective as if the notice had been personally served on all Persons required to be served therewith.
- (2) Subject to Section 10.01(1), any demand, notice or communication to be made or given to the Chargor in connection with this Charge or any of the other Loan Documents shall be in writing and may be made or given by personal delivery, by registered mail or by facsimile transmission addressed to the Chargor at 18 Antares Drive, Ottawa, Ontario, K2E 1A9, Fax No. \_\_\_\_\_, Attention: The President, or to such other address or facsimile number as the Chargor may designate by written notice given to the Chargee. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof, and if made or given by registered mail, on the third Business Day following the deposit thereof in the mail, and if made or given by facsimile transmission, on the first Business Day following the transmittal thereof. If the party giving any demand, notice or other communication knows or reasonably ought to know of any difficulties with the postal system that might affect the delivery of mail, such demand, notice or other communication shall not be mailed, but shall be given by personal delivery or by facsimile transmission.

**Section 10.02 Severability.**

If any term, covenant, obligation or agreement contained in this Charge, or the application thereof to any Person or circumstance, will be invalid or unenforceable to any extent, the remaining provisions of this Charge or the application of such term, covenant, obligation or agreement to such other Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, obligation or agreement contained herein will be separately valid and enforceable to the fullest extent permitted by Applicable Laws.

**Section 10.03 Governing Law.**

This Charge is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein without application of any principle of conflict of laws which may result in laws other than the laws in force in Ontario applying to this Charge. The Chargor consents to the jurisdiction of the courts of the Province of Ontario and irrevocably agrees that, subject to the Chargee's election in its sole discretion to the contrary, all actions and proceedings arising out of or relating to the Loan and the Loan Documents will be litigated in such courts and the Chargor unconditionally accepts the non-exclusive jurisdiction of the said courts and irrevocably waives any defense of *forum non-conveniens*, and irrevocably agrees to be bound by any judgment rendered thereby in connection with the Loan and the Loan Documents, provided nothing herein shall affect the right to serve process in any other manner permitted by Applicable Laws or shall limit the right of the Chargee to bring any action or proceeding in connection with the Loan or any Loan Documents against the Chargor or any other Borrower Entity in the courts of any other jurisdiction.

**Section 10.04 Non-Merger.**

The terms and conditions of the Loan Documents will remain binding and effective on the parties to this Charge and will not merge in this Charge nor in any other Loan Document.

**Section 10.05 Successors and Assigns.**

This Charge will enure to the benefit of and be binding upon the Chargor, the Chargee and their respective heirs, executors, administrators, legal representatives, successors and assigns.

**Section 10.06 No Obligation to Advance.**

Neither the preparation, execution nor registration of any Loan Document will bind the Chargee to advance all or any part of the Principal Amount. The advance of a part of the Principal Amount will not bind the Chargee to advance any unadvanced portion of the Principal Amount. Each advance of the Loan shall be subject to and governed by the terms and conditions of the Commitment Letter.

**Section 10.07 Consent to Disclosure.**

The Chargor acknowledges and agrees that the Loan may be sold or syndicated without restriction and without the consent of, but upon notice to, the Chargor or any other Borrower Entity. Each Lender Entity may release, disclose, exchange, share, transfer and assign from time to time, as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, Lease defaults, Tenants or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by any Lender Entity relating to any Borrower Entity, the Property or the Loan (both before and after any Loan advance and/or default) without restriction and without notice to or the consent of the Chargor or any other Borrower Entity as follows: (i) to any existing or proposed Lender Entity; (ii) to any subsequent or proposed purchaser of or investor in the Loan or any interest therein; (iii) to any Governmental Authority having jurisdiction over such sale or syndication of the Loan or any trade of any interest in the Loan; (vi) to any other Person in connection with the sale or



syndication of the Loan or in connection with any collection or enforcement proceedings taken under or in respect of the Loan and/or the Loan Documents; and (vii) to any third party advisors and agents of any of the foregoing Persons, such as lawyers, accountants, consultants, appraisers, credit verification sources and servicers. The Chargor irrevocably consents to the collection, obtaining, release, disclosure, exchange, sharing, transfer and assignment of all such information and materials.

The Chargor acknowledges that certain Lender Entities may collect or come into possession of personal information relating to certain individuals either comprising or otherwise related to any Borrower Entity, including their respective directors, officers, shareholders, partners and principals. The Chargor acknowledges and agrees that such personal information may be used by Lender Entities in connection with the processing, approving, funding, servicing and administering the Loan and any sale or syndication of the Loan, and in so doing each Lender Entity may disclose and otherwise deal with personal information in the same manner and to the same Persons as provided in the preceding paragraph of this Section without restriction and without notice to or the consent of any Borrower Entity or any related individual. The Chargor, for itself and on behalf of its directors, officers, shareholders, partners and principals, hereby consents to and authorizes such use and disclosure of all such personal information by each Lender Entity and represents and warrants that it has full power and authority to give such consent and authorization.

#### **Section 10.08 Change of Status.**

After any change affecting the spousal status of the Chargor or the qualification of the Property as a matrimonial home within the meaning of Part II of the *Family Law Act* (Ontario), the Chargor will advise the Chargee and provide the Chargee with the full particulars of such change and such other information as the Chargee may require from time to time.

#### **Section 10.09 Maximum Rate of Return.**

Notwithstanding any provision of any Loan Document to the contrary, in no event will the aggregate "interest" (as defined in Section 347 of the *Criminal Code* (Canada)) payable under the Loan exceed the effective annual rate of interest lawfully permitted under that Section and, if any payment, collection or demand pursuant to the Loan in respect of "interest" (as defined in that Section) is determined to be contrary to the provisions of that Section, such payment, collection or demand will be deemed to have been made by mutual mistake of the Chargor and Chargee and the amount of such payment or collection shall either be applied to the Loan Indebtedness (whether or not due and payable), and not to the payment of interest (as defined in section 347 of the said *Criminal Code*), or be refunded to the Chargor at the option of the Chargee. For purposes of each Loan Document, the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the Term of the Loan on the basis of annual compounding of the lawfully permitted rate of interest. In the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Chargee will be conclusive for the purposes of such determination.

#### **Section 10.10 Extension, Renewal or Amendment of Charge.**

This Charge, the Loan, or any terms hereof or thereof, may from time to time be extended, renewed or amended by one or more written agreements between the Chargee and the Chargor, or with any successor or successors in title to the Chargor, with or without any changes in the applicable interest rate, amortization period, principal amount, payment amount, maturity date or other financial terms. Whether or not there are any other Liens registered on title to the Property after this Charge at the time any such written agreement is entered into (each such Lien, a "Subsequent Encumbrance"), it will not be necessary for the Chargee to register the written agreement on title to the Property in order for such agreement to be legally binding upon the Chargor (and any other Borrower Entity which is a party thereto) or to retain priority for this Charge, as extended, renewed or amended, as a first priority Lien of the Property over such Subsequent Encumbrance(s). The Chargor, forthwith upon request therefor by the Chargee and at the Chargor's sole cost and expense, will obtain all such postponements and/or discharges of each Subsequent Encumbrance and such other assurances from the holder thereof as may be required by the Chargee in its sole discretion to ensure the priority of this Charge as a first priority Lien of the Property and full compliance by the Chargor and each other Borrower Entity with the provisions of this Charge and the other Loan Documents. The Chargor acknowledges that the provisions of this Section do not confer upon the Chargor or any other Borrower Entity or Person any right of extension, renewal or amendment, or any right to grant a Subsequent Encumbrance contrary to the other provisions of this Charge and the other Loan Documents. The execution and delivery of any such agreement by the Chargee granting any such extension, renewal or amendment will be in its sole discretion. The Chargor, for itself and on behalf of each Borrower Entity, hereby irrevocably consents to any extension, renewal or amendment of this Charge and the other Loan Documents, whether or not made or agreed to by the Chargor, any unregistered or beneficial owner of the Property or any part thereof or any successor in title to any such Person, and hereby irrevocably agrees that no such extension, renewal or amendment shall release, discharge, impair or otherwise affect, or render unenforceable, any of the covenants, obligations or liabilities of any Borrower Entity (including each original Chargor and each original unregistered or beneficial owner of the Property or any part thereof named in the Loan Documents) under the Loan Documents, which covenants, obligations and liabilities are hereby confirmed and continue in full force and effect, as extended, renewed or amended, as the case may be.

#### **Section 10.11 Assignment.**

The Chargee and any Person having or acquiring any ownership interest in the Loan from time to time may sell, transfer and/or assign the Loan, the Loan Indebtedness, the Loan Documents or any interest therein at any time and to any Person as it may determine in its sole discretion without prior notice to or the consent of any Borrower Entity or any other Person. No Borrower Entity may assign any of its rights and obligations under or in respect of the Loan, the Loan Indebtedness or any of the Loan Documents.

#### **Section 10.12 Potential Severance.**

The Chargee acknowledges and agrees that the Chargee shall partially discharge this Charge and release of the other Loan Documents with respect to certain excess lands comprising that part of the Property designated as Part 8 on Reference Plan 4R-29684 (subject to final approval of the line of severance as herein provided and herein called the "Excess Parcel"), without payment in reduction or on account of the then outstanding Principal Amount, provided that the Chargor has obtained a severance of the Excess Parcel from the Property and provided that the following terms and conditions are met to the satisfaction of the Chargee:

- (a) no Event of Default under the Loan Documents has occurred which is continuing, and no event or circumstance exists which, with the passage of time or the giving of notice, or both, would constitute an Event of Default under the Loan Documents;
- (b) the Excess Parcel shall be severed from the Property so as to create a permanently severed parcel which shall be separately assessed from the remaining parcel of the Property (the "**Main Parcel**");
- (c) the line of severance between the Excess Parcel and the Main Parcel shall be approved by the Chargee, acting reasonably;
- (d) the Chargor shall not build a retirement facility on the Excess Parcel without the prior written consent of the Chargee in its sole discretion;
- (e) all the conditions of such severance and the Chargor's ability to satisfy such conditions shall be met within the timeline(s) imposed by the applicable municipal authorities;
- (f) following completion of such severance, each of the Excess Parcel and the Main Parcel shall separately comply with all Applicable Laws, including all applicable zoning and building by-laws;
- (g) all municipal and private services and utilities (including without limitation road access) presently serving the Property shall continue to be available to the Excess Parcel and the Main Parcel at all times either from public roadways or public easements adjoining the Excess Parcel and the Main Parcel or if by private easement, provided each such easement is satisfactory to the Lender;
- (h) if applicable, upon the date of the severance, a reciprocal operating and easement agreement shall be in place between the owners of the Excess Parcel and the Main Parcel and their respective mortgagees which shall ensure, inter alia, the integrated operation, maintenance and repair, continued availability of all municipal and private services and utilities and a fair sharing of costs of all shared or common areas including, if required by Chargee, security for such payment;
- (i) the Chargor shall pay to the Chargee its partial discharge fee in the amount of \$1,000 plus applicable taxes; and
- (j) the Chargor shall be responsible for and pay all reasonable costs and expenses of the Chargee, its solicitors and, if applicable, any third-party professionals with respect to its review and approval of the severance.

Upon satisfaction of all the conditions acceptable to the Chargee, the Chargee will provide, at the sole cost of the Chargor, a partial discharge this Charge and release of the other Loan Documents with respect to the Excess Parcel, to be prepared and registered by the Chargor.

**Properties**

**PIN** 14501 - 0928 LT

**Description** PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 7, 8, PLAN 4R29684; TOGETHER WITH AN EASEMENT OVER PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 2, 4, PLAN 4R29684 IN FAVOUR OF PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PART 7, PLAN 4R29684 AS IN OC1822752; TOGETHER WITH AN EASEMENT OVER PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 2, 3, 4, 5, 6, PLAN 4R29684 IN FAVOUR OF PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PART 7, PLAN 4R29684 AS IN OC1822752; SUBJECT TO AN EASEMENT IN GROSS OVER PLAN 4R30928 AND PART 1 ON PLAN4R31325 AS IN OC2032997; CITY OF OTTAWA

**Address** 130 AND 150 ROSSIGNOL DRIVE  
OTTAWA

**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** ASHCROFT HOMES - LA PROMENADE INC.  
Acting as a company

**Address for Service** 18 Antares Drive  
Ottawa, Ontario, K2E 1A9

I, DAVID CHOO, President, 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** INSTITUTIONAL MORTGAGE CAPITAL CANADA INC.  
Acting as a company

**Address for Service** TD Centre, TD North Tower  
77 King Street West  
P. O. Box 117, Suite 4120  
Toronto, Ontario, M5K 1G8  
(Promenade Seniors Suites - 1st Mortgage)

**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, CHARGE PROMENADE to which this notice relates is deleted

Schedule:

**File Number**

Party To Client File Number : 20200355 / GAR PROMENADE

**GENERAL ASSIGNMENT OF RENTS AND LEASES**  
**("Promenade Seniors Suites - 1st Mortgage")**

THIS AGREEMENT is made as of September \_\_\_\_\_, 2020 (the "**Agreement**") between INSTITUTIONAL MORTGAGE CAPITAL CANADA INC. (the "**Lender**") and ASHCROFT HOMES - LA PROMENADE INC. (the "**Borrower**").

WHEREAS the Lender has agreed to make a loan (the "**Loan**") to the Borrower in the original principal amount of up to \$42,000,000 which is secured, *inter alia*, by a first priority charge/mortgage (the "**Mortgage**") of the Property (as defined below) which has been registered in the Land Registry Office for the Land Titles/Registry Division of Ottawa-Carlton (No. 4) on or about the date hereof;

AND WHEREAS the Borrower has agreed to assign to the Lender all legal and beneficial right, title and interest in and to the Rents and Leases together with all benefits, powers and advantages of the Borrower to be derived therefrom to secure the payment by the Borrower of the Loan Indebtedness (as defined in the Mortgage) and the observance and performance by the Borrower and any unregistered or beneficial owner of the Property of its other covenants and obligations under this Agreement and the other Loan Documents (the Loan Indebtedness, together with such covenants and obligations, collectively, the "**Obligations**");

NOW THEREFORE in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Borrower hereby covenants and agrees with and in favour of the Lender as follows:

**ARTICLE 1 - INTERPRETATION**

**Section 1.01 Definitions.**

Unless otherwise defined herein, all capitalized terms and expressions used herein shall have the same meaning as set out in the Mortgage. The following terms shall have the following meanings: "**Lands**" means the lands and premises described in the document general or notice of assignment of rents – general to which this Agreement is attached (and any schedule thereto); "**Leases**" means, collectively, all present and future leases, agreements to lease, subleases, concessions, licenses and similar agreements by which the use and occupancy of the Property or any part thereof is granted to any Person for any purpose, together with all related credits, rights, options, claims, causes of action, guarantees, indemnities, security deposits and other security relating thereto, and includes all Commercial Leases (including all Material Commercial Leases) and Residential Leases; "**Property**" means all legal and beneficial right, title, estate and interest from time to time in and to the Lands in fee simple, including any leasehold interest of the Borrower in the Lands, together with all buildings, structures, fixtures and improvements of any nature or kind now or hereafter located on such Lands, and all Equipment, Leases, Rents and all other appurtenances thereto; "**Province**" means the Province of Ontario; "**Rents**" means all revenues, receipts, income, credits, deposits, profits, royalties, rents, additional rents, recoveries, accounts receivable and other receivables of any nature and kind whatsoever arising from or relating to the Property or any part thereof, including all amounts payable under any Lease and all amounts arising from or relating to any guest rooms, parking or other facilities and services, meeting rooms, common areas, restaurants or other food and beverage facilities and services, vending machines, telephone, television, cable and internet services, laundry and housekeeping facilities and services, and the provision or sale of any goods or services, and any payment, consideration or compensation of any kind to which any Borrower Entity is or becomes entitled relating to or otherwise arising from, directly or indirectly, the full or partial termination, cancellation, amendment, modification or release of any Lease or any Tenant in respect thereof; and "**Tenant**" means any lessee, sublessee, licensee or grantee of a right of occupation under a Lease and each guarantor, indemnitor or other obligor thereunder or in respect thereof.

**Section 1.02 General Provisions.**

The provisions of Sections 1.02 and 1.03 of the Mortgage are incorporated in and form part of this Agreement, *mutatis mutandis*. Without limiting the foregoing, in this Agreement: (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the word "including" means "including, without limitation," (c) any reference to a statute means the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor or replacement statute thereto; (d) any reference to a Lease or any Loan Document, including this Agreement, includes all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto from time to time; (e) reference to the Lender, Borrower, any Tenant and any other Person includes their respective heirs, executors, administrators, legal representatives, successors and permitted assigns; (f) all dollar amounts are expressed in Canadian dollars; (g) the division of this Agreement into separate Articles, Sections, Subsections and Schedule(s), and the insertion of headings is for convenience of reference only and does not affect the construction or interpretation of this Agreement; (h) the Lender's right to give or withhold any consent or approval, make any determination or exercise any discretion will be exercised by the Lender acting reasonably (unless otherwise expressly provided herein), except that following an Event of Default and notwithstanding the foregoing and any other provision hereof or Applicable Laws to the contrary, the Lender will be entitled to give, withhold, exercise or make all such rights, determinations or discretions in its sole discretion at all times (even if this Agreement expressly requires the Lender to act reasonably); (i) notwithstanding any other provision of this Agreement or any Applicable Laws to the contrary, the words "sole discretion" mean the giving, withholding, exercising or making of the applicable right, determination or discretion in a manner that is completely and absolutely subjective in all respects and that the Person giving, withholding, exercising or making such right, determination or discretion has no duty or obligation at any time to act objectively or to apply any objective criteria or to conform to any other standard, it being the intention that the exercise of "sole discretion" by any Person will not be subject to any restriction, limitation, challenge or review of any kind whatsoever at any time by any Borrower Entity, any court or any other Person; (j) this Agreement is the result of negotiations between the parties hereto and will not be construed in favour of or against any party by reason of the extent to which any party or its legal counsel participated in its preparation; (k) if more than one Person is named as, or otherwise becomes liable for or assumes the obligations and liabilities of, the Borrower hereunder, then all such obligations and liabilities of all such Persons so named or who subsequently become

liable for such obligations and liabilities are joint and several; (l) time is of the essence; (m) all obligations of the Borrower are deemed to be covenants by the Borrower in favour of the Lender; (n) any reference to the knowledge, belief or awareness of the Borrower includes (and is deemed to include) the knowledge, belief and/or awareness of each Person comprising the Borrower and each Person having any registered, unregistered or beneficial ownership interest in the Property or any part thereof from time to time and their respective directors, officers, partners and employees; (o) where any reference is made in this Agreement to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to, a trust, such reference will be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to, the trustee(s) of the trust; and (p) this Agreement will remain in full force and effect and shall continue to be binding on the Borrower for the benefit of the Lender notwithstanding any extension, renewal or amendment of the Loan and/or the Loan Documents made by the Lender and the Borrower from time to time. The provisions of this Agreement are intended to supplement and not derogate from the other Loan Documents and the existence of additional terms, conditions or provisions (including any rights, remedies, representations and warranties) contained in this Agreement will not be construed as being or deemed to be in conflict with the other Loan Documents. The delivery of this Agreement for registration by direct electronic transmission will have the same effect for all purposes as if this Agreement was in written form signed by the parties hereto and delivered to the Lender.

### **Section 1.03 REIT Provision.**

Notwithstanding any other provision of any Loan Document, if any Borrower Entity is a real estate investment trust (a "REIT"), the obligations of the REIT under the Loan Documents are not personally binding upon, and resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of: (a) the unit holders of the REIT; (b) annuitants or beneficiaries under a plan of which a unit holder of the REIT acts as a trustee or carrier; and (c) trustees, officers or employees of the REIT, provided that the Property will remain bound by and subject to the Mortgage and the other Loan Documents, and the Lender will have full recourse to the Property, at all times and without limitation or restriction of any kind. Any obligation of the REIT set out in this Agreement shall, to the extent necessary to give effect to such obligation, be deemed to constitute, subject to the provisions of the previous sentence, an obligation of the trustees of the REIT in their capacity as trustees of the REIT. Nothing herein shall (i) constitute a bar to any action against the REIT for specific performance of any of its obligations under this Agreement or any other Loan Document or (ii) limit, restrict or otherwise affect the validity or enforceability of the obligations and liabilities of any Borrower Entity under this Agreement or any other Loan Document.

## **ARTICLE 2 - ASSIGNMENT**

### **Section 2.01 Assignment.**

As general and continuing security for payment and performance to the Lender of the Obligations, the Borrower hereby assigns, transfers, grants and sets over to the Lender, as and by way of a fixed and specific first priority assignment and security interest, all legal and beneficial right, title and interest in and to (i) the Rents now or hereafter due and payable with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents in the name of the Borrower or the owner from time to time of the Property or in the name of the Lender, as the Lender may determine in its sole discretion, and (ii) the Leases with full benefit and advantage thereof including the benefit of all covenants and agreements contained in the Leases on the part of the Tenants thereof to be observed, performed or kept, including all proceeds of or from any of the foregoing.

### **Section 2.02 Continuing Security.**

This Agreement is given as general and continuing security for the payment and performance to the Lender of the Obligations, and not in substitution for or in satisfaction thereof. There is no agreement between the parties hereto, express or implied, to postpone the attachment of the assignment and security interest created hereby. The terms and conditions of this Agreement shall remain binding and effective on the parties hereto and will not merge in or be extinguished by any other Loan Document or any judgment taken against the Borrower or any other Borrower Entity or Person for breach of its obligations under this Agreement or any other Loan Document.

## **ARTICLE 3 - REPRESENTATIONS AND COVENANTS**

### **Section 3.01 Representations.**

The Borrower represents and warrants to the Lender as follows: (i) the Borrower has the good right, full power and absolute authority to assign the Rents and Leases to the Lender as a first priority assignment and security interest therein (subject only to Permitted Encumbrances), and has granted no prior assignment, transfer or Lien in, on or of any of the Rents or Leases that remains outstanding from and after the date hereof; (ii) the Leases are in full force and effect and are valid and binding obligations of each of the Tenants thereunder; (iii) complete copies of (A) all Commercial Leases, and (B) all Residential Leases, or if otherwise agreed by the Lender in its sole discretion, the standard form used for each Residential Lease, have been delivered to the Lender; (iv) except as expressly disclosed to the Lender in writing prior to the initial Loan advance, no Rents have been prepaid under any Lease (except for security deposits and first and last months' rent paid in accordance with the provisions of the applicable Lease), discounted, released, waived, compromised or otherwise discharged; (v) there is no default by any Person now existing under any of the Leases, nor circumstances existing which, with the giving of notice or lapse of time or both, would constitute any such default; (vi) each Commercial Lease requires the related Tenant to attorn and become bound to the Lender as tenant of its premises upon the Lender's request from time to time for the then unexpired residue of the term of such Commercial Lease and on the terms and conditions of such Commercial Lease; (vii) no notice, order or claim has been given or received by or on behalf of the Borrower or any other Borrower Entity alleging or relating to any default, circumstance or other dispute under any Lease or claiming any rebate, reduction, refund, set-off or other impairment of any of the Rents, or relating to any dispute under a

Lease; and (viii) all Rents previously and hereafter charged and collected in respect of each Lease have complied with and will comply with the Lease and with all Applicable Laws. The Borrower will deliver to the Lender, within ten (10) days after the Lender's request from time to time, a true and complete copy of each Lease and a complete list of the Leases, as certified by the Borrower, setting out, in respect of each Lease, the demised premises, the name of the Tenant, the Rents payable and the date to which such Rents have been paid, the key terms of such Lease, the date of occupancy, the date of expiration, any rent concessions and other inducements granted to the Tenants, and any renewal options. The Borrower shall promptly deliver to the Lender any request notice, order or claim of any kind given or received by any Borrower Entity from time to time in respect of any Material Commercial Lease and, with respect to any other Lease, any request, notice, order or claim given or received by any Borrower Entity from time to time relating to any matter or thing which has or could reasonably be expected to have or result in a Material Adverse Effect.

### **Section 3.02 Restrictions on Leases and Renewals.**

Each new Lease or any 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), (i) must 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, (ii) must provide for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions, (iii) must be written on a standard form of Lease or renewal or extension agreement with no material amendments thereto, (iv) if it is a Commercial Lease, must provide that in the event enforcement proceedings are commenced by Lender following of an Event of Default, the Tenant must attorn to the Lender and become bound to it as tenant of its premises for the then unexpired residue of the term of such Commercial Lease and upon the terms and conditions contained in such Commercial Lease, (v) except for any renewal or extension of an existing Commercial Lease which is exercised pursuant to, and the terms of which are governed by such existing Commercial Lease, must not permit the Tenant under any Commercial Lease to "go dark" or otherwise stop operating its business in the ordinary course from or within its leased premises, and (vi) must not contain termination rights in favour of the Tenant or any other Person (other than the landlord) except for landlord default. Unless otherwise agreed by the Lender in writing, the Borrower will require the Tenant under each Commercial Lease to execute and deliver to the Lender an agreement, in the Lender's form, confirming the attornment referred to in Subsection (iv) concurrently with the execution and delivery of each new Commercial Lease and any renewal or extension of an existing Commercial Lease.

### **Section 3.03 Lender Right to Consent to Material Commercial Leases**

The Borrower must obtain the Lender's prior written consent to enter into, renew, or extend any Material Commercial Lease, which consent will not be unreasonably withheld or delayed by the Lender, provided that such Material Commercial Lease, and any extension or renewal thereof, complies with all requirements of this Agreement and the other Loan Documents governing new Leases and renewals and extensions of existing Leases and provided further that the Lender will be entitled to a minimum of ten (10) Business Days following receipt of the Borrower's written request and all reasonably required supporting documentation to decide whether or not to give or withhold such consent. This provision does not apply to any renewal or extension of an existing Material Commercial Lease which is exercised pursuant to, and the terms of which are governed by, such existing Material Commercial Lease. Notwithstanding the foregoing, following the occurrence of an Event of Default, the Borrower must obtain the Lender's prior written consent to enter into, renew or extend any Lease (including each Material Commercial Lease) which consent may be given or withheld by the Lender in its sole discretion.

### **Section 3.04 Covenants.**

Neither the Borrower nor any other Borrower Entity will, without the prior written consent of the Lender in its sole discretion: (i) accept or permit payment of the Rents or any part thereof under any Lease in advance (except for security deposits and first and last months' rent paid in accordance with the provisions of the applicable Lease); (ii) amend, modify, cancel or terminate any Lease in whole or in part, or accept the surrender of any Lease, or take or omit to take any action or exercise any right or option which would permit the Tenant under any Lease to cancel, terminate or surrender any Lease; (iii) discount, release, waive, compromise or otherwise discharge any Rents payable under any Lease or other obligations of any Tenant or other Person under any Lease, or (iv) assign, transfer or grant a Lien in, on or of all or any part of the Rents or Leases. Provided no Event of Default has occurred, the Lender's consent for any action referred to Subsections (ii) and (iii) is not required in respect of any Lease or a renewal or extension thereof (except any such action relating to any Material Commercial Lease or a renewal or extension thereof, which for greater certainty, will require the Lender's prior written consent, in its sole discretion), provided in each case such action is a commercially reasonable arm's length transaction in the ordinary course of business and in accordance with prudent property management and leasing standards and practices, and provided further that prompt written notice thereof is given to the Lender.

### **Section 3.05 Performance of Obligations.**

The Borrower shall observe and perform at all times all covenants and agreements contained in the Leases on the part of the landlord to be observed and performed and shall cause the Tenants under the Leases to observe and perform their respective covenants, obligations and undertakings thereunder. Neither the execution or delivery of this Agreement or the other Loan Documents, nor the collection of the Rents nor the exercise of any right, remedy or other action or omission by the Lender in respect of any of the Rents or Leases shall make any Lender Entity or any other Person for whom the Lender is responsible under Applicable Laws (i) liable for the collection of any of the Rents or for the observance or performance of any of the covenants, terms, conditions or agreements contained in any of the Leases on the part of any party to be observed and performed, (ii) a mortgagee or chargee in possession, or (iii) liable for any action, proceeding, claim, demand, loss, damage, cost, expense of any nature and kind by the Borrower or any other Borrower Entity or Person.

## **ARTICLE 4 - EVENT OF DEFAULT**

### **Section 4.01 Event of Default.**

Prior to the occurrence of an Event of Default, the Borrower may demand, receive, collect and apply the Rents, but only as the same fall due and payable according to the terms of each of the Leases, provided that nothing herein shall

release, discharge, postpone, amend or otherwise affect the present assignment and security interest granted to the Lender in and to the Rents and Leases and the immediate attachment thereof and provided further that unless otherwise agreed by the Lender in advance and in writing, any payment, consideration, compensation or other benefit of any kind which any Borrower Entity is or subsequently becomes entitled to receive relating to or otherwise arising from, directly or indirectly, the full or partial termination, cancellation, amendment, modification or release of any Lease or any Tenant in respect thereof shall be paid by the related Tenant (or related payor) or any Borrower Entity (forthwith upon receipt by it) to and held by the Lender and may be applied by the Lender, in its sole discretion, to reduction of the Loan Indebtedness when due or may be held by the Lender as security for the Obligations without releasing or affecting any of the other obligations and liabilities of the Borrower or any other Borrower Entity under any of the Loan Documents. Upon the occurrence of an Event of Default, the Lender may immediately deliver a written notice to each Tenant directing it to pay all Rents to the Lender, or as the Lender may direct, and such notice shall be good and sufficient authority for so doing. Any payment of Rent to the Lender, or as the Lender may direct, after such notice is given to any Tenant shall not constitute a default by such Tenant under its Lease.

#### **Section 4.02 Rights of Lender.**

Upon the occurrence of an Event of Default, the Lender, its agents and employees, will have the right to enter the Property for the purpose of demanding, collecting, suing for, recovering, receiving or compromising the Rents, giving receipts therefor, enforcing the Leases and inspecting, protecting, operating and maintaining the Property and without being a chargee or mortgagee in possession. The Borrower hereby authorizes the Lender to perform all such acts and do all things in connection with any of the foregoing matters or the exercise of any other rights and remedies in respect of the Rents and Leases available hereunder or under any other Loan Document or Applicable Laws, including making of payments to encumbrancers whether prior to, *pari passu* with or subsequent to the Mortgage, paying any costs and expenses in connection with such acts and things and any acts by way of enforcement of the covenants and exercising of the rights of the Borrower under or in respect of the Leases or otherwise, as, when and in such manner as the Lender may determine in its sole discretion, which acts and things may be performed or done in the name of the Borrower or in the name of the Lender, as the Lender may determine in its sole discretion. Nothing herein shall require the Lender to collect or recover any of the Rents or to take any action or exercise any remedy or serve any notice upon any Tenant under its Lease upon any default or breach by such Tenant thereunder. The Borrower hereby irrevocably appoints the Lender as its attorney and agent coupled with an interest and with full power of substitution to exercise any of the rights, powers, authority and discretion granted to the Borrower under or in respect of each Lease upon the occurrence and during the continuation of an Event of Default. The Lender shall be liable to account for only such moneys as may actually come into its hands by virtue of this Agreement. Upon the occurrence of an Event of Default, but subject to the provisions of the other Loan Documents, the Lender may, after payment of all costs and expenses incurred by or on behalf of the Lender in exercising any of its rights and remedies hereunder, credit the remainder of the moneys which it may receive in connection with the Property to payment of any amount or amounts due to the Lender on account of Loan Indebtedness and to payment of any reserves and the manner of the application of such remainder and the item or items to which it shall be credited from time to time by the Lender shall be in the sole discretion of the Lender and until such moneys have been so applied or credited same shall be subject to this Agreement and all other security held by the Lender for the Obligations.

#### **Section 4.03 Concurrent Remedies.**

The Lender may exercise all rights and remedies provided for in this Agreement, the other Loan Documents or otherwise under Applicable Laws separately, concurrently or in such combination or order and at such times as it may determine in its sole discretion and will not be required to exhaust any other right or remedy before exercising any of its rights and remedies in respect thereof.

### **ARTICLE 5 - GENERAL**

#### **Section 5.01 No Release.**

The assignment and security interest in the Rents and Leases and all other rights and benefits granted to the Lender hereunder shall remain in full force and effect without regard to any of the following matters, and the obligations of the Borrower and other parties under the Leases shall not be released, affected or impaired by: (a) any amendment, modification, renewal or replacement of or addition or supplement to, or release or discharge of any of the Loan Documents or any security held by the Lender as security for any of the Obligations; (b) any exercise or non-exercise of any right, remedy, power or privilege under or in respect of any Loan Document or any security held by the Lender as security for any of the Obligations; (c) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of any Loan Document or any security held by the Lender as security for any of the Obligations; (d) any default by the Borrower or any other Borrower Entity or Person under, or any invalidity or unenforceability of, or any release or other limitation of the liability of the Borrower or any other Borrower Entity or Person under, any Loan Document or other security held by the Lender as security for any of the Obligations; or (e) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Borrower, any Tenant or any other Borrower Entity or Person, including any change in the constitution of any partnership.

#### **Section 5.02 Notice.**

Any notice, demand or other communication required or permitted to be given or made to the Borrower pursuant to this Agreement may be given or made in any manner permitted or provided by the laws applicable thereto, notwithstanding any provision of any other Loan Document to the contrary. Subject to the foregoing, any such notice, demand or communication may be given or made, at the option of the Lender by personal delivery, by prepaid ordinary or registered mail (to the address for service of the Borrower set out in the Mortgage or to that last known address of the Borrower as shown in the Lender's records) or by facsimile transmission to the facsimile number of the Borrower set out in the Mortgage or the last known facsimile number of the Borrower as shown in the Lender's records. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof, and if made or given by registered mail, on the third Business Day following the deposit thereof in the mail, and if made or given by facsimile transmission, on the first Business Day following the transmittal thereof.

**Section 5.03 Severability.**

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

**Section 5.04 Waiver and Release.**

The Lender may waive any Event of Default in its sole discretion. No waiver will extend to a subsequent Event of Default, whether or not the same as or similar to the Event of Default waived, and no act or omission by the Lender will extend to, or affect, any subsequent Event of Default or the rights of the Lender arising from such Event of Default. Any such waiver must be in writing and signed by the Lender. No failure on the part of the Lender or the Borrower to exercise, and no delay by the Lender or the Borrower in exercising, any right pursuant to this Agreement will operate as a waiver of such right. No single or partial exercise of any such right will preclude any other or further exercise of such right or the exercise of any other right. The registration of a complete and final discharge of the Mortgage against all of the Lands subject thereto duly executed by the Lender shall constitute a release of this Agreement and a re-assignment of the Lender's interest in the Rents and Leases to the Borrower without the need for the execution or registration of any further document or instrument.

**Section 5.05 Further Assurances.**

The Borrower shall from time to time forthwith on the Lender's request do, make and execute all such financing statements, further assignments, documents, assurances, acts, matters and things as may be reasonably required by the Lender of or with respect to the Rents or Leases or any part thereof or as may be reasonably required to give effect to this Agreement, and the Borrower hereby constitutes and irrevocably appoints the Lender as the true and lawful attorney of the Borrower, coupled with an interest and with full power of substitution to do, make and execute all such statements, assignments, documents, assurances, acts, matters or things with the right to use the name of the Borrower whenever and wherever it may be deemed necessary or expedient.

**Section 5.06 Governing Law.**

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province and the laws of Canada applicable therein without application of any principle of conflict of laws which may result in laws, other than the laws in force in the Province, applying to this Agreement; and the Borrower consents to the jurisdiction of the courts of the Province and irrevocably agrees that, subject to the Lender's election in its sole discretion to the contrary, all actions or proceedings arising out of or relating to this Agreement shall be litigated in such courts and the Borrower unconditionally accepts and consents to the non-exclusive jurisdiction of the said courts and waives any defense of *forum non-conveniens*, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement, provided nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of the Lender to bring any action or proceedings against the Borrower or any other Borrower Entity in the courts of any other jurisdiction.

**Section 5.07 Successors and Assigns.**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, successors in title and assigns. The Loan, the Loan Indebtedness, the Loan Documents (including this Agreement) or any interest therein may be sold, transferred or assigned by the Lender or any other Person having or acquiring any ownership interest in the Loan from time to time at any time and to any Person as it may determine in its sole discretion without restriction and without notice to or the consent of the Borrower or any other Borrower Entity or Person. The Borrower may not assign its obligation under this Agreement.

**Section 5.08 Counterparts.**

This Agreement 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.

IN WITNESS WHEREOF the Borrower has executed this Agreement under seal as of the date set out above.

ASHCROFT HOMES - LA PROMENADE INC.

Per 

David Choo, President

I have authority to bind the Corporation.



This is Exhibit "E" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in cursive script that reads "Adam Davis".

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

**GENERAL SECURITY AGREEMENT**  
**("Promenade Seniors Suites - 1st Mortgage")**

THIS AGREEMENT is made as of <sup>October</sup> September ~~8<sup>th</sup>~~ <sup>24</sup>, 2020 (the "Agreement") between INSTITUTIONAL MORTGAGE CAPITAL CANADA INC. (the "Secured Party") and ASHCROFT HOMES - LA PROMENADE INC. (the "Debtor" or "Borrower").

WHEREAS the Secured Party has agreed to make a loan (the "Loan") in the original principal amount of up to \$42,000,000 to the Borrower pursuant to a commitment letter dated September <sup>24</sup>, 2020 (the "Commitment Letter") and secured, *inter alia*, by a first priority charge/mortgage (the "Mortgage") of certain lands and premises comprising Part Lots 34 & 35, Concession 1 Cumberland (Old Survey), designated as Parts 7 & 8 on Plan 4R-29684, PIN 14501-0928 LT, 130 & 150 Rossignol Drive, Ottawa, Ontario (as defined in the Mortgage, the "Property");

AND WHEREAS the Debtor has agreed to grant to the Secured Party a security interest in and an assignment, mortgage and charge of the Collateral (as defined in Section 2.01) to secure the payment by the Borrower to the Secured Party of the Loan Indebtedness and the observance and performance of all of the other covenants and obligations of the Debtor (whether individually or jointly with any other Borrower Entity or Person) to the Secured Party under this Agreement and the other Loan Documents (the Loan Indebtedness, together with such covenants and obligations, collectively, the "Obligations");

NOW THEREFORE in consideration of the Secured Party making the Loan to the Debtor and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Debtor), the Debtor hereby covenants and agrees with and in favour of the Secured Party as follows:

**ARTICLE 1 - INTERPRETATION AND CONSTRUCTION**

**Section 1.01 Interpretation and Construction.**

Unless otherwise defined herein, all capitalized words and expressions used in this Agreement will have the same meaning as defined in the Mortgage. In this Agreement, unless something in the subject matter or context is inconsistent therewith, "PPSA" means the Personal Property Security Act (Ontario), and the terms "accession", "account", "chattel paper", "consumer goods", "document of title", "equipment", "goods", "instrument", "intangible", "inventory", "money", "personal property", "proceeds", "security" and "investment property" whenever used herein have the meanings given to those terms in the PPSA; and "Province" means the Province of Ontario. The provisions of Sections 1.02 and 1.03 of the Mortgage are incorporated in and form part of this Agreement *mutatis mutandis*. If more than one Person is named as or otherwise becomes liable for or assumes the obligations and liabilities of the Debtor hereunder, then the obligations and liabilities of all such Persons so named or who otherwise become liable for the obligations and liabilities of the Debtor will be joint and several.

**Section 1.02 REIT Provision.**

Notwithstanding any other provision of any Loan Document, if any Borrower Entity is a real estate investment trust (a "REIT"), the obligations of the REIT under the Loan Documents are not personally binding upon, and resort will not be had to, nor will recourse or satisfaction be sought from the private property of any of: (a) the unit holders of the REIT; (b) annuitants or beneficiaries under a plan of which a unit holder of the REIT acts as trustee or carrier; and (c) trustees, officers or employees of the REIT, provided that the Property will remain bound by and subject to the Mortgage and other Loan Documents, and the Lender will have full recourse to the Property, at all times and without limitation or restriction of any kind. Any obligation of the REIT set out in the Loan Documents will, to the extent necessary to give effect to such obligation, be deemed to constitute, subject to the provisions of the previous sentence, an obligation of the trustees of the REIT in their capacity as trustees of the REIT. Nothing herein will (i) constitute a bar to any action against the REIT for specific performance of any of its obligations under this Agreement or any other Loan Document, or (ii) limit, restrict or otherwise affect the validity or enforceability of the obligations and liabilities of any Borrower Entity under this Agreement or any other Loan Documents.

**ARTICLE 2 - GRANT OF SECURITY INTEREST****Section 2.01 Security Interest.**

As general and continuing security for the payment and performance by the Debtor to the Secured Party of the Obligations, the Debtor hereby grants to the Secured Party a first priority security interest in all of its present and after acquired real and personal property of any nature or kind comprising or otherwise relating to the Property (collectively, the "Collateral"), and as further general and continuing security for the payment and performance by the Debtor to the Secured Party of the Obligations, the Debtor hereby assigns the Collateral to the Secured Party and mortgages and charges the Collateral as and by way of a fixed and specific mortgage and charge to the Secured Party, in each case subject to Permitted Encumbrances. Without limiting the generality of the foregoing, the Collateral will include all right, title and interest that the Debtor (whether individually or jointly with any other Borrower Entity or Person) now has or may hereafter have, be possessed of, be entitled to, or acquire in all property of the following kinds comprising or relating to the Property: all debts, accounts, claims and choses in action for monetary amounts which are now or which may hereafter become due, owing or accruing due to the Debtor, including all monies on deposit in any bank account into which any Rents have been or are currently being deposited from time to time (collectively, the "Receivables"); all machinery, equipment, fixtures, furniture, plant, vehicles, goods, chattels and other tangible personal property which are not inventory (collectively, the "Equipment"); all inventory; all chattel paper; all warehouse receipts, bills of lading and other documents of title, whether negotiable or not; all shares, stock, warrants, bonds, debentures, debenture stock and other securities and all instruments (collectively, the "Securities"); all investment property; all intangibles not otherwise described in this Section 2.01 including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other intellectual property (collectively, "Intellectual Property"); all money, coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government; all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in this Section 2.01 and all contracts, securities, investment property, instruments and other rights and benefits in respect thereof; all reserves paid to or held by the Secured Party pursuant to any of the Loan Documents; all Permitted Encumbrances and material agreements relating to the Property or the management or operation thereof and all rights and benefits in respect thereof; all permits, consents, licenses, authorizations and other approvals granted by any Governmental Authority or utility in respect of the Property and all rights and benefits in respect thereof; all replacements of, substitutions for and increases, additions and accessions to any of the property described in this Section 2.01; and all proceeds of any Collateral in any form derived directly or indirectly from any dealing with the Collateral or that indemnifies or compensates for the loss of or damage to the Collateral; provided that the said security interest, assignment, mortgage and charge will not (i) extend or apply to the last day of the term of any lease or any agreement to lease now held or hereafter acquired by the Debtor, as lessee, but the Debtor will stand possessed of such last day and hold it in trust for the Secured Party and, if the Secured Party enforces such security interest, assignment, mortgage and charge in respect of such lease or agreement, shall assign same to any Person acquiring such lease or agreement to lease in the course of the enforcement and as directed by the Secured Party; (ii) extend or apply to consumer goods or, unless the Secured Party otherwise elects at any time in writing and in its sole discretion, the shares of any unlimited company or unlimited liability corporation, or (iii) render the Secured Party liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Debtor is a party or by which it is bound. Without limiting the foregoing, the Collateral will include, and the security interest granted hereby will attach to, all present and future right, title, estate and interest of any beneficial or unregistered owner in the Collateral.

**Section 2.02 Attachment of Security Interest.**

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

**Section 2.03 No Need for Consent.**

The Debtor represents to the Secured Party that none of the Collateral in existence on the date hereof (i) is incapable of being assigned or otherwise secured in favour of the Secured Party in accordance with the provisions of this Agreement, (ii) is incapable of further assignment or security granted by the Secured Party or by any receiver or receiver and manager after the occurrence of an Event of Default, or (iii) requires the consent of any third party to the security interest, assignment, mortgage and charge granted hereby, except for any consent that has already been obtained. The Debtor covenants with the Secured Party that no Collateral will be hereafter obtained, acquired or agreed to by the Debtor which is not secured in favour of the Secured Party in accordance with the provisions hereof or which requires the consent of any third party to any such security.

**Section 2.04 Where Consent Required.**

If any Collateral cannot be secured in favour of the Secured Party in accordance with the provisions of this Agreement or requires the consent of any third party to the granting of such security, then without limiting the Secured Party's other rights and remedies under the Loan Documents, the following provisions will apply: (i) the Debtor will forthwith make reasonable commercial efforts to obtain the consent of any necessary third party to the security in favour of the Secured Party, and (ii) the Debtor will hold all benefit to be derived from such Collateral in trust for the Secured Party as security for payment and performance of the Obligations and will deliver up all such benefit to the Secured Party forthwith and upon demand.

**ARTICLE 3 - COVENANTS OF THE DEBTOR****Section 3.01 Covenants.**

Without limiting other covenants, obligations and liabilities of the Debtor (whether individually or jointly with any other Borrower Entity or Person) under the Loan Documents, the Debtor covenants with the Secured Party that it will: not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession, other than to the Property; defend the Collateral against all actions, proceedings and claims made by all Persons at any time; except as otherwise expressly permitted by the Mortgage, not Transfer all or any part of the Collateral or create, incur or permit to exist (by operation of law or otherwise) any Lien on the Collateral or any part thereof (except in favour of the Secured Party as security for the Loan or as otherwise expressly permitted by the Mortgage); unless it gives the Secured Party 15 days prior written notice, not change its name, the location of its chief executive office and/or the location of the office where it keeps its records respecting the Receivables; without the prior written consent of the Secured Party in its sole discretion, not move any of the Securities or Equipment from the Property or from any other locations specified in any schedule hereto; pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same become due and payable, and will deliver to the Secured Party, when required, the receipts and vouchers establishing such payment; observe and perform all the obligations imposed upon it by the Collateral (including performance of its obligations under any Permitted Encumbrance, material agreement, permit and license); maintain the Collateral in good standing and not do or permit to be done anything that would impair the validity or enforceability thereof, and promptly deliver to the Secured Party notice of any default by the Debtor pursuant to any of the Collateral upon becoming aware of the occurrence of such default; pay to the Secured Party forthwith upon demand all Costs (all such Costs will be added to and form part of the Loan Indebtedness and will be secured by the Loan Documents); not amend, modify or terminate any Permitted Encumbrance, material agreement, permit or license without the prior written consent of the Secured Party; and obtain and maintain, at its own expense, insurance against loss or damage to the Collateral as required by the Mortgage.

At the request of the Secured Party, the Debtor will take all action that the Secured Party deems advisable to cause the Secured Party to have control over any securities or other investment property that are now or at any time become Collateral, including (i) causing such Collateral to be transferred to or registered in the name of the Secured Party or its nominee or otherwise as the Secured Party may direct, (ii) endorsing any such Collateral to the Secured Party or in blank by an effective endorsement, (iii) delivering such Collateral to the Secured Party or someone on its behalf as the Secured Party may direct (iv) delivering to the Secured Party any and all consents or other documents or agreements which may be necessary to effect the transfer of any such Collateral to the Secured Party or any third party and (v) entering into control agreements with the Secured Party and the applicable securities intermediary or issuer in respect of any such Collateral in form and substance satisfactory to the Secured Party.

**ARTICLE 4 - DEALING WITH COLLATERAL****Section 4.01 No Liability for Loss.**

The Secured Party may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties hereunder. In the holding or dealing with any of the Collateral or in the exercise of any right or remedy granted herein, the Secured Party and any nominee on its behalf will have no liability for, and the Debtor hereby agrees to indemnify and save harmless each Lender Entity from and against, any loss, damage, liability, cost or expense of any nature or kind incurred by such Lender Entity with respect to such Collateral.

**Section 4.02 Notification of Account Debtors.**

Upon and following the occurrence of an Event of Default, the Secured Party may give notice of this Agreement and the security granted hereby to any account debtors of the Debtor or to any other Person liable to the Debtor to make all further payments to the Secured Party or as the Secured Party may direct. Upon receipt of such notice, each such account debtors and

other Persons liable to the Debtor are hereby irrevocably authorized and directed to make such payments to the Secured Party or as it may direct. Whether or not any such notice is given by the Secured Party, the Collateral and all payments or other proceeds thereof received by the Debtor from account debtors or from any other Persons liable to the Debtor (whether before or after any notice is given by the Secured Party) will be and remain subject to the security granted hereby and will be held by the Debtor in trust for the Secured Party and paid over to the Secured Party on request. Nothing herein will release, discharge, postpone, reassign, amend or otherwise affect the security of the Secured Party in and to the Collateral and the immediate attachment thereof.

## ARTICLE 5 - REMEDIES

### Section 5.01 Remedies.

Upon and following the occurrence of an Event of Default, (i) the entire Loan Indebtedness will, at the option of the Secured Party in its sole discretion, become immediately due and payable to the Secured Party, without demand, notice, presentment, protest or notice of dishonour, all of which are expressly waived; (ii) the security interest, assignment, mortgage and charge granted hereby will, at the option of the Secured Party in its sole discretion become immediately enforceable; and (iii) in addition to any other right or remedy set out in or available under this Agreement, the other Loan Documents and Applicable Laws, the Secured Party will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently or both, in the Secured Party's sole discretion: the Secured Party may appoint, by written instrument, a receiver, manager or receiver and manager (each herein referred to as the "Receiver") of the Collateral (which term when used in this Section will include the whole or any part of the Collateral as the Secured Party will determine in its sole discretion) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral (and the term "Secured Party" when used in this Section will include any Receiver so appointed and the agents, officers and employees of such Receiver); the Secured Party will not be in any way responsible for any misconduct or negligence of any such Receiver; the Secured Party may exercise any of the rights and remedies permitted by Applicable Laws, including all rights and remedies of a secured creditor under the PPSA; the Secured Party may take possession of the Collateral by entry onto any premises where such Collateral may be located or by any other method permitted by Applicable Laws, and may require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party; the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral; the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor; the Secured Party may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by Applicable Laws; the Secured Party may sue the Debtor for the payment and performance of the Debtor's Obligations; the Secured Party may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Secured Party may determine and without notice to the Debtor unless required by Applicable Laws; the Secured Party, in its sole discretion, may accept the Collateral in satisfaction of the Obligations upon written notice to the Debtor of its intention to do so in the manner required by Applicable Laws; the Secured Party may, for any purpose specified herein, borrow money on the security of the Collateral in priority to the security interest, assignment and mortgage and charge granted by this Agreement; the Secured Party may enter upon, occupy and use all or any of the Property occupied by the Debtor and use all or any of the Equipment and other personal property of the Debtor for such time as the Secured Party requires to facilitate the realization of the Collateral, free of charge, and the Secured Party will not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions; without limiting the liability of the Debtor to pay all Costs, the Secured Party may charge on its own behalf and pay to others all reasonable amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Secured Party hereunder, including, without limiting the generality of the foregoing, legal fees and disbursements (on a full indemnity or solicitor and own client basis, as applicable), and any Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at the Interest Rate will be added to and form part of the Loan Indebtedness and will be secured by the Loan Documents; and the Secured Party may discharge or settle, in its sole discretion, any Lien or any action, proceeding or other claim that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith will be added to the Loan Indebtedness and will be secured by the Loan Documents.

The Secured Party may grant extensions of time, take and perfect or abstain from taking and perfecting security, give up securities, accept compositions or compromises, grant releases and discharges, and release any part of the Collateral or otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party sees fit without prejudice to the liability of the Debtor to the Secured Party or the Secured Party's rights hereunder. The Secured Party will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with

respect to the Collateral and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, in respect of the Collateral. The Secured Party may apply any proceeds of realization of the Collateral to payment of expenses in connection with the preservation and realization of the Collateral as above described and the Secured Party may apply any balance of such proceeds to payment of the Obligations in such order as the Secured Party may determine in its sole discretion.

## ARTICLE 6 - GENERAL

### Section 6.01 Entire Agreement and Waivers.

This Agreement, together with the other Loan Documents, constitutes the entire agreement between the Secured Party and the Debtor 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 Secured Party and the Debtor concerning the subject matter hereof except as expressly set forth in this Agreement or in the other Loan Documents. No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

### Section 6.02 Benefit of Agreement and Assignment.

This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective personal representatives, executors, administrators, heirs, successors and assigns. The Loan, the Loan Indebtedness, the Loan Documents (including this Agreement) or any interest therein may be sold, transferred or assigned by the Secured Party or any other Person having or acquiring any ownership interest in the Loan from time to time at any time and to any Person as it may determine in its sole discretion without restriction and without notice to or the consent of the Debtor or any other Borrower Entity or Person. The Debtor may not assign its obligations under this Agreement.

### Section 6.03 Severability.

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

### Section 6.04 Notices.

Any demand, notice or other communication to be given to the Debtor in connection with this Agreement must be given in writing and may be made or given by personal delivery, by registered mail or by facsimile transmission, addressed to the Debtor at 18 Antares Drive, Ottawa, Ontario, K2E 1A9, Attention: President, Fax No. 613-226-7161, or such other address, individual or facsimile number as the Debtor may designate by written notice given to the Secured Party. Any demand, notice or other communication made or given by personal delivery will be conclusively deemed to have been made or given on the day of actual delivery thereof, and if given by registered mail, on the third Business Day following the deposit thereof in the mail, and if given by facsimile transmission, on the first Business Day following the transmittal thereof. If the party giving any demand, notice or other communication knows or reasonably ought to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication will not be mailed but must be given by personal delivery or by facsimile transmission.

### Section 6.05 Additional Continuing Security and Discharge.

This Agreement and the security granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Secured Party and this Agreement is a continuing agreement and security that will remain in full force and effect until discharged by the Secured Party. The Debtor will not be discharged from this Agreement or any of its obligations and liabilities hereunder except upon full payment and performance by the Debtor to the Secured Party of the Obligations in accordance with the provisions of the Loan Documents and a written discharge being executed and delivered by the Secured Party.

Without limiting the foregoing, the Debtor hereby irrevocably consents to any extension, renewal or amendment of the Loan and/or any of the Loan Documents made by the Secured Party and the Borrower from time to time and acknowledges and agrees that this Agreement will remain in full force and effect and will continue to apply and be binding on it for the benefit of the Secured Party, notwithstanding any such extension, renewal or amendment.

**Section 6.06 Further Assurances.**

The Debtor must do, execute and deliver, or cause to be done, executed and delivered from time to time and at its sole expense, all such financing statements, further assignments, documents, acts, matters and things as may be reasonably requested by the Secured Party for the purpose of giving effect to this Agreement, to better evidence and perfect the security granted hereby or for the purpose of establishing compliance with the representations, warranties and covenants herein contained.

**Section 6.07 Power of Attorney.**

The Debtor hereby irrevocably constitutes and appoints the Secured Party the true and lawful attorney of the Debtor, coupled with an interest and with full power of substitution, upon the occurrence of an Event of Default that is continuing, to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever the Secured Party may deem reasonably necessary or expedient and from time to time to exercise all rights and powers and to perform all acts of ownership in respect to the Collateral in accordance with this Agreement.

**Section 6.08 Governing Law.**

This Agreement will be governed by and construed in accordance with the laws of the Province and the laws of Canada applicable therein without application of any principle of conflict of laws which may result in laws, other than the laws in force in the Province, applying to this Agreement. The Debtor consents to the jurisdiction of the courts of the Province and irrevocably agrees that, subject to the Secured Party's election in its sole discretion to the contrary, all actions or proceedings arising out of or relating to this Agreement will be litigated in such courts and unconditionally accepts and consents the non-exclusive jurisdiction of the said courts and waives any defense of *forum non-conveniens*, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement, provided nothing herein will affect the right to serve process in any other manner permitted by law or will limit the right of the Secured Party to bring proceedings against the Debtor or any other Borrower Entity in the courts of any other jurisdiction.

**Section 6.09 Executed Copy/Waiver.**

The Debtor acknowledges receipt of a fully executed copy of this Agreement. The Debtor waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or other similar statement or registration (including any renewal statement or change statement) registered or filed at any time under the PPSA in respect of this Agreement or any of the other Loan Documents and all confirmation, verification or other similar statement(s) with respect thereto.

**Section 6.10 Counterparts.**

This agreement may be executed in several counterparts, each of which when so executed will be deemed to be an original and which counterparts together will constitute one and the same instrument.

IN WITNESS WHEREOF the Debtor has executed this Agreement.

**ASHCROFT HOMES - LA PROMENADE INC.**

Per: 

David Choo, President

I have authority to bind the Corporation.

**ADDRESS OF DEBTOR**

Location of Chief Executive Office and location of Business Records of the Debtor

130 Rossignol Drive, Ottawa, Ontario

150 Rossignol Drive, Ottawa, Ontario

18 Antares Drive, Ottawa, Ontario, K2E 1A9

This is Exhibit "F" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in cursive script that reads "Adam Davis".

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**



**FULL RECOURSE GUARANTEE**  
**("Promenade Seniors Suites - 1st Mortgage")**

THIS GUARANTEE is made as of ~~September 8<sup>th</sup>~~ <sup>October 8<sup>th</sup></sup>, 2020 (this "Guarantee") between INSTITUTIONAL MORTGAGE CAPITAL CANADA INC. ("Lender") and ALAVIDA LIFESTYLES INC., THE DAVID AND SHANTI CHOO FAMILY TRUST 2016 and DAVID CHOO (individually and collectively, the "Guarantor").

WHEREAS the Lender is making a loan (the "Loan") to Ashcroft Homes - La Promenade Inc. (the "Borrower") in the original principal amount of up to \$42,000,000 pursuant to a commitment letter dated September 24, 2020 (the "Commitment Letter") and secured by a first priority mortgage and charge (the "Mortgage") of certain lands and premises comprising Part Lots 34 & 35, Concession 1 Cumberland (Old Survey), designated as Parts 7 & 8 on Plan 4R-29684, PIN 14501-0928 LT, 130 & 150 Rossignol Drive, Ottawa, Ontario (as defined in the Mortgage, the "Property"). As a condition of the Loan, the Guarantor has agreed to provide this Guarantee to the Lender. Unless otherwise defined herein, the capitalized terms and expressions used in this Guarantee have the same meaning as set out in the Mortgage. In this Guarantee, "Province" means the Province of Ontario.

**NOW THEREFORE** in consideration of the premises and the covenants and agreements herein contained, the sum of \$10.00 now paid by the Lender to the Guarantor and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Guarantor), the Guarantor covenants and agrees with and in favour of the Lender as follows:

**ARTICLE 1 - GUARANTEE**

**Section 1.01 Guarantee.**

The Guarantor hereby unconditionally and irrevocably guarantees payment and performance by the Borrower to the Lender of all Loan Indebtedness and any and all other debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender or remaining unpaid or unsatisfied by the Borrower to the Lender relating to the Loan (hereinafter collectively referred to as the "Obligations"), together with interest thereon as provided in Section 4.01.

**Section 1.02 Indemnity.**

If any or all of the Obligations are not duly performed by the Borrower and are not performed under Section 1.01 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Lender from and against all losses resulting from the failure of the Borrower to perform such Obligations.

**Section 1.03 Primary Obligation.**

If any or all of the Obligations are not duly performed by the Borrower and are not performed under Section 1.01 or the Lender is not indemnified under Section 1.02, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be performed by the Guarantor as primary obligor.

**Section 1.04 Liability.**

The liability of the Guarantor hereunder is and shall be for the full amount of the Obligations without apportionment, limitation or restriction of any kind.

**Section 1.05 Joint and Several.**

If more than one Person is named as or otherwise becomes liable for or assumes the obligations and liabilities of the Guarantor hereunder, then the obligations and liabilities of all such Persons will be joint and several.

**Section 1.06 Guarantee Absolute**

The liability of the Guarantor hereunder will be absolute and unconditional and will not be impaired or limited by, or otherwise affected by: (a) any lack of validity or enforceability of any agreements between any Lender Entity and any Borrower Entity, including any of the Loan Documents or any change in the time, manner or place of payment of or in any other term of such agreements or the failure on the part of any Borrower Entity to carry out any of its obligations under

such agreements; (b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government; (c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of, or any other change in, any Borrower Entity, Lender Entity or any other party to any agreement to which any Lender Entity is a party, including without limitation, any change in the constitution of any partnership comprising any Lender Entity or Borrower Entity (including the Guarantor); (d) any lack or limitation of power, incapacity or disability on the part of any Borrower Entity or any Lender Entity or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of any Borrower Entity in its obligations to the Lender; (e) any extension or renewal of the Loan or other obligation under the Loan Documents; (f) any sale or assignment of the Loan or any Transfer; (g) the withdrawal or removal of the Guarantor from any current or future position of ownership, management or control of any Borrower Entity or the Property; (h) the accuracy or inaccuracy of the representations and warranties made by any Borrower Entity in any of the Loan Documents; (i) the release of any Borrower Entity or other Person from performance or observance of any obligation contained in any of the Loan Documents, by operation of law, voluntary act or otherwise; (j) the release or substitution in whole or in part of any security or collateral for the Loan, including any Defeasance; (k) the failure of any Person to record, register, perfect, protect, secure or ensure the Lender's security; (l) the modification of any Loan Document; (m) the exercise of any remedies against the Property, any Borrower Entity or other Person; (n) any course of dealings by any Lender Entity with the Property, any Borrower Entity or any other Person; or (o) any other law, regulation or other circumstance which might otherwise constitute a defence available to, or a discharge of, any Borrower Entity in respect of any or all of the Obligations.

#### **Section 1.07 REIT Provision**

Notwithstanding any other provision of any Loan Document, if any Borrower Entity is a real estate investment trust (a "REIT"), the obligations of the REIT under the Loan Documents are not personally binding upon, and resort will not be had to, nor will recourse or satisfaction be sought from, the private property of any of: (a) the unit holders of the REIT; (b) annuitants or beneficiaries under a plan of which a unit holder of the REIT acts as a trustee or carrier; and (c) trustees, officers or employees of the REIT, provided that the Property will remain bound by and subject to the Mortgage and the other Loan Documents, and the Lender will have full recourse to the Property, at all times and without limitation or restriction of any kind. Any obligation of the REIT set out in this Guarantee will, to the extent necessary to give effect to such obligation, be deemed to constitute, subject to the provisions of the previous sentence, an obligation of the trustees of the REIT in their capacity as trustees of the REIT. Nothing herein will (i) constitute a bar to any action against the REIT for specific performance of any of its obligations under this Guarantee or any other Loan Document or (ii) limit, restrict or otherwise affect the validity or enforceability of the obligations and liabilities of any Borrower Entity under this Guarantee or any other Loan Document.

### **ARTICLE 2 - DEALINGS WITH BORROWER AND OTHERS**

#### **Section 2.01 No Release.**

The liability of the Guarantor hereunder will not be released, discharged, limited or in any way affected by anything done, suffered or permitted by any Lender Entity in connection with any duties or liabilities of any Borrower Entity to any Lender Entity or any security therefor including any loss of or in respect of any security received by the Lender. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, the Lender may discontinue, reduce, increase or otherwise vary the credit of any Borrower Entity in any manner whatsoever without the consent of or notice to the Guarantor and may either with or without consideration and both before and after an Event of Default:

- (a) make any change in the time, manner or place of payment under, or in any other term of, any agreement between any Borrower Entity and the Lender;
- (b) grant time, renewals, extensions, indulgences, releases and discharges to any Borrower Entity;
- (c) take or abstain from taking or enforcing securities or collateral from any Borrower Entity or from perfecting securities or collateral of any Borrower Entity;
- (d) accept compromises from any Borrower Entity;

- (e) apply all money at any time received from any Borrower Entity or from securities upon such part of the Obligations as the Lender may see fit or change any such application in whole or in part from time to time as the Lender may see fit; and
- (f) otherwise deal with any Borrower Entity and all other Persons and securities as the Lender may see fit.

Without limiting the foregoing, the Guarantor hereby irrevocably consents to any extension, renewal or amendment of the Loan and/or any of the Loan Documents made by the Lender and the Borrower from time to time and acknowledges and agrees that this Guarantee will remain in full force and effect and will continue to apply and be binding on it for the benefit of the Lender with respect to all of the Obligations (as extended, renewed or amended thereby), notwithstanding any such extension, renewal or amendment.

#### **Section 2.02 Release of Family Trust**

It is acknowledged and agreed that The David And Shanti Choo Family Trust 2016 (the “**Family Trust**”) will be released from this Guarantee provided that both of the following conditions are satisfied: (i) David Choo personally maintains a minimum personal net worth of \$100,000,000 (excluding the value of any interest he may have as beneficiary of the Family Trust) at all times until all Loan Indebtedness is paid in full to the Lender, and (ii) the Family Trust does not have or subsequently acquire, at any time, any direct or indirect ownership interest in the Property or in the ownership interests (shares, partnership interests or otherwise) of the Borrower or any other Person that has a direct or indirect ownership interest in the Property.

### **ARTICLE 3 - CONTINUING GUARANTEE**

#### **Section 3.01 Continuing Guarantee.**

This Guarantee will be a continuing guarantee of the Obligations and will apply to and secure any ultimate balance due or remaining due to the Lender and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Lender. The Guarantor will not be released or discharged from any of its obligations hereunder except upon payment of the total amount guaranteed hereunder together with interest thereon as provided in Section 4.01 and all Costs. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Lender upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of any Borrower Entity or otherwise, all as though such payment had not been made. Any account settled or stated in writing by or between the Lender and the Borrower will be *prima facie* evidence that the balance or amount thereof appearing due to the Lender is so due.

### **ARTICLE 4 - DEMAND AND INTEREST**

#### **Section 4.01 Demand and Interest.**

The Lender will be entitled to make demand upon the Guarantor at any time upon the occurrence of any Event of Default (as defined in the Mortgage) and upon such Event of Default the Lender may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder whether or not such Obligations are yet due and payable at the time of demand for payment hereunder. The Guarantor will make payment to the Lender of the total amount guaranteed hereunder forthwith after demand therefor is made to the Guarantor. The Guarantor will pay interest to the Lender at the Interest Rate (as defined in the Mortgage) on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to accrue from and including the date of demand by the Lender on the Guarantor. The Lender will not be bound or obligated to exhaust its recourse against any Borrower Entity or other Persons or any securities or collateral it may hold or take any other action before being entitled to demand payment from the Guarantor hereunder. In any claim by the Lender against the Guarantor, the Guarantor may not assert any set-off or counterclaim that either the Guarantor or any Borrower Entity may have against the Lender. The Guarantor will pay all reasonable Costs incurred by the Lender in enforcing this Guarantee.

**ARTICLE 5 - ASSIGNMENT, POSTPONEMENT AND SUBROGATION****Section 5.01 Assignment, Postponement and Subrogation.**

All debts and liabilities, present and future, of the Borrower to any party comprising the Guarantor are hereby assigned to the Lender and postponed to the Obligations, and all money received by any party comprising the Guarantor in respect thereof will be held in trust for the Lender and forthwith upon receipt will be paid over to the Lender, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and paid in full. The Guarantor will not be entitled to subrogation until the Obligations are performed and paid in full.

**ARTICLE 6 - GENERAL****Section 6.01 Benefit of the Guarantee.**

The Guarantor acknowledges and agrees that the Lender may hold the Loan, this Guarantee and the other Loan Documents either for its own account and/or as custodian and agent for all Persons having or acquiring an ownership interest in the Loan from time to time and this Guarantee will enure to the benefit of the Lender and each such Person and their respective successors and assigns (whether or not any such Persons are a party hereto). The Guarantor agrees that the Lender will be entitled to hold and enforce all rights and hold the benefit of this Guarantee on behalf and for the benefit of itself and each such Person. Without limiting the foregoing, the Guarantor further agrees that all enforcement actions or proceedings may be brought by the Lender under the Loan and this Guarantee on behalf of itself and all Persons having or acquiring an ownership interest in the Loan from time to time and waives any requirement that any such person be a party to any such actions or proceedings. This Guarantee will be binding upon the Guarantor and its heirs, legal representatives, successors and assigns. Where any reference is made in this Guarantee to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to, a trust, such reference will be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to, the trustee(s) of the trust. The Loan, the Loan Indebtedness, the Loan Documents (including this Guarantee) or any interest therein may be sold, transferred or assigned by the Lender and/or any other Person having or acquiring an ownership interest in the Loan from time to time at any time and to any Person as it may determine in its sole discretion without restriction and without notice to or the consent of the Guarantor, any other Borrower Entity or Person.

**Section 6.02 Entire Agreement.**

This Guarantee constitutes the entire agreement between the Guarantor and the Lender with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties with respect to the subject matter of this Guarantee except as expressly set forth herein. The Lender will not be bound by any representations or promises made by the Borrower to the Guarantor and possession of this Guarantee by the Lender will be conclusive evidence against the Guarantor that the Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with.

**Section 6.03 Amendments and Waivers.**

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

**Section 6.04 Severability.**

If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

**Section 6.05 Notices.**

Any demand, notice or other communication to be made or given to the Guarantor in connection with this Guarantee may be made or given by personal delivery, by registered mail or by facsimile transmission addressed to the Guarantor at 18 Antares Drive, Ottawa, Ontario, K2E 1A9, Attention: President, Fax No. 613-226-7161, or to the last known address of the Guarantor as shown in the Lender's records. Any demand, notice or communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof, and if given by registered mail, on the third Business Day following deposit thereof in the mail, and if given by facsimile transmission, on the first Business Day following the transmittal thereof.

**Section 6.06 Financial Statements.**

The Guarantor will furnish to the Lender promptly upon demand by Lender from time to time financial statements of the Guarantor, in form and substance acceptable to the Lender. The Guarantor hereby represents and warrants to the Lender that all financial statements and other information previously provided or to be provided to any Lender Entity with respect to the Guarantor are and will be complete and correct in all material respects and include all material facts and circumstances concerning the financial or other condition or status of the Guarantor, its business and operations necessary to ensure all such statements and information are not misleading as of the date of delivery to such Lender Entity or as of such other date specified therein.

**Section 6.07 Release of Information.**

The Guarantor acknowledges and agrees that the Loan may be sold or syndicated without restriction and without notice to or the consent of the Guarantor or any other Borrower Entity. Each Lender Entity may release, disclose, exchange, share, transfer and assign from time to time, as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, Lease defaults, Tenants or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by any Lender Entity relating to any Borrower Entity, the Property or the Loan (both before and after the Loan advance and/or default) without restriction and without notice to or the consent of the Indemnitor or any other Borrower Entity as follows: (i) to any existing or proposed Lender Entity; (ii) to any subsequent or proposed purchaser of or investor in the Loan or any interest therein; (iii) to any Governmental Authority having jurisdiction over such sale or syndication of the Loan or any trade of any interest in the Loan; (vi) to any other Person in connection with the sale or syndication of the Loan or in connection with any collection or enforcement proceedings taken under or in respect of the Loan and/or the Loan Documents; and (viii) to any third party advisors and agents of any of the foregoing Persons, such as lawyers, accountants, consultants, appraisers, credit verification sources and servicers. The Guarantor irrevocably consents to the collection, obtaining, release, disclosure, exchange, sharing, transfer and assignment of all such information and materials.

The Guarantor acknowledges that certain Lender Entities may collect or come into possession of personal information relating to certain individuals either comprising or otherwise related to any Borrower Entity, including their respective directors, officers, shareholders, partners and principals. The Guarantor acknowledges and agrees that such personal information may be used by Lender Entities in connection with the processing, approving, funding, servicing and administering the Loan and any sale or syndication of the Loan, and in so doing each Lender Entity may disclose and otherwise deal with personal information in the same manner and to the same persons as provided in the preceding paragraph of this Section without restriction and without notice to or the consent of any Borrower Entity or any related individual. The Guarantor, for itself and on behalf of its directors, officers, shareholders, partners and principals, hereby consents to and authorizes such use and disclosure of all such personal information by each Lender Entity and represents and warrants that it has full power and authority to give such consent and authorization.

**Section 6.08 Governing Law.**

This Guarantee will be governed by and construed in accordance with the laws of the Province and the laws of Canada applicable therein without application of any principle of conflict of laws which may result in laws other than the

laws in force in such Province applying to this Guarantee; and the Guarantor consents to the jurisdiction of the courts of such Province and irrevocably agrees that, subject to the Lender's election in its sole discretion to the contrary, all actions or proceedings arising out of or relating to this Guarantee will be litigated in such courts and the Guarantor unconditionally accepts the non-exclusive jurisdiction of the said courts and waives any defense of *forum non-conveniens*, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Guarantee, provided nothing herein will affect the right to serve process in any other manner permitted by law or will limit the right of the Lender to bring proceedings against the Guarantor or any other Borrower Entity in the courts of any other jurisdiction.

**Section 6.09 General.**

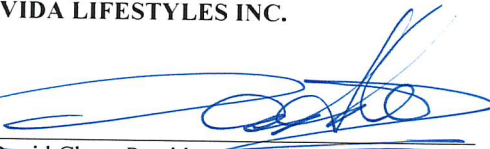
The Guarantor acknowledges having received and reviewed a copy of the Commitment Letter (including all amendments thereto made up to and including the Loan advance), the Mortgage, this Guarantee and each of the other Loan Documents. Sections 1.02 and 1.03 of the Mortgage are incorporated in and form part of this Guarantee *mutatis mutandis*.

**Section 6.10 Counterparts.**

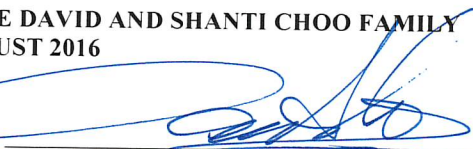
This Guarantee may be executed in several counterparts, each of which when so executed will be deemed to be an original and which counterparts together will constitute one and the same instrument.

**IN WITNESS WHEREOF** the Guarantor has executed this Guarantee under seal as of the date set out above with the intention that this Guarantee be a specialty under Applicable Laws and acknowledges receipt of a fully executed copy thereof.

**ALAVIDA LIFESTYLES INC.**

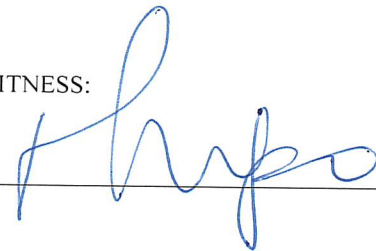
Per:   
David Choo, President

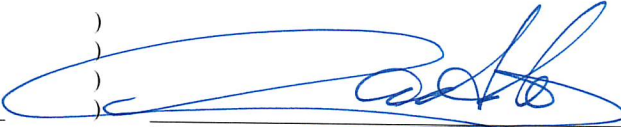
I have authority to bind the Corporation.

**THE DAVID AND SHANTI CHOO FAMILY TRUST 2016**  
Per:   
David Choo, Trustee

Per:   
Shanti Choo, Trustee

We have authority to bind the Trust.

WITNESS:  


)  
)  
)   
)  
) **DAVID CHOO**

This is Exhibit "G" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

**INDEMNITY**  
**("Promenade Seniors Suites - 1st Mortgage")**

THIS INDEMNITY is made as of ~~September 8~~<sup>October 8th</sup>, 2020 (the "**Indemnity**") between INSTITUTIONAL MORTGAGE CAPITAL CANADA INC. (the "**Lender**"), and ASHCROFT HOMES - LA PROMENADE INC., ALAVIDA LIFESTYLES INC., THE DAVID AND SHANTI CHOO FAMILY TRUST 2016 and DAVID CHOO (individually and collectively, the "**Indemnitor**").

WHEREAS the Lender is making a loan (the "**Loan**") to Ashcroft Homes - La Promenade Inc. (the "**Borrower**") in the original principal amount of up to \$42,000,000 pursuant to a commitment letter dated September ~~24~~<sup>24</sup>, 2020 (the "**Commitment Letter**") and secured by a first priority mortgage and charge (the "**Mortgage**") of certain lands and premises comprising Part Lots 34 & 35, Concession 1 Cumberland (Old Survey), designated as Parts 7 & 8 on Plan 4R-29684, PIN 14501-0928 LT, 130 & 150 Rossignol Drive, Ottawa, Ontario (as defined in the Mortgage, the "**Property**"). As a condition of the Loan, the Indemnitor has agreed to provide this Indemnity to the Lender for the benefit of the Lender and each other Lender Entity. Unless otherwise defined herein, the capitalized terms and expressions used herein have the same meaning as defined in the Mortgage. In this Indemnity, "**Province**" means the Province of Ontario.

**NOW THEREFORE** in consideration of the Lender making the Loan to the Borrower and for other good and valuable consideration (the receipt and sufficiency of which is acknowledged by the Indemnitor), the Indemnitor hereby covenants and agrees with and in favour of the Lender, for itself and on behalf and for the benefit of each other Lender Entity, as follows:

1. **Indemnity.** The Indemnitor agrees to indemnify and pay, protect, defend and save each Lender Entity harmless from and against all actions, proceedings, losses, damages, liabilities, taxes, claims, demands, judgments, rights (including set-off), remedies, recourse, costs and expenses of any kind or nature, including legal fees and disbursements on a full indemnity basis and any diminution in value of the Property (collectively, "**Claims**") made against or incurred by each Lender Entity from time to time, and arising from or relating to, directly or indirectly, any of the following matters, whether or not caused by the Indemnitor or in its control: (i) any Borrower Entity misappropriating any Rents, proceeds under insurance policies or expropriation awards relating to the Property or not applying same in accordance with the Loan Documents; (ii) any Borrower Entity breaching any covenant in the Loan Documents which restricts Transfers or Liens of the Property (including Section 4.02(d) of the Mortgage); (iii) any Borrower Entity committing or permitting waste or damage to the Property as a result of its intentional misconduct, wilful neglect or gross negligence, or any Borrower Entity removing any part of the Property from the Lands subject to the Mortgage; (iv) any Borrower Entity committing any fraud or material misrepresentation in connection with the Loan; (v) any Claim made by any Person that any amount directed by the Borrower from the initial Loan advance to be paid as a reserve under the Loan Documents or on account of Costs has not been fully and immediately advanced to the Borrower for all purposes, does not bear interest at the Interest Rate from and after the date of the initial Loan advance, or is not fully and immediately secured by the Mortgage and the other Loan Documents in priority to all Liens (other than Permitted Encumbrances); (vi) any failure by the Borrower to comply with its obligations under Article 5 of the Mortgage with respect to insurance; (vii) any failure by the Borrower to comply with its obligations under Sections 3.02, 3.03 or 3.04 of the General Assignment of Rents and Leases; or (viii) any of: (a) any actual or alleged breach of Environmental Laws relating to or affecting the Property; (b) the actual or alleged presence, release, discharge or disposition of any Hazardous Substance in, on, over, under, from or affecting all or any part of the Property or surrounding lands, including any personal injury or property damage arising therefrom, (c) any actual or threatened Environmental Proceeding against or affecting the Property including any settlement thereof; (d) any assessment, investigation, containment, monitoring, remediation and/or removal of all Hazardous Substances from all or part of the Property or surrounding lands or otherwise ensuring compliance by the Property with Environmental Laws; (e) any breach by any Borrower Entity of any Loan Document or Applicable Law relating to environmental matters, including Subsections 4.02(m) and (n) of the Mortgage. Notwithstanding any provision of any Loan Document restricting recourse to any Borrower Entity, the Indemnitor agrees that each Lender Entity have full and unrestricted recourse to the Indemnitor and all of its property and assets for all such Claims.



The Indemnitor acknowledges and agrees that the Lender may hold the Loan, this Indemnity and other Loan Documents either for its own account and/or as custodian and agent for and on behalf of all Persons having or acquiring an ownership interest in the Loan from time to time and this Indemnity will enure to the benefit of the Lender and each other Lender Entity and their respective successors and assigns. Claims for which the Lender is entitled to indemnity under this Indemnity include Claims made against or incurred by the Lender and each other Lender Entity from time to time (whether or not specifically stated). To the extent that any Lender Entity is entitled to indemnity for or in respect of any Claims hereunder, the Indemnitor agrees that the Lender will be entitled to hold and enforce all rights and the full benefit of this Indemnity on behalf and for the benefit of itself and each other Lender Entity, whether or not any other Lender Entity is a party hereto. Without limiting the foregoing, the Indemnitor further agrees that all enforcement actions or proceedings may be brought by the Lender under or in respect of the Loan and this Indemnity on behalf of itself and each other Lender Entity from time to time and waives any requirement that any such Lender Entity be a party to any such actions or proceedings.

2. **Defence of Claims.** The Indemnitor will promptly defend all Claims, using counsel acceptable to the Lender at trial, in all appeals and in any settlement negotiations, all at the Indemnitor's expense. At the option of the Lender, it may employ separate counsel and defend such Claims at Indemnitor's expense. If the Indemnitor fails to defend any Claim, the Lender, at its sole option in its sole discretion, may defend and settle such Claims at Indemnitor's expense. No such Claim will be settled or compromised without the consent of the Lender, in its sole discretion. The Indemnitor will pay to the Lender the amount of all Claims within ten (10) days of demand. Any amounts not so paid will bear interest at the Interest Rate from the date of demand until paid.
3. **Waivers by Indemnitor.** To the extent permitted by Applicable Laws, the Indemnitor waives and agrees not to assert or take advantage of, directly or indirectly: (a) any right to require any Lender Entity to proceed against any Borrower Entity or any other Person or against any security or collateral held by any Lender Entity at any time or any defence based on election of remedies; (b) any defence arising from the incapacity, lack of authority, death or disability of any Person; (c) any demand, presentment for payment, notice of non-payment, protest and notice of protest or any lack thereof; (d) any right of marshalling; (e) any Applicable Law in conflict with the terms and provisions of this Indemnity; (f) any duty of any Person to disclose to the Indemnitor any facts that materially increase the risk beyond that which the Indemnitor intends to assume, the Indemnitor being fully responsible for keeping himself fully informed of all circumstances bearing on its liability hereunder; (g) any invalidity, irregularity or unenforceability, in whole or in part, of any Loan Document; (h) the bankruptcy, winding up, liquidation, termination, dissolution or insolvency of, or any other change in, any Person, including any change in the constitution of any partnership comprising any Lender Entity or Borrower Entity (including the Indemnitor); and (i) any Claims by any Borrower Entity against any Lender Entity or their respective assets arising from or relating to the Loan.
4. **No Limitation on Liability.** The liability of the Indemnitor under this Indemnity will be direct, immediate, unconditional, unlimited and absolute and will not be impaired or limited by, or otherwise conditional upon: (i) any extension or renewal of the Loan or other obligation under the Loan Documents; (ii) any sale or assignment of the Loan or any Transfer; (iii) any change in any Borrower Entity or Lender Entity, including the withdrawal or removal of the Indemnitor from any current or future position of ownership, management or control of any Borrower Entity or the Property; (iv) the accuracy or inaccuracy of the representations and warranties made by any Borrower Entity in any of the Loan Documents; (v) the release of any Borrower Entity or other Person from performance or observance of any obligation contained in any of the Loan Documents, by operation of law, voluntary act or otherwise; (vi) the release or substitution in whole or in part of any security or collateral for the Loan, including any Defeasance; (vii) the failure of any Person to record, register, perfect, protect, secure or insure the Lender's security; (viii) the modification of any Loan Document; (ix) the exercise of any remedies against the Property, any Borrower Entity or any other Person; (x) any course of dealing by any Lender Entity with the Property, any Borrower Entity or any other Person; or (xi) any matter referred to in paragraph 3.

5. **Financial Statements.** The Indemnitor will furnish to the Lender promptly upon demand by Lender from time to time financial statements of the Indemnitor, in form and substance acceptable to the Lender. The Indemnitor hereby represents and warrants to the Lender that all financial statements and other information previously provided or to be provided to any Lender Entity with respect to the Indemnitor are and will be complete and correct in all material respects and include all material facts and circumstances concerning the financial or other condition or status of the Indemnitor, its business and operations necessary to ensure all such statements and information are not misleading as of the date of delivery to such Lender Entity or as of such other date specified therein.
6. **Release of Information.** The Indemnitor acknowledges and agrees that the Loan may be sold or syndicated without restriction and without notice to or the consent of the Indemnitor or any other Borrower Entity. Each Lender Entity may release, disclose, exchange, share, transfer and assign from time to time, as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, Lease defaults, Tenants or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by any Lender Entity relating to any Borrower Entity, the Property or the Loan (both before and after the Loan advance and/or default) without restriction and without notice to or the consent of the Indemnitor or any other Borrower Entity as follows: (i) to any existing or proposed Lender Entity; (ii) to any subsequent or proposed purchaser of or investor in the Loan or any interest therein; (iii) to any Governmental Authority having jurisdiction over such sale or syndication of the Loan or any trade of any interest in the Loan; (vi) to any other Person in connection with the sale or syndication of the Loan or in connection with any collection or enforcement proceedings taken under or in respect of the Loan and/or the Loan Documents; and (vii) to any third party advisors and agents of any of the foregoing Persons, such as lawyers, accountants, consultants, appraisers, credit verification sources and servicers. The Indemnitor irrevocably consents to the collection, obtaining, release, disclosure, exchange, sharing, transfer and assignment of all such information and materials.

The Indemnitor acknowledges that certain Lender Entities may collect or come into possession of personal information relating to certain individuals either comprising or otherwise related to any Borrower Entity, including their respective directors, officers, shareholders, partners and principals. The Indemnitor acknowledges and agrees that such personal information may be used by Lender Entities in connection with the processing, approving, funding, servicing and administering the Loan and any sale or syndication of the Loan, and in so doing each Lender Entity may disclose and otherwise deal with personal information in the same manner and to the same Persons as provided in the preceding paragraph of this Section without restriction and without notice to or the consent of any Borrower Entity or any related individual. The Indemnitor, for itself and on behalf of its directors, officers, shareholders, partners and principals, hereby consents to and authorizes such use and disclosure of all such personal information by each Lender Entity and represents and warrants that it has full power and authority to give such consent and authorization.

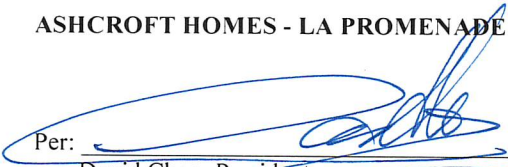
7. **General Provisions.** The provisions of Sections 1.02 and 1.03 of the Mortgage are incorporated in and form part of this Indemnity, *mutatis mutandis*. Without limiting the foregoing, in this Indemnity: (a) the obligations of the Indemnitor will be construed as an indemnity and not a guarantee; (b) if more than one Person is named as or otherwise becomes liable for or assumes the obligations and liabilities of the Indemnitor hereunder, then the obligations and liabilities of all such Persons so named or who otherwise become liable for the obligations and liabilities of the Indemnitor will be joint and several; (c) the obligations and liabilities of the Indemnitor under this Indemnity are continuing in nature and will survive the making of any advance or full or partial repayment of the Loan, any full or partial release, termination or discharge of any Loan Document, and any enforcement proceedings taken by any Lender Entity under any Loan Document or Applicable Laws; (d) without limiting the foregoing, the Indemnitor hereby irrevocably consents to any extension, renewal or amendment of the Loan and/or any of the Loan Documents made by the Lender and the Borrower from time to time and acknowledges and agrees that this Indemnity will remain in full force and effect and will continue to apply and be binding on it for the benefit of each Lender Entity notwithstanding any such extension, renewal or amendment; (e) the obligations of the Indemnitor are independent of the obligations of any other Borrower Entity, and the rights of each Lender Entity under this Indemnity will be in addition to all rights of the Lender under the other Loan

Documents; (f) actions may be brought against the Indemnitor whether or not any other Borrower Entity is joined therein; (g) this Indemnity will be binding upon and enure to the benefit of the parties hereto and their respective personal representatives, executors, administrators, heirs, successors and assigns; (h) the Loan, the Loan Indebtedness, the Loan Documents (including this Indemnity) or any interest therein may be sold, transferred or assigned by the Lender and/or any other Person having or acquiring an ownership interest in the Loan from time to time at any time and to any Person as it may determine in its sole discretion without restriction and without the consent of or notice to the Indemnitor or any other Borrower Entity or Person; and (i) this Indemnity will be governed by the laws of the Province and the laws of Canada applicable therein without application of any principle of conflict of laws which may result in laws other than the laws in force in such Province applying to this Indemnity; and the Indemnitor consents to the jurisdiction of the courts of such Province and irrevocably agrees that, subject to the Lender's election in its sole discretion to the contrary, all actions or proceedings arising out of or relating to this Indemnity will be litigated in such courts and the Indemnitor unconditionally accepts the non-exclusive jurisdiction of the said courts and waives any defense of *forum non-conveniens*, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Indemnity, provided nothing herein will affect the right to serve process in any other manner permitted by law or will limit the right of the Lender to bring proceedings against the Indemnitor or any other Borrower Entity in the courts of any other jurisdiction. This Indemnity constitutes the entire agreement between the Indemnitor and the Lender with respect to the subject matter hereof and cancels and supersedes any prior understandings between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties with respect to the subject matter of this Indemnity except as expressly set forth herein.

8. **Notices.** Any demand, notice or other communication to be made or given to the Indemnitor may be made or given by personal delivery, by registered mail or by facsimile transmission addressed to the Indemnitor at 18 Antares Drive, Ottawa, Ontario, K2E 1A9, Attention: President, Fax No. 613-226-7161, or to the last known address of the Indemnitor as shown in the Lender's record. Any demand, notice or communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof, and if given by registered mail, on the third Business Day following the deposit thereof in the mail, and if given by facsimile transmission, on the first Business Day following the transmittal thereof.
9. **Receipt of Loan Documents.** The Indemnitor acknowledges receipt of a copy of the Commitment Letter (including all amendments thereto made up to and including the initial Loan advance), the Mortgage, this Indemnity and each of the other Loan Documents.
10. **Counterparts.** This Indemnity may be executed in several counterparts, each of which when so executed will be deemed to be an original and which counterparts together will constitute one and the same instrument.
11. **REIT Provision.** Notwithstanding any other provision of any Loan Document, if any Borrower Entity is a real estate investment trust (a "REIT"), the obligations of the REIT under the Loan Documents are not personally binding upon, and resort will not be had to, nor will recourse or satisfaction be sought from, the private property of any of: (a) the unit holders of the REIT; (b) annuitants or beneficiaries under a plan of which a unit holder of the REIT acts as a trustee or carrier; and (c) trustees, officers or employees of the REIT, provided that the Property will remain bound by and subject to the Mortgage and the other Loan Documents, and the Lender will have full recourse to the Property, at all times and without limitation or restriction of any kind. Any obligation of the REIT set out in the Loan Documents will, to the extent necessary to give effect to such obligation, be deemed to constitute, subject to the provisions of the previous sentence, an obligation of the trustees of the REIT in their capacity as trustees of the REIT. Nothing herein will (i) constitute a bar to any action against the REIT for specific performance of any of its obligations under this Indemnity or any other Loan Document or (ii) limit, restrict or otherwise affect the validity or enforceability of the obligations and liabilities of any Borrower Entity under this Indemnity or any other Loan Document.

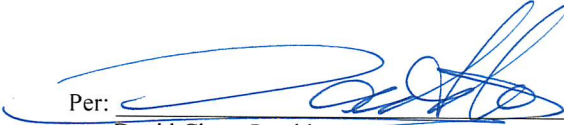
IN WITNESS WHEREOF, the Indemnitor has executed this Indemnity under seal as of the day and year first above written with the intention that this Indemnity be a specialty under Applicable Laws.

**ASHCROFT HOMES - LA PROMENADE INC.**

Per:   
David Choo, President

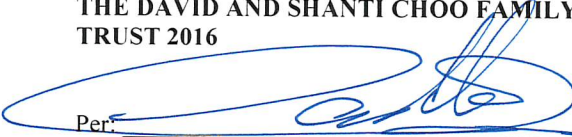
I have authority to bind the Corporation.

**ALAVIDA LIFESTYLES INC.**

Per:   
David Choo, President

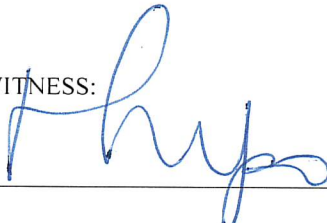
I have authority to bind the Corporation.

**THE DAVID AND SHANTI CHOO FAMILY TRUST 2016**

Per:   
David Choo, Trustee

Per:   
Shanti Choo, Trustee

We have authority to bind the Trust.

WITNESS: 

)  
)   
) DAVID CHOO  
)

This is Exhibit "H" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in cursive script that reads "Adam Davis".

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

106

**IMS** INSTITUTIONAL  
MORTGAGE  
SERVICING

---

199 Bay Street, Suite 1900, Commerce Court West  
P.O. Box 271, Toronto, ON M5L 1E9

December 22, 2022

Ashcroft Homes – La Promenade Inc.  
18 Antares Drive  
Ottawa, ON  
K2E 1A9

Attention: Manny Difilippo

RE:      IMS Loan No.:                   300-0148  
          Borrower:                     Ashcroft Homes - La Promenade Inc.  
          Property:                    Promenade Seniors Suites, 130 and 150 Rossignol Drive, Ottawa, ON  
          Subject:                     Loan Extension and Amendment

---

Dear Sirs:

Ashcroft Homes - La Promenade Inc. (the "Borrower") is indebted to Institutional Mortgage Capital Canada Inc. for a first mortgage loan (the "Loan") made pursuant to a commitment letter dated September 24, 2020 (the "Commitment Letter") with respect to the property municipally known as Promenade Seniors Suites, 130 and 150 Rossignol Drive, Ottawa, ON (the "Property").

Institutional Mortgage Servicing Canada Inc., as general partner of IMS Limited Partnership (collectively, "IMS"), as primary servicer for and on behalf of Institutional Mortgage Capital Canada Inc., as general partner of IMC Limited Partnership ("IMC"), for itself and on behalf of investors in the Loan (collectively, the "Lender") hereby offers to amend the Loan upon and subject to the terms and conditions set out in this commitment amending letter.

1. **General.** Terms not specifically defined herein shall have the same meanings as set forth in the Commitment Letter and/or the Loan Documents. Except as otherwise expressly provided herein, the terms of the Commitment Letter shall remain unamended and in full force and affect.
2. **Proposed Loan Amendments.** The proposed amendments to the Loan are summarized below and are subject to the satisfaction of all conditions set out in this commitment amending letter:

**Effective Date:**                   November 1, 2022 (the "Effective Date").

**Outstanding Principal  
Balance of Loan as at  
Effective Date:**                 \$37,000,000

**Step-Up Date:**                   The Step-Date of the Loan shall be extended from November 1, 2022 to November 1, 2023.

**Maturity Date:**                 The Maturity Date of the Loan shall be extended from February 1, 2023 to February 1, 2024.

**Interest Rate:**                 For each Interest Accrual Period commencing on or after the Effective Date and until the day immediately prior to the Step-Up Date, the Interest Rate will be the greater of (a) the Prime Rate plus 2.80%, and (b) 8.75%.

For each Interest Accrual Period commencing on or after the Step-Up until all outstanding Loan indebtedness is repaid in full, the Interest Rate will be the greater of (a) the Prime Rate plus 6.00%; and (b) 11.95%.



**Reset Minimum Interest Amount:**

Effective on and after Effective Date, the Minimum Interest Amount as defined in the Commitment Letter and the Loan documents shall be amended as follows:

"Minimum Interest Amount" means the amount of \$1,618,750 payable by the Borrower on account of regular interest (and not including any compound interest) on the outstanding Principal Amount from the Effective Date until the date of any acceleration or prepayment of the Principal Amount occurring prior to the Maturity Date (including any acceleration as a result of an Event of Default).

**Interest Reserve:**

The Borrower shall deposit the further sum of \$800,000 into the Interest Reserve as follows:

- (a) The sum of \$400,000 shall be immediately wired to the Loan servicer in accordance with the wire instructions set out below; and
- (b) The balance of \$400,000 shall be wired to the Loan servicer on or prior to April 25, 2023.

Provided that no Event of Default exists or is continuing, the Borrower shall be permitted to draw up to a maximum amount of \$66,667 per month from the Interest Reserve on account of partial payment of the monthly interest payments commencing with the January 1, 2023 payment, with the balance of the monthly interest payments being paid by the Borrower by automatic debit until the Interest Reserve is depleted. Thereafter, the full monthly interest payments shall be paid by the Borrower by automatic debit.

**Fees/Costs:**

The following fees and costs shall be payable by the Borrower upon acceptance of this commitment amending letter:

- (a) A processing fee in the amount of \$92,500 inclusive of applicable taxes payable to IMS, which is fully earned and non-refundable in all circumstances;
- (b) A loan extension fee in the amount of \$92,500 payable to the Lender, which is fully earned and non-refundable in all circumstances;
- (c) All legal costs incurred by the Lender and IMS in processing the loan amendments contemplated by this commitment amending letter.

**Wire Instructions:**

The sum of **\$585,000** representing the processing fee, the loan extension fee and the initial amount payable on account of the Interest Reserve shall be immediately payable by wire transfer as follows:

Beneficiary Name:	IMS Limited Partnership
Beneficiary Address:	199 Bay Street, Suite 1900, Commerce Court West, Box 271 Toronto, ON
Bank Name:	TD CANADA TRUST
Bank Address:	55 King Street West, Toronto, ON
Swift Code:	TDOMCATTTOR
Bank #:	004
Transit #:	19922
Account #:	5279563

3. **Conditions Precedent.** The amendments to the Loan are subject to the satisfaction of all conditions set out in this commitment amending letter (all of which shall be for the sole benefit of the Lender), including, without limitation, completion of the following matters, each to the satisfaction of the Lender in its sole discretion:

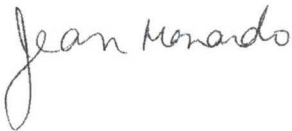
- (a) acceptance of this commitment amending letter by each Borrower Entity within three (3) business days from the date hereof;
- (b) payment to the Lender of the processing fee, the loan extension fee and the initial amount payable on account of the Interest Reserve in the total amount of \$585,000 by wire transfer as set out above;
- (c) completion of all legal diligence in the respect of the Property and searches required or recommended by the Lender or its legal counsel;

- (d) such financial and other information, statements and documents (certified as required) as the Lender or its counsel may reasonably require in connection with the re-underwriting of the Loan;
  - (e) the Lender being satisfied, in its sole discretion, that no change in the Property or any Borrower Entity has occurred which, in the opinion of the Lender in its sole discretion, either has or could reasonably be expected to have a material adverse effect on the value or marketability of the Property or the strength of the covenants made by any Borrower Entity;
  - (f) finalization, execution, delivery and registration of all documents required by the Lender, which include this commitment amending letter, amending agreements, confirmation of existing security, title insurance endorsements, PPSA registrations and amendments and additional documents and opinions required to give effect to the proposed amendments and completion of all legal diligence.
4. **Assumption of Loan Documents.** Each Borrower Entity hereby acknowledges and confirms that it is bound by the respective obligations of such party in such capacity under the Loan Documents, provided that nothing herein shall release or affect the obligations of any original party thereto. If more than one Person is liable for or assumes the obligations and liabilities of each Borrower Entity, then all such persons shall be jointly and severally liable for such obligations and liabilities. Each Borrower Entity, by executing this commitment amending letter, expressly and unconditionally acknowledges and agrees that, except as expressly provided above, there is no agreement, approval, consent, representation, warranty, covenant, commitment, undertaking, promise or other obligation or liability of any kind, express or implied, written or oral, direct or contingent, made or given at any time by or on behalf of the Lender relating to the Loan, the Loan Documents or otherwise giving rise to any present or future claim, defence, right of set-off or any other action or proceeding of any kind by any Borrower Entity in respect of their respective representations, warranties, covenants, obligations and liabilities under the Loan and Loan Documents and/or any of the Lender's rights, remedies or security thereunder, including without limitation, any such claim, defence, right of set-off or other action or proceeding based on the existence, granting, availability and/or expectation (reasonable or otherwise) of any existing or future loan extension, modification, waiver, forbearance, concession and/or any other similar agreement or arrangement. Each signatory on behalf of each Borrower Entity has the authority to bind such Borrower Entity.
5. **Acceptance/Termination.** This commitment amending letter shall automatically terminate three (3) business days from the date of issuance of this commitment amending letter without acceptance by each Borrower Entity set out below and payment of the processing fee, the loan extension fee and the initial amount payable on account of the Interest Reserve as set out above.
6. **Counterparts/Facsimile Transmission.** This commitment amending letter may be executed in counterparts, and each such counterpart will be deemed to be an original and all of which together constitute one and the same document. Delivery of this commitment amending letter by any party may be made by facsimile or other electronic transmission to any other party, or their respective agents and will be valid and binding as if it is an originally signed document.

If you have any questions regarding the above, please contact the undersigned at your convenience.

Yours very truly,

**IMS Limited Partnership**, by its General Partner,  
**Institutional Mortgage Servicing Canada Inc.**



Jean Monardo  
Senior Vice-President





ACKNOWLEDGEMENT

The undersigned hereby acknowledge and agree to the terms and conditions set out herein this 22 day of December, 2022.

ASHCROFT HOMES - LA PROMENADE INC.



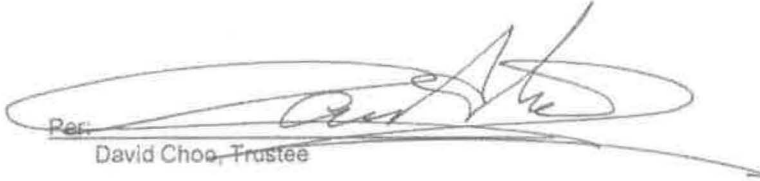
Per: \_\_\_\_\_  
Name: MARLYN DIKILPANO  
Title: CEO

ALAVIDA LIFESTYLE INC.



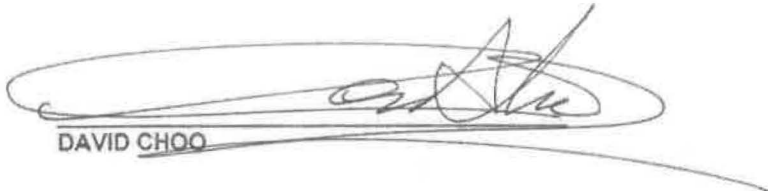
Per: \_\_\_\_\_  
Title: MARLYN DIKILPANO  
Name: CEO

THE DAVID AND SHANTI CHOO FAMILY TRUST 2016



Per: \_\_\_\_\_  
David Choo, Trustee

Per: Schoo  
Shanti Choo, Trustee



DAVID CHOO

This is Exhibit "I" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in cursive script that reads "Adam Davis".

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**



199 Bay Street, Suite 1900, Commerce Court West  
P.O. Box 271, Toronto, ON M5L 1E9

August 9, 2024

Ashcroft Homes – La Promenade Inc.  
18 Antares Drive, Suite 200  
Ottawa, ON  
K2E 1A9

Attention: Manny Difilippo

**Re: Alavida Facility**

Dear Sirs:

Alavida (generically intended to capture the entities having an economic interest in the Alavida Operating Portfolio attachment), whereby ultimate economic interest rolls up to David Choo and / or the David and Shanti Choo Family Trust 2016.

Alavida is looking to achieve the following over the next 12 to 18 months:

1. Bridge operating cashflow shortfalls and property tax or debt service arrears relating to:
  - a. The 6 property Operating Retirement Portfolio and Promenades excess land
  - b. Envie Little Italy (101 Champagne Ave S.)
2. Access capital to contribute \$12,000,000 over time to the Astoria Development financed by CIBC / Laurentian Bank (expected to take ~12-months to complete (inclusive of HST Self Assessment Due upon completion)
3. De-leverage and access liquidity via sale of the following assets;
  - a. Envie 256 Rideau (under firm Purchase & Sale Agreement to Forum Asset Mgmt for \$181,000,000 with scheduled closing October 15, 2024)
  - b. Promenade Excess Lands (Listing agreement executed via CBRE)
  - c. Envie Little Italy (listing agreement executed via CMLS)
  - d. Alavida Portfolio being the 6 operating Senior Suites and Retirement Residences along with the two Atoria Buildings under construction. Ideally Ownership intends on a bulk (~12 to 18 months).
4. Fund escrow accounts allocated to realtor work fees and consulting / reporting requirements relating to the Alavida Portfolio as required by IMC and ACM.
5. Contingencies, closing and other transaction costs

This letter of intent (this "Letter of Intent") does not compromise or alter any terms associated with existing debt outstanding to IMC, but rather expresses the interest, and not a commitment or obligation, of Institutional Mortgage Capital Canada Inc., as general partner of IMC Limited Partnership (the "Lender") to qualify and issue commitments subject to the terms and conditions in the respective Commitments or Amendment documentation (if issued, the "Commitment"):

**New Alavida Facility**      \$20,000,000 – See Use of Funds Schedule

- \$12,000,00 Initial Advance (\$5,500,000 of which injected into Astoria)
- \$8,000,000 Subsequent advance (\$6,500,000 for Atoria HST at or near completion provided this amount is not offset by Sponsor other resources)

**Borrower / Guarantor**      As required to effect the security obligations via Entity Ownership in Schedule A

**Property / Security:**      See Schedule A including all related improvements, leases, rents and other property (as defined in the Loan documents, collectively, the "Property").

**Term / Amortization:** 15 months (12 months + 3 month step up) / Interest Only

**Rate:** **TD Prime + 5.50% subject to a floor of 12.50% for initial 12-months then floor rate of 15% for last 3-months of loan term. Minimum interest to be paid prior to retiring the facility \$1,500,000.**

**Transaction Fees:** The following fees shall be payable by the Borrower:

- (a) Total transaction fees in the amount of \$500,000 (being 2.50% of the Alavida Facility Loan Amount), payable as follows: (i) an application fee in the amount of \$50,000 which shall be fully earned and payable upon final acceptance of this Letter of Intent and fully non-refundable in all circumstances and whether or not the Loan closes, and (ii) the balance of the transaction fees shall be payable to, and fully earned by, the Lender upon issuance of a Commitment consistent with the business terms set out in this Letter of Intent and will be non-refundable in all circumstances and whether or not the Loan closes, subject only to default by the Lender. **Any Lender fees earned and not paid by borrower will be added to the amounts owing on IMC existing debt obligations (Promenades Loan and or Ravines / Park Place Loan).**
- (b) An annual loan administration fee in the amount of \$12,500 plus applicable taxes, on account of annual loan review and property inspection, payable to the Lender's Loan servicer on each anniversary of the interest adjustment date until all Loan indebtedness is repaid in full.

**Transaction Deposit:** **\$150,000** with sign-back of this Letter of Intent (the "Deposit") to be funded as follows:

- **\$75,000** via wire transfer in accordance with the Wire Transfer Instructions set out below.
- **\$75,000** added to any existing debt obligation due to existing IMC Loans.
- The Deposit shall be applied by the Lender towards the earned application fee of \$50,000 and the remainder to be used first for third party costs and, to the extent of any amount remaining available, credited towards the balance of earned transaction fees. The Borrower agrees that it will not be entitled to receive any interest on the Deposit.

**Third Party Costs:** In consideration of issuance and acceptance of this Letter of Intent (the receipt and sufficiency of which are hereby acknowledged by each Borrower Entity executing this Letter of Intent), the Borrower (and , if applicable, each other Borrower Entity executing this Letter of Intent) covenants and agrees to pay all costs and expenses incurred by or on behalf of the Lender in connection with the Loan and the transaction contemplated by this Letter of Intent (the "third party costs"), as such costs, expenses and taxes are incurred, whether or not a Commitment is issued and whether or not the Loan closes. If at any time the third party costs exceed the portion of the Deposit allocated to third party costs, the Borrower agrees to pay the excess amount to the Lender on demand. Notwithstanding the general non-binding nature of this Letter of Intent, the promise to pay all third party costs and all other obligations with respect to the deposit for such costs provided herein are and will continue to be valid and legally binding obligations of the Borrower and each other Borrower Entity executing this Letter of Intent, made for valuable consideration and enforceable against each of them jointly and severally.

**Wire Transfer Instructions:**

Beneficiary Name:	IMC Limited Partnership
Beneficiary Address:	199 Bay Street, Suite 1900, Commerce Court West, Box 271, Toronto, ON M5L 1E9
Bank Name:	TD CANADA TRUST
Swift Code:	TDOMCATTTOR
Bank #:	004
Bank Address:	55 King Street West, Toronto, ON
Transit #:	19922
Account #:	5278974

- Closing:** Expected to be September 30, 2024 or an earlier date to be agreed to by the Borrower and the Lender, subject to the Borrower's satisfaction of all closing conditions and issuance of a Commitment.
- Indemnitor:** The Borrower and the Guarantor (collectively, the "Indemnitor") will provide an indemnity to the Lender and certain related persons for, among other things, fraud, environmental matters, misrepresentation and misappropriation of funds, in the Lender's standard form.
- Beneficial Owner:** The Borrower will disclose any and all Beneficial Owners of the Property upon signback of this Letter of Intent.
- Sources and Uses:** See Use of Funds Schedule
- Subordinate Liens:** No subordinate mortgages, liens, charges or other financial encumbrances or security interests are permitted in respect of the Property (including without limitation, financing leases or other security in respect of any fixtures, furniture, equipment or other personal property) at any time without the prior written consent of the Lender in its sole discretion.
- Reserves:** See Use of Funds.  
The Lender may require certain other reserves for matters disclosed in the Lender's due diligence or in third party reports to be established and funded by the Borrower with the Lender or its Loan servicer on terms and in amounts set out in the Commitment.
- Transfers:** Any transfer of any interest in the Property or any part thereof, or any change of effective voting control of any Borrower Entity having a registered, unregistered or beneficial ownership interest in the Property from time to time (including any change of ownership of more than 50% of the voting securities in the capital structure of such person) will require the prior written consent of the Lender in its sole discretion. "Borrower Entity" includes the Borrower, Indemnitor, any Beneficial Owner and Guarantor, and each person having a registered, unregistered or beneficial interest in the Property from time to time.
- Security/Loan Documents:** The Commitment and other Loan documents will be in the Lender's standard form, subject only to modifications acceptable to the Lender to reflect the Loan transaction. The \$20,000,000 Facility is expected to be secured as follows:
- \$20,000,000 charge on Promenades Senior Suites and Excess Lands subordinate to the existing \$37,000,000 IMC 1<sup>st</sup> Mortgage
  - Commercial Reasonable efforts to obtain a \$5,000,000 collateral charge on Promenades RR subordinate to the existing 1<sup>st</sup> Mtg of \$19,170,000
  - Pledge and Assignment of promissory notes representing respective amounts borrowed by the Entities Owning Promenades Senior Suites and Excess Land and directed towards related entities (Ravines Senior Suites, Park Place Senior Suites, Atoria Development, Envie Little Italy (101 Champagne Ave S.)
  - Commercial Reasonable Efforts to seek approval for \$12,500,000 collateral charge on the Atoria Development, subordinate to ~\$107,000,000 CIBC / Laurentian Bank Construction Financing (\$67,000,000 funded with \$40,000,000 cost to complete).
  - Positive Covenant to direct up to \$6,500,000 of net sale proceeds that may materialize via the sale of Envie Little Italy towards equity injection into the Astoria development thereby offsetting the subsequent advance of the IMC Alavida Facility intended to be injected into Astoria
  - Promenades Excess Lands Sale proceeds – Provided the Alavida facility is in good standing, Net Sale proceeds of \$20,000,000 will be required to release the Promenades Excess Lands. The \$20,000,000 will be allocated to paying down the existing \$37,000,000 IMC 1<sup>st</sup> Mortgage secured by the Promenades Senior Suites and Promenades Excess Lands.
    - Excess sale proceeds beyond \$20,000,000 will be allocated 50% towards Equity injection into the Astoria Project (and offset the IMC subsequent advance accordingly) and 50% to Borrower general use.
- Credit Investigations:** Each Borrower Entity authorizes the Lender or its representatives to make inquiries of, and exchange or obtain information, data and credit reports with, third parties regarding the character, general reputation, personal characteristics, financial and credit condition of such

Borrower Entity, including its respective directors, officers, shareholders, partners and principals.

**Disclosure & Syndication:** Each Borrower Entity acknowledges and agrees that the Loan may be sold or syndicated without restriction and without notice to or consent of any Borrower Entity. Each Borrower Entity hereby authorizes the Lender and certain related persons (including the Loan servicer and investors in the Loan) to disclose, transfer and assign, without restriction and without notice to or the consent of any Borrower Entity, all financial and other information and materials relating to any Borrower Entity, the Property or the Loan to: any Loan servicer; any public or private purchaser(s) of or investor(s) in the Loan; any third party advisors or agents; any governmental authority having jurisdiction; and any other person specified in the Loan documents. Each Borrower Entity agrees to co-operate in good faith with all reasonable requests and/or inquiries of the Lender in connection with the sale and/or syndication of the Loan, including any required amendment or restructuring of the Loan and/or the Loan documents and provision of additional and/or updated financial and other information concerning the Property, its tenants and/or each Borrower Entity.

**Credit Committee:** Issuance of the Commitment will be in the Lender's sole discretion and, among other things, will be subject to approval by the Lender's credit committee and will include the Lender's standard terms and conditions whether or not specifically referred to herein.

**Closing Conditions:** If a Commitment is issued, the Lender will not be obligated to advance the Loan unless all terms and conditions of such Commitment have been fully complied with to the satisfaction of the Lender in its sole discretion, including syndication. Such closing conditions shall include, but are not limited to, the following:

1. Receipt and satisfactory appraisal confirming a minimum "as-is" value of Promenades Senior Suites not less than \$50,000,000 and the "As-Is" value of the Promenades Excess lands is not less than \$20,000,000 and approvals by Existing Promenades Senior Suites loan participants to extend the loan and authorize the Subordinate debt contemplated
2. Receipt of a completed and signed organizational chart and details of ownership.
3. Review of financial statements / personal net worth statements of each Borrower Entity confirming Asset/debt values to be substantiated via supporting documentation.
4. Environmental report(s) satisfactory to the Lender.
5. Satisfactory completion of AML / KYC due diligence and documents on Lender's standard form.
6. Site visit satisfactory to the Lender.
7. Such other information as required by the Lender.
8. Receipt and satisfactory review of Property operating statements and proforma monthly operating statements for the next 24-months.
9. Receipt and satisfactory review of a certified rent rolls .
10. Receipt of Astoria cost to complete (as verified by a QS) and sources of funds to complete
11. Lender retention of an operations Monitor / Consultant acceptable to Lender to assist Borrower in operations of Promenades Senior Suites and Ravines Senior Suites and Park Place Senior Suites Properties and assist Borrower with providing Lender Monthly reporting. Lender suggests BK Mgmt is an appropriate entity.
12. Loan provision will include a positive covenant for Borrower by October 15, 2024, to retain a realtor acceptable to Lender to begin assembling a marketing data room and CIM for the sale of the Portfolio which is expected to begin marketing on or before July 1, 2025.

Except for the promise to pay all third party costs and all other obligations with respect to the deposit for such costs as provided herein (which are and will continue to be valid and legally binding obligations of the Borrower and each other Borrower Entity executing this Letter of Intent, made for valuable consideration and enforceable against each of them jointly and severally), the parties agree that this Letter of Intent is a non-binding expression of interest only and does not constitute or create an offer, agreement or obligation of any kind by the Lender to issue a Commitment or to make the Loan.

If the foregoing terms and conditions are acceptable, please sign and return a copy of this Letter of Intent, together with remittance of the Deposit of **\$75,000** payable to IMC Limited Partnership by wire transfer in accordance with the Wire Transfer Instructions set out above by August 13 , 2024, failing which, at the Lender's option, this Letter of Intent shall be null and void and of no further effect. This Letter of Intent may be executed in counterparts and may be delivered by electronic transmission.

Yours very truly,

**INSTITUTIONAL MORTGAGE CAPITAL CANADA INC.,**  
in its capacity as general partner for and on behalf of,  
**IMC LIMITED PARTNERSHIP**



Darren Schmidt  
Managing Director

ACCEPTED AND AGREED as of the \_\_\_\_\_ day of July, 2024.

**ASHCROFT HOMES – LA PROMENADE INC.**

Per: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
**ALAVIDA LIFESTYLES INC.**

\_\_\_\_\_  
**THE DAVID AND SHANTI CHOO FAMILY TRUST 2016**

\_\_\_\_\_  
**DAVID CHOO**

\_\_\_\_\_  
**THE DAVID AND SHANTI CHOO FAMILY TRUST 2016**

**Name for Loan Diligence contact:** \_\_\_\_\_

**Address:** \_\_\_\_\_

Telephone Number:

(\_\_\_\_\_) \_\_\_\_\_

E-mail address

\_\_\_\_\_

**Name of Borrower's Legal Counsel:**

\_\_\_\_\_

Address:

\_\_\_\_\_

\_\_\_\_\_

Telephone Number:

(\_\_\_\_\_) \_\_\_\_\_

E-mail address

\_\_\_\_\_

**Name of Borrower's Insurance Broker:**

\_\_\_\_\_

\_\_\_\_\_

Address:

\_\_\_\_\_

\_\_\_\_\_

Telephone Number:

(\_\_\_\_\_) \_\_\_\_\_

E-mail address

\_\_\_\_\_



Alavida Operating Portfolio								
	Park Place Retirement Residences	Park Place Senior Suites	Ravines Retirement Residences	Ravines Senior Suites	Promenades Retirement Residences	Promenades Senior Suites	TOTAL	Promenades Excess Lands
Year Built	2003	2006	2008	2013	2009	2020		
Units	100	99	125	138	118	152	732	~ 13 Acres
August 2024 Occ.	69.0%	71.0%	80.0%	73.2%	66.9%	61.2%	70.2%	
Appraisal	35,600,000	42,500,000	62,800,000	62,700,000	31,100,000	66,410,000	301,110,000	20,000,000
Appraisal NOI	2,234,640	2,669,691	3,768,987	3,793,122	1,867,098	4,338,234	18,671,772	
Stabilized Occ	93.00%	95.20%	95.00%	90.00%	93.00%	90.00%		
Appraisal Cap Rate	6.25%	6.25%	6.00%	6.00%	6.00%	6.53%		
Per unit	356,000	429,293	502,400	454,348	263,559	436,908	407,085	
Appr Date	1/31/2024	9/30/2022	9/1/2019	4/30/2022	9/1/2019	12/1/2023		
Current debt	12,702,426	26,548,523	38,173,696	45,472,764	19,170,454	37,000,000	179,067,863	security for IMC
LTV	35.7%	62.5%	60.8%	72.5%	61.6%	55.7%	58.1%	Promenades
Mortgagee- 1st	Cameron Stevens	ACM	Central 1	ACM	RBC	IMC		Senior Suites Loan
Maturity	4/1/29	1/1/26	12/1/24	1/1/28	11/1/29	2/1/24		
Interest Rate	6.09%	6.45%	3.50%	5.95%	4.00%	P+2.80%		
Pmt Type	Amort	Amort	Amort	Amort	Amort	I/O		
Mortgagee- 2nd		IMC		IMC				
Maturity		1/1/28		1/1/28				
Interest Rate		P+5.35%		P+5.35%				
Pmt Type		I/O		I/O				
Appr value equity	22,897,574	15,951,477	24,626,304	17,227,236	11,929,546	29,410,000	122,042,137	
Current NOI annualized	\$ 854,910	\$ 1,917,604	\$ 2,753,116	\$ 4,000,652	\$ 902,700	\$ 2,428,236	\$12,857,218	
P&I	984,000	2,484,000	2,616,000	3,768,000	1,200,000	3,936,000	\$14,988,000	
Surplus/(Shortfall)	(129,090)	(566,396)	137,116	232,652	(297,300)	(1,507,764)	(2,130,782)	
DSR	0.87	0.77	1.05	1.06	0.75	0.62	0.85	

- Alavida Retirement Homes:**
- 1230172 Ontario Inc. (Park Place Retirement)
  - 2067166 Ontario Inc. (Park Place Senior)
  - 2139770 Ontario Inc. (Ravines Retirement)
  - 2265132 Ontario Inc. (Ravines Senior)
  - 1971446 Ontario Inc. (Promenade Retirement)
  - Ashcroft Homes- La Promenade Inc. (Promenade Senior)
  - Alavida Lifestyle Inc. (Agent for Portfolio)
  - 1384274 Ontario Inc. (Ravines Parking Garage)

## Use of Funds

<b>IMC Alavida Facility - Use Funds Months 1 to 6</b>	<b>Amount</b>	<b>Notes</b>
Ravines Senior Suites & Park Place Senior Suites Property Tax	\$ 400,000	Funds 2024 Property Taxes and any arrears
Ravines Senior Suites & Park Place Senior Suites 2025 Tax Escrow	\$ 500,000	2025 Property Taxes - Lender escrow or prepayment to municipality
Ravines SS & Park Place ACM 1st Mtg Reserve	\$ 300,000	Held with 1st Mtge Lender allocated 50,000 Monthly to Debt Payments
Ravines SS & Park Place IMC 2nd Mtg Mtg Reserve	\$ 300,000	Held with 2nd Mtge Lender allocated 50,000 Monthly to Debt Payments
Envie Little Italy ACM 2nd Mortgage Arrears & Reserve	\$ 625,000	Held with 2nd Mtge Lender to fund monthly debt service payments
Promenades SS IMC 1st Mtg Interest Reserve	\$ 1,650,000	\$137,500 monthly released to Borrower towards debt service payments
Promandes SS 12-month Loan Extension Fee	\$ 277,500	0.75% of existing \$37,000,000 loan assuming extension is approved
Promanades Excess Land Severance Costs Placeholder	\$ 150,000	Used for authroized Severance costs
<b>Lender Monitor of Prom SS &amp; RR &amp; Ravines SS &amp; RR Escrow</b>	<b>\$ 67,800</b>	<b>\$5,000 per month + HST for 12-months</b>
<b>Alavida Portfolio Realtor marketing Work Fee Escrow</b>	<b>\$ 125,000</b>	
IMC Alavida Facility Transaction Fee	\$ 500,000	Transaction Fee 2.50% of \$20M loan amount
IMC Alavida Facility Interest Reserve Initial Advance	\$ 1,500,000	12 month IR on Intial advance at 12.50%
Intial Equity Injection into Astoria Development	\$ 5,500,000	Assumes CIBC & LB commit to fund Astoria project to completion
Closing Costs & Contingency	\$ 104,700	
<b>Initial Funding</b>	<b>\$ 12,000,000</b>	
<b>Subsequent Draw - Use of Funds Months 7 to 12</b>	<b>Amount</b>	<b>Notes</b>
Ravines SS & Park Place ACM 1st Mtg Reserve	\$ 300,000	Held with 1st Mtge Lender allocated 50,000 Monthly to Debt Payments
Ravines SS & Park Place IMC 2nd Mtg Mtg Reserve	\$ 300,000	Held with 2nd Mtge Lender allocated 50,000 Monthly to Debt Payments
Contingency	\$ 150,000	
Astoria Equity Injection	\$ 6,500,000	Provided project is progressing - includes HST Allocation
Interest Reserve on Subsequent Draw	\$ 750,000	
<b>Subsequent Draw Placeholder</b>	<b>\$ 8,000,000</b>	
<b>TOTAL IMC ALAVIDA FACILITY</b>	<b>\$ 20,000,000</b>	

This is Exhibit "J" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

**From:** [Darren Schmidt](#)  
**To:** [Manny Difilippo](#)  
**Cc:** [Tara Bonsor](#); [David Choo](#); [Jean Monardo](#); [Ryan Fernandes](#); [Joe Saso](#)  
**Subject:** Alavida Facility  
**Date:** Friday, August 9, 2024 4:04:00 PM  
**Attachments:** [Alavida Facility LOI 8-9-2024.pdf](#)  
[B&K Management Biography - 2024.pdf](#)

---

Manny – without prejudice to the existing IMC Debt positions - I attach a revised LOI that includes funds to rectify the ACM 2<sup>nd</sup> Mtg payments on Envie Little Italy. The LOI may not be perfect but there are many moving parts.

Also – I attach the resume of B&K Mgmt which I would like to be the Monitor / Consultant that can assist in Lender reporting requirements and provide their thoughts as to how you may consider enhancing lease-up of the portfolio. I am sure you will find them progressive and professional. I have had very positive business dealings with B&K in the past.

In my view we either need to start the process of pushing this facility forward and coordinating with ACM and CIBC / Laurentian or you need to move down another path.

As I mentioned (and you approved) – my intention is to share this LOI with ACM (Jennifer Culp) and other IMC loan participants (Versa Bank).

I think it is important to have a call early next week with yourself / ACM / IMC on a without prejudice basis to see if the group intends on moving in this direction and have the group take steps to obtain internal approvals as that will be a process.

Regards- Darren

**Darren Schmidt**

**Managing Director**

**Institutional Mortgage Capital**

Commerce Court West  
199 Bay Street, Suite 1900  
P.O. Box 271  
Toronto, ON M5L 1E9

Direct: +1.416.814.2592

Cell : +1.416.617.2735

E-mail: [Darren.Schmidt@imcapital.com](mailto:Darren.Schmidt@imcapital.com)

FSRA License #11975  
[www.imcapital.com](http://www.imcapital.com)

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited.

You may unsubscribe from e-communications at any time by clicking [here](#).

This is Exhibit "K" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in cursive script that reads "Adam Davis".

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

**From:** [Darren Schmidt](#)  
**To:** [Manny Difilippo](#)  
**Cc:** [David Choo](#)  
**Subject:** RE: Outstanding appraisals  
**Date:** Thursday, September 19, 2024 1:53:00 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[image004.png](#)

---

Manny – I would consider this to be a material development in the overall sponsors situation. It is unfortunate you did not share this earlier.

I think we will have to digest this for a bit.

I think you really need to contemplate some sort of liquidity event. I will send you an email connecting you with the Newmark reps that I have good confidence in their ability on the Seniors Sale side. Perhaps they can be helpful to you.

**Darren Schmidt**

**Managing Director**

**Institutional Mortgage Capital**

Commerce Court West  
199 Bay Street, Suite 1900  
P.O. Box 271  
Toronto, ON M5L 1E9

Direct: +1.416.814.2592

Cell : +1.416.617.2735

E-mail: [Darren.Schmidt@imcapital.com](mailto:Darren.Schmidt@imcapital.com)

FSRA License #11975  
[www.imcapital.com](http://www.imcapital.com)

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited.

You may unsubscribe from e-communications at any time by clicking [here](#).

---

**From:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>  
**Sent:** Wednesday, September 18, 2024 1:20 PM  
**To:** Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>  
**Subject:** RE: Outstanding appraisals

CAUTION:External

A few weeks back, Central 1 issued a demand letter citing that we were in breach of the debt covenants, including not having paid property taxes, we have an outstanding \$400,000 owing to CRA for last years income taxes, and a few other breaches. After a short discussion, they put forward a draft of a forbearance agreement, which was discussed back and forth for a period of 2 weeks. There

were some terms in the forbearance agreement, which could not be met.....being the increase in interest rate to be charged on the loan that matures on Nov 15 2024 and the associated property taxes of the prior year for which Central 1 was demanding that we pay in instalments (amounts that we could not meet) resulted in Central 1 moving from a forbearance position to court appointment receiver.....as of Friday Sept 13<sup>th</sup>, they have asked for a court date being Sept 26<sup>th</sup> to have BDO appointed as a receiver.

We are working with our lawyer to appose the appoint of BDO.

Manny

---

**From:** Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>  
**Sent:** September 18, 2024 1:04 PM  
**To:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>  
**Cc:** David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>  
**Subject:** RE: Outstanding appraisals

Manny – can you please send me an email with respect to any Central 1 development ASAP? I have full schedule this week then will be in Vancouver next week so would like to get all the facts as soon as possible – thx darren

**Darren Schmidt**

**Managing Director**

**Institutional Mortgage Capital**

Commerce Court West  
199 Bay Street, Suite 1900  
P.O. Box 271  
Toronto, ON M5L 1E9

Direct: +1.416.814.2592

Cell : +1.416.617.2735

E-mail: [Darren.Schmidt@imcapital.com](mailto:Darren.Schmidt@imcapital.com)

FSRA License #11975  
[www.imcapital.com](http://www.imcapital.com)

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited.

You may unsubscribe from e-communications at any time by clicking [here](#).

---

**From:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>  
**Sent:** Wednesday, September 18, 2024 1:00 PM  
**To:** Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>  
**Cc:** David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>  
**Subject:** FW: Outstanding appraisals

---

CAUTION: External

Hi Darren, I have requested that Colliers issues the attached report as final ASAP.

Not sure why the Prom Seniors home report is still not provided in draft. I reached out to Rob on Monday to ask for an update, but have not heard back yet.

Also, there has been a development with Central 1 for Ravines Retirement, for which we should discuss the current situation. Let me know when we can discuss....hopefully tomorrow morning would be ideal.

Regards,

Manny

---

**From:** Tighe, Oliver <[Oliver.Tighe@colliers.com](mailto:Oliver.Tighe@colliers.com)>  
**Sent:** September 15, 2024 9:16 AM  
**To:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>  
**Cc:** David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>; Tara Bonsor <[tbonsor@ashcrofthomes.ca](mailto:tbonsor@ashcrofthomes.ca)>  
**Subject:** RE: Outstanding appraisals

Manny,

Please see attached revised report.

Thanks,

**Oliver Tighe**, B.A., AACI, P.App

Executive Vice President | Valuation and Advisory Services

[Oliver.Tighe@colliers.com](mailto:Oliver.Tighe@colliers.com) | [View my profile](#)

Direct: [+1 613 806 2225](tel:+16138062225)

Colliers International

99 Bank Street, Suite 1005 | Ottawa, ON K1P 6B9 | Canada

Main: [+1 613 567 8050](tel:+16135678050) | Fax: [+1 613 683 2234](tel:+16136832234)

**Joanna Campisi**

Executive Assistant

[Joanna.Campisi@colliers.com](mailto:Joanna.Campisi@colliers.com)

+1 437 253 7710

 [collierscanada.com](http://collierscanada.com) | [View Privacy Policy](#)

---

**From:** Tighe, Oliver

**Sent:** Friday, September 13, 2024 3:11 PM



**To:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>  
**Cc:** David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>; Tara Bonsor <[tbonsor@ashcrofthomes.ca](mailto:tbonsor@ashcrofthomes.ca)>  
**Subject:** RE: Outstanding appraisals

Manny,

The land one I will send shortly.

I'll follow up with Rob on the seniors one as I know he was in progress on it.

Thanks

**Oliver Tighe, B.A., AACI, P.App**

Executive Vice President | Valuation and Advisory Services

[Oliver.Tighe@colliers.com](mailto:Oliver.Tighe@colliers.com) | [View my profile](#)

Direct: [+1 613 806 2225](tel:+16138062225)

Colliers International

99 Bank Street, Suite 1005 | Ottawa, ON K1P 6B9 | Canada

Main: [+1 613 567 8050](tel:+16135678050) | Fax: [+1 613 683 2234](tel:+16136832234)

**Joanna Campisi**

Executive Assistant

[Joanna.Campisi@colliers.com](mailto:Joanna.Campisi@colliers.com)

[+1 437 253 7710](tel:+14372537710)

 [collierscanada.com](http://collierscanada.com) | [View Privacy Policy](#)

---

**From:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>

**Sent:** Friday, September 13, 2024 1:25 PM

**To:** Tighe, Oliver <[Oliver.Tighe@colliers.com](mailto:Oliver.Tighe@colliers.com)>

**Cc:** David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>; Tara Bonsor <[tbonsor@ashcrofthomes.ca](mailto:tbonsor@ashcrofthomes.ca)>

**Subject:** Outstanding appraisals

Hi Oliver, I just got a call from Darren at IMC wondering on the status of the 2 required appraisals. The one that you are handling is the 16.6 acres of excess lands which we accepted the revised value at \$1,750,000 per acre but had questioned why the acreage had been reduced below the 16.6 acres. What is the status of that please.

As for the second appraisal which is the updated Prom Seniors home, I know that Robert was responsible to get that done, but David has not had success connecting with Robert as to the status of that report. I am worried that Darren may lose the ability to move forward with the financing that is in place without getting these reports in short order.

Any update on progress is appreciated.

Thanks

Manny

This is Exhibit "L" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in cursive script that reads "Adam Davis".

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

**From:** [Manny Difilippo](#)  
**To:** [Darren Schmidt](#)  
**Cc:** [Curtis Jackson](#); [Tara Bonsor](#)  
**Subject:** RE: Promenades Follow Up  
**Date:** Tuesday, October 1, 2024 9:42:58 AM  
**Attachments:** [Eastboro 3- Cardel.msg](#)  
[Reporting Letters - Eastboro Lands Phase 3 and 100 Rossignol.msg](#)  
[Rossignol- Reporting Letter #1.msg](#)  
[100 Rossignol Dr, Ottawa CBRE Brochure.pdf](#)  
[Central 1, Ravines, Forbearance Agreement \(Sept 25, 2024\) \(Fully Executed\)\(64335887.1\).pdf](#)  
[Scan2024-09-19\\_114032.pdf](#)

---

CAUTION:External

As per your request please find attached the following items:

1. Various emails and reporting letters for the CBRE efforts to sell Prom lands and the Eastboro lands.
2. Copy of Central 1 Forbearance agreement
3. Copy of commitment letter to fund the required DUCA loan and take out the BDO receivership. The DUCA loan and accrued interest and related legal costs to Sept 30<sup>th</sup> is \$6,850,000 and BDO fees and related legal fees are \$425,000. There is then about \$150,000 of property taxes owing.....once you apply the interest reserve, the entire loan will be utilized. Also, I have been told by BDO that as they currently operate the rental portfolio there is a positive cash balance in the account, but they were not able to provide those details. I am still waiting for final statement of accounts from BDO.
4. I will get you an updated summary of financial situation for various properties and an updated NOI forecast for the retirement portfolio that goes out at least 6 months over the next few days.

Manny

---

**From:** Darren Schmidt <darren.schmidt@imcapital.com>  
**Sent:** September 30, 2024 7:02 PM  
**To:** Manny Difilippo <mdifilippo@ashcrofthomes.ca>  
**Cc:** Curtis Jackson <curtis.jackson@imcapital.com>  
**Subject:** Promenades Follow Up

Manny – thank you for the update today – can you please send me the following:

- CBRE progress report on the marketing of the promenades excess lands

- Forbearance Agreement relating to the Central 1 loan
- Copy of the financing commitment to resolve the Duca receivership

Thanks Darren

**Darren Schmidt**

**Managing Director**

**Institutional Mortgage Capital**

Commerce Court West  
199 Bay Street, Suite 1900  
P.O. Box 271  
Toronto, ON M5L 1E9

Direct: +1.416.814.2592

Cell : +1.416.617.2735

E-mail: [Darren.Schmidt@imcapital.com](mailto:Darren.Schmidt@imcapital.com)

*FSRA License #11975*

[www.imcapital.com](http://www.imcapital.com)

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited.

You may unsubscribe from e-communications at any time by clicking [here](#).

This is Exhibit "M" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in cursive script that reads "Adam Davis".

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

**FORBEARANCE AGREEMENT**

**BETWEEN**

**2139770 ONTARIO INC.**

as borrower

**- AND -**

**DAVID CHOO**

as personal guarantor

**- AND -**

**2195186 ONTARIO INC.**

as new guarantor

**- AND -**

**ASHCROFT HOMES - LA PROMENADE INC.**

as new guarantor

**- AND -**

**CENTRAL 1 CREDIT UNION**

as lender

**DATED AS OF SEPTEMBER 25, 2024**



September 25, 2024 (the “Effective Date”)

### FORBEARANCE AGREEMENT

#### RECITALS:

- A. Central 1 Credit Union (the “**Lender**”), as lender, 2139770 Ontario Inc. (the “**Borrower**”), as borrower and David Choo (the “**Guarantor**”), as guarantor have entered into a commitment letter dated as of February 9, 2015 (the “**Original Commitment Letter**”), as amended and restated by an amended and restated commitment letter dated as of October 7, 2019 (the “**Commitment Letter**”), at may be modified, amended, supplemented, revised, restated, and replaced from time to time.
- B. Pursuant to the Original Commitment Letter, the Lender advanced credit facilities in the total principal amount of \$27,500,000 (the “**Original Credit Facilities**”), which Original Credit Facilities were consolidated pursuant to the Commitment Letter into a single credit facility in the total principal amount of \$43,500,000.00 (the “**Credit Facility**”), having a term of five (5) years (the “**Term**”) expiring on November 15, 2024.
- C. In connection with the Original Commitment Letter, the Borrower granted to the Lender, *inter alia*, a first charge registered on March 16, 2015 as Instrument No. OC1666971 (the “**Original Charge**”) in the principal amount of \$28,000,000.00 against the lands and premises municipally known as 626 Prado Private, Ottawa, Ontario (the “**Charged Property**”), which Original Charge was subsequently amended pursuant to a charge amending agreement registered on title to the Charged Property on November 15, 2019 as Instrument No. OC2165685 (the “**Charge Amending Agreement**”) (the Original Charge and the Charge Amending Agreement being, collectively, the “**Charge**”).
- D. In connection with the Original Commitment Letter, the Guarantor executed a guarantee and postponement of claim in favour of the Lender in the amount of \$27,000,000 dated as of March 6, 2015, guaranteeing payment to the Lender (the “**Original Guarantee**”), which Original Guarantee was replaced pursuant to the Commitment Letter by a new Guarantee in favour of the Lender in the amount of \$43,500,000 dated November 8, 2019 (the “**Guarantee**”). The Commitment Letter, the Charge, the Guarantee, and all other security, undertakings and other documents entered into, or delivered by the Borrower and the Guarantor, in connection with or pursuant to the Commitment Letter, are collectively referred to herein as the “**Credit Documents**”.
- E. As of September 13, 2024, the Borrower is indebted to the Lender in the amount of \$38,281,193.64 as more particularly described in the payout statement attached as Schedule “A” (the “**Payout Statement**”), which amount excludes legal fees and disbursements of the Lender’s counsel that the Borrower and Guarantor remain liable for in full (the amount owing by the Borrower to the Lender from time to time is hereafter referred to as the “**Indebtedness**”).
- F. On August 9, 2024, the Borrower and the Guarantor received a demand letter (the “**Demand Letter**”) from the Lender demanding payment in full of the Indebtedness which included a notice of intention to enforce security issued to the Borrower (the “**NITES**”) under Section 244 of *the Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). The Lender has not waived or otherwise retracted the Demand Letter or NITES.



- G. The Borrower is in default under the Commitment Letter for, among other things:
- (a) having failed to maintain Debt Service Coverage, as defined in the Commitment Letter, for the Charged Property at not less than 1.25:1;
  - (b) having made withdrawals to advance funds to related parties or repay debt owing to related parties while in default of the Debt Service Coverage ratio;
  - (c) having paid dividends, bonuses or allowed capital withdrawals from the corporation and without obtaining the prior written consent of the Lender;
  - (d) the Guarantor having failed to advance funds into the operations of the Borrower as required to ensure sufficient funds are available to meet all of the Borrower's obligations to the Lender, including, without limitation, the monthly payment obligations and the Debt Service Coverage requirement under the Commitment Letter;
  - (e) having failed to prevent a material adverse change in, or development likely to have a material adverse effect on the condition (financial or otherwise) of the operation, business, properties, prospects or capitalization of the Borrower;
  - (f) having failed to pay property taxes in respect of the Charged Property for calendar years 2023 and 2024, (the "**Property Tax Default**"), that as of June 20, 2024 totals \$450,662.10, which continues to accrue interest and penalty charges (the "**Property Tax Arrears**"); and
  - (g) having failed to pay corporate income tax liabilities for calendar years 2023 and 2024, that as of September 9, 2024 totals \$487,762.00, which continues to accrue interest and penalty charges and is due and owing to Canada Revenue Agency (the "**Corporate Tax Arrears**"), collectively, the "**Existing Defaults**").
- H. The Borrower and Guarantor have requested that the Lender forbear from enforcing the Lender's rights and remedies at this time against each of the Borrower and Guarantor in order to complete a Refinancing (as defined below).
- I. 2195186 Ontario Inc. ("**219**") and Ashcroft Homes - La Promenade Inc. ("**La Promenade**") (collectively, the "**New Guarantors**"), which are affiliated corporations to the Borrower, have agreed to guarantee the Indebtedness of the Borrower under the Commitment Letter, and to deliver, *inter alia*, guarantees collaterally secured against lands owned by the New Guarantors, municipally known as 101 Champagne Avenue South, Ottawa, Ontario (the "**Envie 1 Property**") and 100 Rossignol Drive, Ottawa, Ontario (the "**La Promenade Property**"). On July 26, 2024, the Borrower, as part of the Ashcroft Group of Companies, engaged Hawco Peters as restructuring advisor ("**Restructuring Advisor**") to assist with, among other things, the refinancing or restructuring of the Ashcroft Group of Companies (the "**Hawco Peters Engagement**").
- J. On September 25, 2024, the Borrower and Hawco Peters provided written confirmation that the Borrower is part of the Ashcroft Group of Companies and that, as part of the Hawco Peters Engagement, Hawco Peters has been retained to assist with a refinancing or restructuring of the Borrower.

- K. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Commitment Letter.

**NOW THEREFORE:** In consideration of Ten Dollars (\$10.00), the Lender's forbearance as described in this Forbearance Agreement and the other accommodations described in this Forbearance Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are irrevocably acknowledged by the parties, the parties agree as follows:

**Acknowledgements**

1. The parties hereto acknowledge and agree that the above-noted recitals are true and correct.
2. The Borrower and Guarantor each acknowledge and agree as follows:
  - (a) the Borrower and Guarantor have received the Demand Letter and the NITES from the Lender and each consent to the immediate enforcement of all security held by the Lender including without limitation by way of the appointment of a Receiver as described in Section 15(b)(i) hereof, which consent is now granted but shall be effective automatically and immediately upon the expiration of the Forbearance Period;
  - (b) no further demand letter or notices of intention to enforce security under Section 244 of the BIA shall be required to be issued by the Lender;
  - (c) all Credit Documents including the Charge are valid, binding and enforceable in accordance with their terms. The Borrower confirms that all assets secured by the Lender's security are in existence, in the possession and control of the Borrower and have not been transferred, sold, encumbered without the Lender's consent or impaired in any manner which would deteriorate from or adversely affect the value of same;
  - (d) as of the date hereof, and subject to the terms of this Forbearance Agreement, the Indebtedness is due and payable in full; and
  - (e) as of the date of this Agreement, neither the Borrower nor the Guarantor have any defenses, counterclaims or rights of set-off or reduction to any claims which might be brought by the Lender under the Commitment Letter, the other Credit Documents or the Demand Letter.

**Extension of Term and Forbearance Deadline**

3. Upon satisfaction of the Conditions Precedent (as defined below), the Lender agrees to extend the Term of the Commitment Letter from November 15, 2024 to June 30, 2025 and agrees that it will take no further steps to enforce the security held by the Lender from the Borrower and the Guarantor until the earlier of (the "**Forbearance Period**"):
  - (a) June 30, 2025; and
  - (b) the occurrence or existence of any Terminating Event (as defined below).



**Refinancing**

4. The Borrower will take such steps as are required to refinance the Indebtedness by June 30, 2025 (a "**Refinancing**"), provided that the net cash proceeds of any Refinancing on closing shall be sufficient to repay all of the Indebtedness in full, including but not limited to, the following steps by the dates set out below:
  - (a) during the Forbearance Period, the Borrower shall provide the Lender with any and all information concerning its efforts with respect to the Refinancing, which shall include any credit applications made, any terms sheets or letters of intent issued and any material communications between the Borrower and any third party relating to such Refinancing efforts (the "**Refinancing Information**");
  - (b) on or before January 31, 2025, the Borrower shall have received a *bona fide* binding letter of intent or term sheet for the Refinancing, which shall be subject to conditions precedent which are satisfactory to the Lender in its sole discretion, and which in the sole discretion of the Lender is capable of being and is reasonably likely to be successfully closed on or before June 30, 2025 (the "**Refinancing LOI**"); and
  - (c) on or before March 31, 2025, the Borrower shall have received a *bona fide* binding commitment letter or credit agreement for the Refinancing (the "**Refinancing Commitment Letter**") and such Refinancing Commitment Letter shall be subject to conditions precedent which are satisfactory to the Lender, and which, in the reasonable opinion of the Lender, are capable of being, and reasonably likely to be, successfully closed on or before June 30, 2025.
5. The Borrower may complete the Refinancing and repay the Indebtedness at any time before June 30, 2025 without penalty.

**Forbearance Payments**

6. In consideration of the accommodations set out in this Forbearance Agreement:
  - (a) the Borrower shall pay to the Lender a forbearance fee in the amount of \$75,000.00 (the "**Forbearance Fee**"), payable in 4 monthly installments of \$18,750 commencing October 1, 2024;
  - (b) Existing blended principal plus interest payments consistent with the 5-year term in place will continue until October 15, 2024. Effective as at October 15, 2024, the annual interest rate chargeable on the Indebtedness due and owing under the Commitment Letter shall be increased to the 2-year Government of Canada rate plus 3.50% with a minimum rate of 7.25% (the "**Revised Interest Rate**"), calculated semi-annually, not in advance and payable monthly in arrears on the unpaid balance of the Indebtedness outstanding under the Facility, before as well as after November 15, 2024, default and judgement with interest on overdue interest at the same Revised Interest Rate as chargeable herein; and
  - (c) starting on October 15, 2024, the Borrower shall pay a monthly monitoring fee of \$2,500.00 (the "**Monthly Monitoring Fee**").



- (d) on or before October 1, 2024, the Borrower shall pay to the Lender the amount of \$93,327.09 in respect of legal and professional fees and applicable HST incurred by the Lender in connection with the (i) the legal fees and disbursements accrued up to the date of this Forbearance Agreement, and (ii) all further legal fees and disbursements associated with the preparation and negotiation of this Agreement.
7. The Borrower, the Guarantor, the New Guarantors (in this Agreement, the Guarantor and the New Guarantors, are collectively, the “**Guarantors**”) acknowledge and agree, in addition to and not in substitution for their covenants under the Loan Documents, that the New Guarantors shall pay the Envie 1 Proceeds and the La Promenade Proceeds (both as defined herein) to the Lender in accordance with the Envie 1 Direction and the La Promenade Direction (both as defined herein) during the term of the Forbearance Period, if applicable.
8. The foregoing Forbearance Fee is in addition to all other fees, interest, costs and expenses payable in connection with the Commitment Letter, Credit Documents, or otherwise, and, notwithstanding anything contained herein, may be charged by the Lender to any account of the Borrower maintained by the Lender. The Forbearance Fee shall be required to be paid to the Lender despite any failure by the Borrower or the Guarantors to comply with any term of this Forbearance Agreement.
9. For the avoidance of doubt, and greater certainty, the Borrower and the Guarantors acknowledge and agree that as of the date hereof they are liable for those fees and charges set out in the Payout Statement, and that to the extent incurred, shall be liable for further fees and charges that may become due under the Commitment Letter or the other Credit Documents.
10. Upon receipt by the Lender, the Lender shall be entitled to determine, in its sole and unfettered discretion, how all payments required under this Forbearance Agreement are to be applied as between outstanding principal, accrued interest, accrued fees (including legal fees and disbursements) and accrued charges due and owing under the Commitment Letter and the other Credit Documents.

#### **Additional Covenants**

11. The Borrower and Guarantors acknowledge and agree as follows:
- (a) all terms and conditions of the Commitment Letter and the other Credit Documents will remain in effect, un-amended, except as explicitly amended herein, and the Borrower and Guarantors shall comply in all respects with the terms of the Commitment Letter and the other Credit Documents throughout the duration of the Forbearance Period, except as otherwise explicitly provided herein;
- (b) on or before September 30, 2024, the Borrower shall deliver to, or cause to be delivered to, the Lender an updated personal Net Worth Statement of David Choo;
- (c) the Borrower will pay all property taxes and all other debts which could rank in priority to any security held by the Lender when due including all 2025 property taxes against the Charged Property. Without limiting the generality of the foregoing, the Borrower shall pay to the City of Ottawa monthly payments in the amount of \$65,000 on or before the 5<sup>th</sup> of each and every month with respect to the Property Tax Arrears (the “**Monthly Property Tax Arrears Payment**”); and further commits to have the property taxes fully repaid by May 1, 2025.



- (d) the Borrower shall provide the Lender with the following on or before the 15<sup>th</sup> day of the month as follows:
- (i) detailed monthly and year-to-date operating statements;
  - (ii) confirmation that the Monthly Property Tax Arrears Payment for the previous month was paid until such time as all Property Tax Arrears are brought current;
  - (iii) confirmation of payment of all HST and source deductions/priority payables that can create a super priority to the Lender's interests; and
  - (iv) aged accounts payable listing and outstanding cheque report with supporting documentation in a form satisfactory to the Lender in its sole discretion, including but not limited to copies of bank statements and cancelled cheques (the "**Refinancing Reporting Information**");
- (e) the Borrower and the Guarantors agree not to amend the Hawco Peters Engagement without prior written consent of the Lender, which will not be unreasonably withheld;
- (f) the Restructuring Advisor shall provide detailed monthly reports including update on asset sale activity, update on lease activity and marketing initiatives, an update on refinancing of projects and any pertinent commentary on reporting items in (d) above to, *inter alia*, the Lender, the Borrower and the Guarantors on or before the 20th of each month;
- (g) no management fees of any kind are to be paid by the Borrower with regard to the business carried on at, or in connection with the Charged Property;
- (h) the Borrower and the Guarantors shall not make any payment of any kind to any shareholder, arm's length or non-arm's length creditor or related or unrelated party, whether by way of withdrawal, payment, dividend, bonus or advance of any kind;
- (i) the Borrower shall not make any payment of non-priority payables if there are priority payables in arrears/outstanding, including but not limited to any property tax arrears;
- (j) the Borrower shall obtain a renewed Certificate of Insurance, which is satisfactory to the Lender in its sole discretion and which shall be received by the Lender by October 15, 2024;
- (k) on or before September 30, 2024, the Borrower and the Guarantors shall provide the Lender with a complete copy of CMLS' underwriting, to include particulars of all debt and other obligations (the "**CMLS Underwriting**") in respect of the Envie 1 Property in form and substance acceptable to the Lender;
- (l) on or before September 30, 2024, the Borrower shall provide the Lender with a copy of the listing agreement, a current AACI appraisal, most recent tax bill and current mortgage statement from any and all mortgagees (the "**La Promenade Documents**") in respect of the La Promenade Property in form and substance acceptable to the Lender;

- (m) on or before October 31, 2024, 219 shall provide the Lender with a copy of the listing agreement for the sale of the Envie 1 Property;
- (n) pending sale of the Envie 1 Property and the La Promenade Property, the listing agent shall provide detailed monthly marketing and sales activity reports to the Lender, the Borrower and the New Guarantors on or before the 15th of each month;
- (o) promptly upon execution, the Borrower and the New Guarantors shall provide the Lender with a copy of any binding agreement of purchase and sale in respect of the Envie 1 Property or the La Promenade Property;
- (p) on or before October 15, 2024, receipt by the Lender of a duly executed irrevocable order and direction to pay, satisfactory to the Lender, from 219 directing the Purchaser of the Envie 1 Property to pay all net sale proceeds otherwise payable to 219 in connection with the sale of the Envie 1 Property, being the gross sale price less the following adjustments on the closing Statement of Adjustments: a) real estate commissions; b) the Borrower's reasonable legal fees associated with the sale transaction; c) outstanding property taxes; d) third party accountant-certified capital gains taxes; and e) amounts required to pay registered encumbrancers, up to a maximum of the Indebtedness (the "**Envie 1 Proceeds**") to counsel to the Lender (the "**Envie 1 Direction**");
- (q) on or before October 15, 2024, receipt by the Lender of a duly executed irrevocable order and direction to pay, satisfactory to the Lender, from La Promenade directing the Purchaser of the La Promenade Property to pay all net sale proceeds otherwise payable to La Promenade in connection with the sale of the La Promenade Property, being the gross sale price less the following adjustments on the closing Statement of Adjustments: a) real estate commissions; b) the Borrower's reasonable legal fees associated with the sale transaction; c) outstanding property taxes; d) third party accountant-certified capital gains taxes; and e) amounts required to pay registered encumbrancers, up to a maximum of the Indebtedness (the "**La Promenade Proceeds**") to counsel to the Lender (the "**La Promenade Direction**");
- (r) the CMLS Underwriting and the La Promenade Documents are to provide satisfactory evidence that the Envie 1 Proceeds and the La Promenade Proceeds together will total not less than \$20,000,000;
- (s) receipt by the Lender of a duly authorized, executed and delivered several guarantees and postponements of claim from the New Guarantors in favour of the Lender, limited to the principal amount of the Envie 1 Proceeds and the La Promenade Proceeds in respect of the Indebtedness of the Borrower, together with an assignment and postponement of claims by the New Guarantors;
- (t) on or before October 31, 2024, receipt by the Lender of all documents, instruments and agreements required, in the sole opinion of the Lender, to register a fourth charge/mortgage of land in favour of the Lender in the principal amount of the Envie 1 Proceeds against the Envie 1 Property owned by 219 together with such other reasonable supporting and corporate documentation requested by the Lender's solicitor;



- (u) on or before October 31, 2024, receipt by the Lender of all documents, instruments and agreements required, in the sole opinion of the Lender, to register a second charge/mortgage of land in favour of the Lender in the principal amount of the La Promenade Proceeds against the La Promenade Property owned by La Promenade together with such other reasonable supporting and corporate documentation requested by the Lender's solicitor; and
- (v) the Borrower and the New Guarantors shall not enter into any binding agreement of purchase and sale for any property over which they are an owner without the approval of the Lender prior to execution.

#### **Joinder to Loan Documents**

- 12. The New Guarantors acknowledge, agree and confirm that, by their execution of this Agreement, the New Guarantors will be deemed to be, as of the Agreement Effective Date, a Credit Party under the Commitment Letter and a "**Guarantor**" under this Agreement and for all purposes of the Commitment Letter, with the same force and effect, and subject to the same agreements, representations, indemnities, liabilities and obligations, as if the New Guarantors had executed the Commitment Letter. The New Guarantors hereby ratify, as of the Agreement Effective Date, and agree to be bound by, all of the terms, provisions and conditions contained in the Commitment Letter and this Agreement.
- 13. Each reference to a "**Guarantor**" in this Agreement and the Commitment Letter shall, as of the Agreement Effective Date, be deemed to include the New Guarantors.

#### **Default/Terminating Events**

- 14. Other than as may be consented to in writing by the Lender, the occurrence of any of the following events will constitute a "**Terminating Event**" under this Forbearance Agreement and a default and breach under the Commitment Letter and the other Credit Documents:
  - (a) any default or breach by the Borrower or the Guarantors occurs under this Forbearance Agreement, or any further default or breach of any obligation or covenant occurs under the Commitment Letter or any of the other Credit Documents;
  - (b) the Borrower fails to make any payment when due to the Lender including without limitation under this Forbearance Agreement, the Commitment Letter or any of the other Credit Documents;
  - (c) any creditor of the Borrower or the Guarantors exercises, seeks to exercise, provides notice that it intends to exercise, or purports to exercise any rights or remedies against any of the property, assets or undertakings (including without limitation the Charged Property) of the Borrower or the Guarantors, including without limitation by issuing a demand letter or notice of intention to enforce security under section 244 of the BIA, issuing notice of sales in accordance with the *Mortgages Act* (Ontario), seeking to foreclose on the Charged Property or taking any other step or remedy under the *Mortgages Act* (Ontario);
  - (d) if any of the Borrower, the Guarantor or any creditor brings any proceeding or takes any other action under the BIA, the *Companies' Creditors Arrangement Act* (Canada), the OBCA, or any similar legislation;

- (e) any steps are taken by the Borrower or a third party to wind up or dissolve the Borrower without the prior written consent of the Lender;
- (f) any representation and warranty made by any of the Borrower or the Guarantors in connection with the execution and delivery of this Forbearance Agreement, the Commitment Letter or in any of the other Credit Documents proves to have been incorrect in any material respect at the time it was made;
- (g) the sale, lease, transfer, relocation, abandonment or any other disposition of the assets of the Borrower or the Guarantors without the prior written consent of the Lender;
- (h) the Borrower fails to provide the Lender with the reporting or other information specified in the Commitment Letter;
- (i) any representation or financial reporting information provided by the Borrower to the Lender proves to have been false, misleading, inaccurate or incorrect in any material respect at the time that representation or financial reporting information was made or delivered;
- (j) there has been, in the sole opinion of the Lender, a material adverse change in the affairs of either of the Borrower or the Guarantors or with respect to the security position of the Lender, in each case after the date of this Forbearance Agreement; and
- (k) any action which any of the Borrower or the Guarantors may take only with the prior written consent of the Lender is taken without that consent being obtained.

#### **Termination of Forbearance Period**

15. On the expiration of the Forbearance Period, the agreement of the Lender to forbear will automatically and without further action terminate and be of no further force or effect, it being expressly agreed that the effect of that termination will be:
- (a) that all Indebtedness shall become immediately due and payable in full without requirement for any further demand for payment, notice or other action by the Lender;
  - (b) the Lender shall be entitled to immediately exercise all or any part of its rights and remedies under this Forbearance Agreement, the Commitment Letter, the other Credit Documents, and applicable law, in each case without any further notice, passage of time or forbearance of any kind, including without limitation:
    - (i) to appoint and/or seek the court appointment of a receiver or receiver and manager (a "**Receiver**"), over all or part of the assets, personal and real property and undertakings of the Borrower, including the Charged Property (collectively, the "**Property**"), with the power to sell all or any portion of the Property pursuant to the BIA, other available provincial laws or otherwise, to which appointment the Borrower and the Guarantors have consented to pursuant to Section 2(b) above; and
    - (ii) to market and complete a sale transaction for the Charged Property, including without limitation by way of any Notice of Sales or Statements of Claim issued by the Lender.



**Conditions Precedent**

16. The forbearance and other accommodations granted by the Lender under this Forbearance Agreement are subject to the following terms and conditions having been complied with in a manner satisfactory to the Lender **on or before 5:00 p.m. on September 25, 2024** (collectively, the “**Conditions Precedent**”):
- (a) no Terminating Events are existing and continuing;
  - (b) receipt by the Lender of a duly authorized, executed and delivered original of this Forbearance Agreement executed by the Borrower and Guarantor.

The Conditions Precedent are for the sole benefit of the Lender and may be waived or extended only by the Lender in writing. If the Conditions Precedent are not complied with to the satisfaction of the Lender **by 5:00 p.m. on September 25, 2024** and the Lender will not waive or extend their satisfaction, then the offer of forbearance and the other accommodations offered by the Lender under this Forbearance Agreement will be terminated.

**Release**

17. In consideration of this Forbearance Agreement and for other good and valuable consideration, the Borrower and the Guarantors, on their own behalf and on behalf of their respective successors, heirs, assigns, and other legal representatives (collectively, the “**Releasors**”), absolutely, hereby (effective upon execution of this Forbearance Agreement) unconditionally and irrevocably releases the Lender and its respective present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, legal counsel, consultants, employees, agents and other representatives, and its successors and assigns (all of which are referred to collectively as the “**Releasees**” and individually as a “**Releasee**”), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defences, rights of set-off, demands and liabilities known or unknown, both at law or in equity, that any of the Releasors may now have or may now or later claim against any of the Releasees by reason of any circumstance, action, cause or thing which exists, existed, arises or arose at any time on or prior to the date of this Forbearance Agreement, including, without limitation, for or on account of, or in relation to, or in any way in connection with, any of this Forbearance Agreement, the Commitment Letter, the Guarantees, or any of the other Credit Documents, the enforcement of the Lender’s rights under this Forbearance Agreement, the Commitment Letter, the Guarantee, or any of the other Credit Documents, or any transactions under or related to any of the foregoing.

**No Waiver**

18. No waiver of, failure to exercise or delay in exercising, any Section of this Forbearance Agreement constitutes a waiver of any other Section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.
19. The Lender has not waived, and is not by this Forbearance Agreement or the implementation of this Forbearance Agreement waiving the Demand Letter, the NITES, or the defaults described therein. For certainty, the Lender has not agreed to forbear with respect to any of its rights or remedies, if any Additional Default has occurred or is continuing as of the date of this Agreement or may occur or be continuing after the date of this Agreement.



**General**

20. This Forbearance Agreement is governed by and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province. Time is of the essence of this Forbearance Agreement. No amendment, discharge, modification, restatement, supplement, termination or waiver of this Forbearance Agreement or any Section of this Forbearance Agreement is binding unless it is in writing and executed by the party to be bound.
21. This Forbearance Agreement constitutes the entire agreement between the parties pertaining to the subject matter of this Forbearance Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no representations, warranties or other agreements between the parties, express or implied, in connection with the subject matter of this Forbearance Agreement except as specifically set out in this Forbearance Agreement. No party has been induced to enter into this Forbearance Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Forbearance Agreement.
22. Any notice or communication to be delivered in connection with this Forbearance Agreement shall be delivered in accordance with the Commitment Letter.
23. Each Section of this Forbearance Agreement is distinct and severable. If any Section of this Forbearance Agreement, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any jurisdiction by any court of competent jurisdiction, the illegality, invalidity or unenforceability of that Section, in whole or in part, will not affect:
  - (a) the legality, validity or enforceability of the remaining Sections of this Forbearance Agreement, in whole or in part; or
  - (b) the legality, validity or enforceability of that Section, in whole or in part, in any other jurisdiction.
24. The Borrower and the Guarantors will execute and deliver any further agreements and documents and provide any further assurances, undertakings and information as may be reasonably required by the Lender. The Borrower and Guarantor shall be responsible for payment of all costs and expenses incurred pursuant to this Section 24.
25. The Lender may assign this Forbearance Agreement and the Credit Documents without notice to, or the consent of, the Borrower or the Guarantors. Neither this Forbearance Agreement, the Credit Documents nor any right or obligation under this Forbearance Agreement or the Credit Documents may be assigned by the Borrower or the Guarantors without the prior written consent of the Lender. This Forbearance Agreement enures to the benefit of and is binding upon the parties and their respective successors and permitted assigns.
26. This Forbearance Agreement may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and each of which may be delivered by e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.



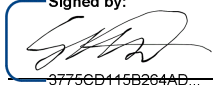
27. This Forbearance Agreement has been reviewed by each party's professional advisors, and revised during the course of negotiations between the parties. Each party acknowledges that this Forbearance Agreement is the product of their joint efforts, that it expresses their agreement, and that, if there is any ambiguity in any of its provisions, that provision should not be interpreted in favour of either of them.
28. All terms and conditions of the Commitment Letter and any of the other Credit Documents will continue in full force and effect save and except as amended by this Forbearance Agreement.
29. The Borrower and the Guarantors agree to fully indemnify the Lender for all costs including, without limiting the generality of the foregoing, all actual present and future legal and agent fees and disbursements incurred by the Lender in respect of or in any way related to the Borrower or the Guarantors including, without limitation, the Lender's legal fees in connection with the preparation and enforcement of this Forbearance Agreement. The Borrower and the Guarantors each specifically waive any and all rights they may have to assess any of the legal or agent fees previously paid or payable by the Lender to its solicitors or payable to its solicitors or agents in connection with or in any way related to the Borrower and the Guarantors up to the date of this Forbearance Agreement whether such right of assessment arises pursuant to the *Solicitors Act* (Ontario) or under any other law or statute.

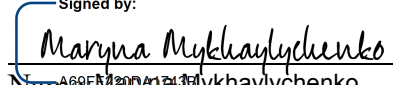
**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**



Each of the parties have executed and delivered this Agreement as of the date first written above.

**CENTRAL 1 CREDIT UNION**

Signed by:  
  
Per \_\_\_\_\_  
Name: Suzanne Fisher  
Title: Director, Commercial Real Estate Lending

Signed by:  
  
Per \_\_\_\_\_  
Name: Maryna Mykhaylychenko  
Title: Director, Credit and Counterparty Risk

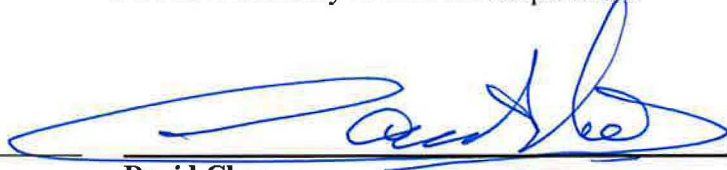
I/We have authority to bind the Credit Union.

2139770 ONTARIO INC.

Per   
Name:  
Title:

Per \_\_\_\_\_  
Name:  
Title:

I/We have authority to bind the Corporation.

  
\_\_\_\_\_

Witness:  
Name:

David Choo

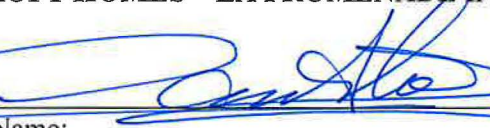
2195186 ONTARIO INC.

Per   
Name:  
Title:

Per \_\_\_\_\_  
Name:  
Title:

I/We have authority to bind the Corporation.

ASHCROFT HOMES – LA PROMENADE INC.

Per   
Name:  
Title:

Per \_\_\_\_\_  
Name:  
Title:

I/We have authority to bind the Corporation.



**SCHEDULE "A"**  
**PAYOUT STATEMENT**

See attached.

A handwritten signature in blue ink, consisting of a stylized, cursive letter 'J' followed by a horizontal line extending to the right.



Central 1 Credit Union  
 2810 Matheson Blvd. East, Mississauga, ON Canada L4W 4X7  
 T 905 238 9400 / 1 800 661 6813 E Info@central1.com

September 13, 2024

2139770 Ontario Inc.  
 626 Prado Private  
 Ottawa, Ontario

Re: *Payout Statement – 2139770 Ontario Inc.*

Further to your request, I have outlined below the balance due on the above captioned loan as at **September 13<sup>th</sup>, 2024**:

Principal Balance	\$37,851,227.63
Accrued Interest	\$104,491.03
Prepayment Penalty	\$325,224.98
Discharge Fee	<u>\$250.00</u>
<b>TOTAL DUE</b>	<b>\$38,281,193.64</b>

Interest continues to accrue at \$3,603.14 per day. Please note this statement has been prepared based on the assumption that: a) loan payments continue to be received as required; and b) the Borrower's solicitor will be responsible for the preparation and registration, where required, of all discharges of our security.

Please be advised that funds must be received by no later than 2:00 pm EST; otherwise another day's interest will be due and payable.

Please call the undersigned at 800-661-6813, ext. 2131 if you require any additional information.

Yours truly,

*Vida Kaleinikas*

Vida Kaleinikas  
 Manager, Credit Administration  
 Commercial Real Estate Lending

E. & O.E.

This is Exhibit "N" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in cursive script that reads "Adam Davis".

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**





October 18, 2024

**Ronald. B. Melvin**  
Direct: 416.848.4732  
rmelvin@owenswright.com

**BY REGISTERED MAIL  
AND BY FAX TO 613-226-7161**

**TO:** Ashcroft Homes - La Promenade Inc. (the “Borrower”)  
18 Antares Drive  
OTTAWA, Ontario  
K2E 1A9

**AND TO:** Alavida Lifestyles Inc.  
The David and Shanti Choo Family Trust 2016  
David Choo  
18 Antares Drive  
OTTAWA, Ontario  
K2E 1A9  
(individually and collectively, the “Guarantor”)

Dear Sirs:

**RE:** INSTITUTIONAL MORTGAGE CAPITAL CANADA INC. loan to ASHCROFT HOMES - LA PROMENADE INC. upon the security of all property and assets comprising Part Lots 34 & 35, Concession 1 Cumberland (Old Survey), designated as Parts 7 & 8 on Plan 4R-29684, PIN 14501-0928 LT, 130 & 150 Rossignol Drive, Ottawa, Ontario

---

We are the solicitors for Institutional Mortgage Capital Canada Inc. (the “Lender”) and have been retained by it in connection with the above-noted loan (the “Loan”). We are advised by the Lender that the Loan matured on February 1, 2024 and that the following are the particulars of the amounts now due and payable thereunder:

**[FOR MATURED LOANS OR WHERE LENDER ACCELERATES PRINCIPAL]**

Principal Balance as at October 1, 2024	\$37,000,000.00
Accrued interest from October 1, 2024 to and including October 17, 2024	\$159,404.11
Legal costs (for services rendered up to and including issuance of this letter only, and thereafter such further legal costs will be charged as may be proper between a solicitor and his client)	\$5,117.49
<b>TOTAL due and payable as at October 18, 2024</b>	<b>\$37,164,521.60</b>
<b>PER DIEM from and after October 18, 2024: \$9,376.71</b>	

On behalf of the Lender, we hereby demand that the Borrower perform its obligations under the Loan and the applicable Loan documents, **on or before 5:00 p.m. on October 28, 2024** by payment to the Lender, by wire transfer in

accordance with the instructions below, in the amount of **\$37,164,521.60, together with per diem interest as above-noted**. The following are the details for payment by wire transfer:

Beneficiary Name: IMS Limited Partnership  
Beneficiary Address: 199 Bay Street, Suite 1900, Box 271, Commerce Court West, Toronto, ON  
Bank Name: TD CANADA TRUST  
Bank Address: 55 King Street West, Toronto, ON  
Swift Code: TDOMCATTOR  
Bank #: 004  
Transit #: 19922  
Account #: 5279563

In the event that the Borrower fails to perform its obligation(s) as aforesaid in the manner and within the time specified above, we are instructed to proceed immediately with all remedies available to the Lender under its security and at law, without further notice to you except as may be required pursuant to such security or at law.

On behalf of the Lender, we hereby also demand, under and pursuant to all covenants and agreements in respect of the Loan made by each Guarantor, but subject to any limitations of liability thereunder, that each Guarantor perform the Borrower's obligation(s) as aforesaid in the manner and within the time specified above, failing which, we are instructed to proceed immediately with all remedies available to the Lender under its security and at law, without further notice to you except as may be required pursuant to such security or at law.

We enclose and hereby serve Notice of Intention to Enforce Security pursuant to subsection 244(1) of the Bankruptcy and Insolvency Act (Canada).

Be advised that any future payments tendered on account of the Loan in an amount less than the aggregate amount demanded herein will only be accepted by the Lender without prejudice to the Lender's rights under the Loan and the applicable Loan documents and shall not constitute any form of Loan amendment, extension of the term of the Loan or forbearance in any respect. On behalf of the Lender, we hereby reserve all of its rights to pursue all remedies available to it under contract and at law, without further notice except as required by contract or at law.

This matter is of a most serious nature, and we urge you to govern yourselves accordingly.

Yours very truly,

**OWENS WRIGHT LLP**

Per:

  
Ronald B. Melvin

RBM/cpa  
Encl.

- c. Ashcroft Homes - La Promenade Inc.,  
Alavida Lifestyles Inc.,  
The David and Shanti Choo Family Trust 2016 and  
David Choo  
c/o tbonsor@ashcrofthomes.ca
- c. Mann Lawyers LLP  
Attention: Daniella Sicoli-Zupo (daniella.sicoli-zupo@mannlawyers.com)
- c. Institutional Mortgage Capital Canada Inc.  
Attention: Jean Monardo (by email only)

**NOTICE OF INTENTION TO ENFORCE SECURITY**

(Subsection 244(1) of the Bankruptcy and Insolvency Act (Canada))

**TO:** ASHCROFT HOMES - LA PROMENADE INC., an insolvent person  
 ALAVIDA LIFESTYLES INC., an insolvent person  
 THE DAVID AND SHANTI CHOO FAMILY TRUST 2016, an insolvent person  
 DAVID CHOO, an insolvent person

**TAKE NOTICE THAT:**

1. INSTITUTIONAL MORTGAGE CAPITAL CANADA INC., a secured creditor (the “**Secured Creditor**”), intends to enforce its security on the property of the insolvent person described below:
  - (a) all property and assets comprising Part Lots 34 & 35, Concession 1 Cumberland (Old Survey), designated as Parts 7 & 8 on Plan 4R-29684, PIN 14501-0928 LT, 130 & 150 Rossignol Drive, Ottawa, Ontario; and
  - (b) all other real and personal property which has been mortgaged, charged, pledged, assigned or otherwise encumbered by the security described below.
2. The security that is to be enforced is in the form of:
  - (a) the Charge/Mortgage made by Ashcroft Homes - La Promenade Inc. (the “**Borrower**”) in favour of the Secured Creditor and registered on title to the above-described real property as Instrument No. OC2268520, as amended by Agreement Amending Charge/Mortgage registered as Instrument No. OC2580443;
  - (b) the Notice of Assignment of Rents - General made by the Borrower in favour of the Secured Creditor and registered on title to the above-described real property as Instrument No. OC2268521 and attached General Assignment of Rents dated October 8, 2020 made by the Borrower in favour of the Secured Creditor;
  - (c) the General Security Agreement dated October 8, 2020 made by the Borrower in favour of the Secured Creditor;
  - (d) the Indemnity Agreement dated October 8, 2020 made by the Borrower, Alavida Lifestyles Inc., The David and Shanti Choo Family Trust 2016 and David Choo in favour of the Secured Creditor;
  - (e) the Full Recourse Guarantee dated October 8, 2020 made by Alavida Lifestyles Inc., The David and Shanti Choo Family Trust 2016 and David Choo in favour of the Secured Creditor; and
  - (f) the Notice and Direction to Tenants dated October 8, 2020 made by the Borrower in favour of the Secured Creditor.
3. The total amount of indebtedness secured by the security is \$37,164,521.60.
4. The Secured Creditor will not have the right to enforce the security until after the expiry of the ten (10) day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED this 18th day of October, 2024.

**INSTITUTIONAL MORTGAGE CAPITAL CANADA INC.,**  
 by its solicitors, **OWENS WRIGHT LLP**

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

  
 Ronald B. Melvin

This is Exhibit "O" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

**From:** [Manny Difilippo](#)  
**To:** [Curtis Jackson](#)  
**Cc:** [Darren Schmidt](#); [Neil Schwartz](#); [David Choo](#); [Tara Bonsor](#)  
**Subject:** RE: Demand Letter  
**Date:** Monday, November 4, 2024 10:18:23 AM  
**Attachments:** [image003.jpg](#)  
[image004.png](#)  
[image005.png](#)

---

CAUTION:External

Good morning Curtis, yes the transaction with Forum closed on Oct 30<sup>th</sup>.

Also, Neil and I will be working on the list of requirements as requested from Owen Wright. However, currently Neil is out of the office and we will get the required material to your Lawyer, on his return.

Manny

---

**From:** Curtis Jackson <curtis.jackson@imcapital.com>  
**Sent:** November 1, 2024 12:43 PM  
**To:** Manny Difilippo <mdifilippo@ashcrofthomes.ca>  
**Cc:** Darren Schmidt <darren.schmidt@imcapital.com>; Neil Schwartz <Neil.Schwartz@mannlawyers.com>; David Choo <dchoo@ashcrofthomes.ca>; Tara Bonsor <tbonsor@ashcrofthomes.ca>  
**Subject:** Re: Demand Letter

Hi Manny,

Did the Envie Rideau sale close?



**Curtis Jackson, MBA**

**Vice-President**

Direct: 416-814-2603

Cell: 647-471-7478

E-mail: [curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)

199 Bay Street, Suite 1900, Commerce Court West, Box 271, Toronto, ON M5L 1E9 | [www.imcapital.com](http://www.imcapital.com) | FSRA License #11975

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited. You may unsubscribe from e-communications at any time by clicking [here](#).

---

**From:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>  
**Sent:** Thursday, October 31, 2024 2:34:30 PM  
**To:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>  
**Cc:** Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>; Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>; Tara Bonsor <[tbonsor@ashcrofthomes.ca](mailto:tbonsor@ashcrofthomes.ca)>  
**Subject:** Re: Demand Letter

Hi Manny,

Thank you for the response, I will let you know if there are any follow up questions for clarification. Please let me know re: #5, although, based on the VTB Charge I think this option may have been removed.

Best Regards,  
Curtis



**Curtis Jackson, MBA**

**Vice-President**

Direct: 416-814-2603

Cell: 647-471-7478

E-mail: [curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)

199 Bay Street, Suite 1900, Commerce Court West, Box 271, Toronto, ON M5L 1E9 | [www.imcapital.com](http://www.imcapital.com) | *FSRA License #11975*

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited. You may unsubscribe from e-communications at any time by clicking [here](#).

---

**From:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>  
**Sent:** Thursday, October 31, 2024 12:13 PM  
**To:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>  
**Cc:** Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>; Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>; Tara Bonsor <[tbonsor@ashcrofthomes.ca](mailto:tbonsor@ashcrofthomes.ca)>  
**Subject:** RE: Demand Letter

---

CAUTION:External

Good afternoon Curtis, please see responses below in RED.

I also note that Owen Wright has provided a list of requirements to Neil (our lawyer who is copied on this email) and I am working with Neil in a response to your lawyer's request.

Regards,

Manny

---

**From:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>  
**Sent:** October 30, 2024 3:27 PM  
**To:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>  
**Cc:** Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>; Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>  
**Subject:** Re: Demand Letter

Hi Manny,

A few questions have arisen from Credit that we need addressed either via counsel or Baker Tilly ("BT"):

1. What is the potential tax payable if the CRA considers the gain on sale as a gain on account of income rather opposed to capital income as per the assumptions of the BT memo? **The BT memo outlines the potential incremental, for which BT feels the risk is very low on CRA taking that position. The potential incremental exposure if the transaction is treated as business income rather than capital is an increase in taxes (before LCF) of about \$4.2 MM (Under business income of \$11.8 MM and capital of \$7.6MM). However about \$2 MM of this extra would be shielded by available taxes losses that were not fully utilized under the capital treatment structure. Thus the end result would be approximately an addition \$2 MM in taxes if the transition is treated as business income.**
2. If there is a large tax payable per question #1, what resources will Amalco have to pay the tax bill? Will there be residual closing proceeds set aside for potential income taxes payable. We wouldn't want any of the Promenade's cash flow being used for any expenses related to Envie. **The filings of the related tax returns are at least 12 months out and then there is an audit process. Thus should this ever be challenged, it is at least 18-24 months hence. WE have not set aside any of the proceeds to deal with this potential for which we feel has a very low**

probability of occurring.

3. Is there potential for CRA make a claim against Amalco which would have an adverse impact to our Borrower relative to having the Borrower remain unamalgamated, including the potential for CRA to place a super-priority lien over the assets of the Amalco including 100 & 150 Rossignol Dr.? **Based on discussions with legal, BT and also our consultants that are assisting with our restructuring initiatives, the risk of this is extremely low. Once the amalgamation happens, there is no ability to unwind it or take actions against other entities that are not part of this transaction.**
4. The BT memo references a potential pending HST self-assessment liability payable for Envie. What is the current best estimate amount of the HST and will there be residual closing proceeds set aside to pay this? If not, where will the funds come from to pay this? **On closing any outstanding HST matter was handled through the closing process. Thus at this time there are no outstanding matters related to HST. Is there a potential at some time in the future the building gets reassessed retroactively to a period before the sale, I would say anything is possible, but at this time there is no known risk that there is a pending HST matter that is unresolved.**
5. Is there any available information on the Chargor entity under the VTB to assess their financial strength. I believe this is the purchaser, Forum Asset Management although I can't see where the Chargor is defined in the APS we previously received or on Forum Real Estate Income and Impact Fund LP, which the APS contemplates the possibility the property will be transferred to this LP fund and units of the LP Fund may be issued to replace the VTB. Frankly, I don't quite understand the mechanics of what's explained in bullet # of the Schedule D – VTB Charge terms, but it appears to allow this. **I will need to get back to you on this, as Forum assigned the purchase to one of the subsidiaries. I will need to get information on that entity and the related security for that asset.**

Best Regards,  
Curtis



**Curtis Jackson, MBA**

**Vice-President**

Direct: 416-814-2603

Cell: 647-471-7478

E-mail: [curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)

199 Bay Street, Suite 1900, Commerce Court West, Box 271, Toronto, ON M5L 1E9 | [www.imcapital.com](http://www.imcapital.com) | FSRSA License #11975

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us



immediately. Any unauthorized use or disclosure is prohibited. You may unsubscribe from e-communications at any time by clicking [here](#).

---

**From:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>  
**Sent:** Tuesday, October 29, 2024 10:24 AM  
**To:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>  
**Cc:** Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>; Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>  
**Subject:** Re: Demand Letter

Good Morning Manny,

We have submitted the request for the consent together with the draft of the Consent Letter to Credit for formal approval. Unfortunately, given the short notice of this request and the current constraints, we believe it unlikely that this will be approved by your closing this week.

Darren and I are continuing to put pressure to expedite the process, however, there is only so much we are able to do, and formal approval timelines are outside our control. We have impressed upon Credit the urgency of the request, and I will continue to provide you with updates as they become available.

Best Regards,  
Curtis



**Curtis Jackson, MBA**

**Vice-President**

Direct: 416-814-2603

Cell: 647-471-7478

E-mail: [curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)

199 Bay Street, Suite 1900, Commerce Court West, Box 271, Toronto, ON M5L 1E9 | [www.imcapital.com](http://www.imcapital.com) | *FSRA License #11975*

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited. You may unsubscribe from e-communications at any time by clicking [here](#).

---

**From:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>

**Sent:** Monday, October 28, 2024 1:56 PM

**To:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>

**Cc:** Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>; Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>

**Subject:** Re: Demand Letter

Thank you, Manny. That does appear to be the point of confusion. I'll ensure our counsel knows as this related to the Forbearance Agreement.

Spoke with our counsel this morning, and he noted that on closing, the VTB mortgages and related security should be assigned by Amalco to IMC as additional security for the subject loan. Forum should execute a document confirming the debt and that it has no setoff rights against the VTB loan. The VTB would be a new asset of the borrower which should be pledged to the lender as additional security.

Best Regards,  
Curtis



**Curtis Jackson, MBA**

**Vice-President**

Direct: 416-814-2603

Cell: 647-471-7478

E-mail: [curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)

199 Bay Street, Suite 1900, Commerce Court West, Box 271, Toronto, ON M5L 1E9 | [www.imcapital.com](http://www.imcapital.com) | *FSRA License #11975*

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited. You may unsubscribe from e-communications at any time by clicking [here](#).

---

**From:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>

**Sent:** Monday, October 28, 2024 11:58 AM

**To:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>; Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>

**Cc:** Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>

**Subject:** RE: Demand Letter

CAUTION: External

Hi Curtis, the confusion may be that 254653 Ontario Inc. is the company that was sent up to hold the David and Shanti Life insurance policy and has nothing to do with the Choo Trust. The financial statements of "254" holds the life insurance policy and the loan being advanced by CIBC to pay the annual premiums.

David Choo still owns La Promenade Inc asset and 256 Property asset is still owned by Envie Enterprises Inc. which has the beneficial owner as the Choo Family Trust.

Manny

---

**From:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>  
**Sent:** October 28, 2024 11:30 AM  
**To:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>; Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>  
**Cc:** Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>  
**Subject:** Re: Demand Letter

Hi Manny,

I believe Neil and Ron Melvin have been sending emails with documents back-and-forth regarding the Amalgamation, the original request for which was only received 10 days ago.

One question that has come up is as follows:

The attached financial statements seem to show that the David and Shanti Choo Family Trust 2016 is now 254653 Ontario Inc. **Can you please provide us with information as to how this occurred? Normally a trust cannot change its name or amalgamate to become a corporation. Was there a transfer of assets?**

Best Regards,  
Curtis



**Curtis Jackson, MBA**

**Vice-President**

Direct: 416-814-2603

Cell: 647-471-7478

E-mail: [curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)

199 Bay Street, Suite 1900, Commerce Court West, Box 271, Toronto, ON M5L 1E9 | [www.imcapital.com](http://www.imcapital.com) | *FSRA License #11975*

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited. You may unsubscribe from e-communications at any time by clicking [here](#).

---

**From:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>

**Sent:** Friday, October 25, 2024 10:40 AM

**To:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>; Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>

**Cc:** Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>

**Subject:** RE: Demand Letter

CAUTION:External

Thanks Curtis, I appreciate the speed that IMC is working on this and the progress is very much appreciated. If there is any way of not impeding the approval of consent with the finalization of the forbearance agreement, that would be great.

Every day passed Oct 28<sup>th</sup> puts our closing at risk with the drop dead date of Oct 31.....knowing that we would need to file amalgamation papers and get the government agency to return our filing all prior to Oct 31.....thus the urgency.

Again, thanks for all of the teams efforts.

Manny

---

**From:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>  
**Sent:** October 25, 2024 10:30 AM  
**To:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>; Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>  
**Cc:** Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>  
**Subject:** Re: Demand Letter

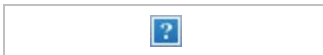
Hi Manny,

As an update, our Legal Counsel has provided his opinion on the matter to us so we are just waiting on approval now. However, given the documentation required per our Counsel's email, having this completed by Monday is unrealistic.

We are, at the same time, finalizing a Forbearance Agreement.

Best Regards,

Curtis



**Curtis Jackson, MBA**

**Vice-President**

Direct: 416-814-2603

Cell: 647-471-7478

E-mail: [curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)

199 Bay Street, Suite 1900, Commerce Court West, Box 271, Toronto, ON M5L 1E9 | [www.imcapital.com](http://www.imcapital.com) | *FSRA License #11975*

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited. You may unsubscribe from e-communications at any time by clicking [here](#).

---

**From:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>

**Sent:** Friday, October 25, 2024 7:41 AM

**To:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>; Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>

**Cc:** Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>

**Subject:** RE: Demand Letter

CAUTION: External

Thanks, very much appreciate the effort on the short notice.

Manny

---

**From:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>

**Sent:** October 24, 2024 5:18 PM

**To:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>; Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>

**Cc:** Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>

**Subject:** Re: Demand Letter

Hi Manny,

We are working on this as quickly as possible - it is currently with our counsel for review.

Best Regards,

Curtis



**Curtis Jackson, MBA**

**Vice-President**

Direct: 416-814-2603

Cell: 647-471-7478

E-mail: [curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)

199 Bay Street, Suite 1900, Commerce Court West, Box 271, Toronto, ON M5L 1E9 | [www.imcapital.com](http://www.imcapital.com) | *FSRA License #11975*

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited. You may unsubscribe from e-communications at any time by clicking [here](#).

---

**From:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>

**Sent:** Thursday, October 24, 2024 12:13 PM

**To:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>; Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>

**Cc:** Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>; David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>

**Subject:** FW: Demand Letter

CAUTION:External

Good afternoon gentlemen and please excuse my pushiness on this request, but our ability to finalize closing documents depends on this consent.

Whatever you can push from your end to get a confirmation of consent is greatly appreciated.

Thank you.

Manny

---

**From:** Manny Difilippo

**Sent:** October 23, 2024 12:05 PM

**To:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>; Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>  
**Cc:** Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>  
**Subject:** FW: Demand Letter

Further to me email of a moment ago, here is an email from our tax person that provides his view on the likelihood that our filing position will be challenged....which is considered to be very low.

Manny

---

**From:** Dave Clarke <[dclarke@bakertilly.ca](mailto:dclarke@bakertilly.ca)>  
**Sent:** October 23, 2024 11:55 AM  
**To:** Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>  
**Cc:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>  
**Subject:** RE: Demand Letter

They will only make this assessment if they choose to review the transaction. This may never happen. If they review the transaction they may or may not consider the capital vs income issue. Often, on review, they just want to understand if the gain is calculated properly.

As noted in the memo, the information available supports the position that the gain is capital in nature. That being said, the determination of the nature of the gain is subjective so there is always the possibility that the CRA takes a different position on this issue. We need to put the caveat in our memo due to this subjectivity even when the chances of the CRA taking a different position are remote.

Thanks

Dave

**Dave Clarke, BSc., CPA, CA, CBV, CFF**



**Partner - Baker Tilly Ottawa LLP**

**Taxation, Business Valuation, Transaction Advisory**

**D:** 613.768.7550

**LinkedIn** <https://ca.linkedin.com/in/daverclarke>



---

**From:** Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>

**Sent:** October 23, 2024 11:43 AM

**To:** Dave Clarke <[dclarke@bakertilly.ca](mailto:dclarke@bakertilly.ca)>

**Cc:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>

**Subject:** FW: Demand Letter

Dave – you may have a view on #1.

Neil



**Neil Schwartz**  
**Business Law Practice Lead**  
**613-369-0357**

11 Holland Avenue | Suite 300 | Ottawa | Ontario | K1Y 4S1  
t: 613-722-1500 | f: 613-722-7677

---

This e-mail message is intended for the indicated recipient only and may contain confidential information that is subject to solicitor-client privilege. If you have received this message in error, kindly advise the sender by reply e-mail or phone and destroy any copies in your possession.

---

**From:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>

**Sent:** October 23, 2024 11:40 AM

**To:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>; Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>; Jean Monardo <[jean.monardo@imservicing.ca](mailto:jean.monardo@imservicing.ca)>; Ryan Fernandes <[ryan.fernandes@imcapital.com](mailto:ryan.fernandes@imcapital.com)>

**Cc:** David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>; Tara Bonsor <[tbonsor@ashcrofthomes.ca](mailto:tbonsor@ashcrofthomes.ca)>; Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>

**Subject:** Re: Demand Letter

You don't often get email from [curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com). [Learn why this is important](#)  
Hi Manny,

Thank you for sharing. On review of the Memo I have a couple questions:

1. When will the CRA make the assessment as to whether 256 Rideau is a capital property or not? i.e., whether capital gains taxes are payable or income taxes?
2. Can you confirm that all liabilities of 256 Rideau will be paid from the sale of the asset as per the assumption made on Page 7 comment number 6?

Best Regards,  
Curtis



**Curtis Jackson, MBA**

**Vice-President**

Direct: 416-814-2603

Cell: 647-471-7478

E-mail: [curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)

199 Bay Street, Suite 1900, Commerce Court West, Box 271, Toronto, ON M5L 1E9 | [www.imcapital.com](http://www.imcapital.com) | FSR License #11975

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited. You may unsubscribe from e-communications at any time by clicking [here](#).

---

**From:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>

**Sent:** Wednesday, October 23, 2024 10:38 AM

**To:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>; Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>; Jean Monardo <[jean.monardo@imservicing.ca](mailto:jean.monardo@imservicing.ca)>; Ryan Fernandes <[ryan.fernandes@imcapital.com](mailto:ryan.fernandes@imcapital.com)>

**Cc:** David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>; Tara Bonsor <[tbonsor@ashcrofthomes.ca](mailto:tbonsor@ashcrofthomes.ca)>; Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>

**Subject:** RE: Demand Letter

CAUTION: External

Good morning, I attach a memo prepared by Bakertilly which addresses the questions that you note below, as follows:

**1. A summary of the amalgamation including how it will be affected, the impact on our security (property, Borrower and/or guarantor(s)), etc.;**

The amalgamation steps are set out in the Baker Tilly memo. This is relatively straightforward, in that 9840508 Canada Inc. will be transitioned to an Ontario company by way of a continuance, and then will amalgamate with Ashcroft Homes - La Promenade Inc. Post-amalgamation, the effective voting control of Promenade will remain the same as prior to the amalgamation (i.e. David Choo). The amalgamated company will then sell the Envie asset.

The amalgamated entity will retain the name Ashcroft Homes - La Promenade Inc., and so the identity of the borrower and all guarantors will remain unchanged as being Alavida Lifestyles Inc., The David and Shanti Choo Trust and David Choo.

There will be no impact to the security held by IMC in that they will continue to enjoy a first charge on 130 and 150 Rossignol Drive Ottawa and will hold a security interest over the general assets of La Promenade, which assets will be substantially similar post-amalgamation as they are now.

**2. A summary of the tax benefits that this has for the company;**

The Baker Tilly memo outlines the tax benefits that will result from the pre-closing transactions. Ultimately, the key benefit to the Ashcroft group, and to IMC as a result of this reorganization, is improved liquidity and an overall ability for Ashcroft to meet lender obligations.

**3. Proforma balance sheet post-amalgamation;**

Baker Tilly memo outlines the pre and post amalgamation B/S for the related entities.

**4. Organization Chart post-amalgamation.**

The memo also reflects pre and post org chart.

---

**From:** Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>

**Sent:** October 22, 2024 9:19 AM

**To:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>; Darren Schmidt

<[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>; Jean Monardo <[jean.monardo@imservicing.ca](mailto:jean.monardo@imservicing.ca)>; Ryan Fernandes <[ryan.fernandes@imcapital.com](mailto:ryan.fernandes@imcapital.com)>

**Cc:** David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>; Tara Bonsor <[tbonsor@ashcrofthomes.ca](mailto:tbonsor@ashcrofthomes.ca)>; Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>

**Subject:** Re: Demand Letter

**Importance:** High

Good Morning Manny,

Given all the moving parts with related entities and the status of various Loans, this is not a straightforward request for IMC to process. As such, we cannot promise that we will be able to provide consent, or in a timely manner.

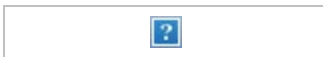
However, what would help us is if your accountant and/or lawyer could provide details including the following:

1. A summary of the amalgamation including how it will be affected, the impact on our security (property, Borrower and/or guarantor(s)), etc.;
2. A summary of the tax benefits that this has for the company;
3. Proforma balance sheet post-amalgamation;
4. Organization Chart post-amalgamation.

Overall, we will need to involve legal counsel in this as well as an Opinion Letter will be required, the cost of which will need to be borne by La Promenade/Borrower. Please provide the above requested information as soon as possible.

Best Regards,

Curtis



**Curtis Jackson, MBA**

**Vice-President**

Direct: 416-814-2603

Cell: 647-471-7478

E-mail: [curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited. You may unsubscribe from e-communications at any time by clicking [here](#).

---

**From:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>  
**Sent:** Tuesday, October 22, 2024 8:27 AM  
**To:** Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>; Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>; Jean Monardo <[jean.monardo@imservicing.ca](mailto:jean.monardo@imservicing.ca)>; Ryan Fernandes <[ryan.fernandes@imcapital.com](mailto:ryan.fernandes@imcapital.com)>  
**Cc:** David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>; Tara Bonsor <[tbonsor@ashcrofthomes.ca](mailto:tbonsor@ashcrofthomes.ca)>; Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>  
**Subject:** RE: Demand Letter

CAUTION:External

Good morning Darren, I appreciate all that IMC has done in the past and also appreciate the ongoing support during this time of transition on your Prom Loan. Also, as there are extreme time sensitive steps to be taken for the amalgamation of 256 Rideau with Prom Seniors, your consent to allow us to amalgamate is very important.

I am happy to provide you further details of the effect of the amalgamation, but at the end of the day, Forum is buying assets and the only assets remaining in 256 after the sale is net proceeds which will be completely disbursed to all lenders and the \$15 VTB which will remain until maturity. The end result will not change the B/S of La Promenade. Your immediate consideration is very much appreciated, as the transaction is set to close on Oct 28<sup>th</sup> and the amalgamation will need to be completed prior to the closing.

Thanks for your consideration.

Manny

---

**From:** Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>  
**Sent:** October 18, 2024 4:01 PM  
**To:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>; Curtis Jackson <[curtis.jackson@imcapital.com](mailto:curtis.jackson@imcapital.com)>; Jean Monardo <[jean.monardo@imservicing.ca](mailto:jean.monardo@imservicing.ca)>; Ryan Fernandes <[ryan.fernandes@imcapital.com](mailto:ryan.fernandes@imcapital.com)>  
**Cc:** David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>; Tara Bonsor <[tbonsor@ashcrofthomes.ca](mailto:tbonsor@ashcrofthomes.ca)>; Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>  
**Subject:** RE: Demand Letter

Hi I am looping in the Servicing group and other colleagues that may be assisting on this file.

I will hope to talk internally on Monday.

**Darren Schmidt**

**Managing Director**

**Institutional Mortgage Capital**

Commerce Court West  
199 Bay Street, Suite 1900  
P.O. Box 271  
Toronto, ON M5L 1E9

Direct: +1.416.814.2592

Cell : +1.416.617.2735

E-mail: [Darren.Schmidt@imcapital.com](mailto:Darren.Schmidt@imcapital.com)

*FSRA License #11975*

[www.imcapital.com](http://www.imcapital.com)

This e-mail is confidential and may contain privileged information. If you are not an intended recipient, please delete this e-mail and notify us immediately. Any unauthorized use or disclosure is prohibited.

You may unsubscribe from e-communications at any time by clicking [here](#).

---

**From:** Manny Difilippo <[mdifilippo@ashcrofthomes.ca](mailto:mdifilippo@ashcrofthomes.ca)>  
**Sent:** Friday, October 18, 2024 11:44 AM  
**To:** Darren Schmidt <[darren.schmidt@imcapital.com](mailto:darren.schmidt@imcapital.com)>  
**Cc:** David Choo <[dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)>; Tara Bonsor <[tbonsor@ashcrofthomes.ca](mailto:tbonsor@ashcrofthomes.ca)>; Neil Schwartz <[Neil.Schwartz@mannlawyers.com](mailto:Neil.Schwartz@mannlawyers.com)>  
**Subject:** Demand Letter

CAUTION:External

Good morning Darren, we received the demand letter today. Not unexpected, and thank you for the heads up you gave me 2 weeks ago regarding the request for payout. As we continue to work with various options to have you fully paid out through discussions with Hawco Peters, and discussions with Vince, and also further looking at listing some of the Alavida assets (more specifically the Prom Campus), I am hoping we can work towards a forbearance agreement that would allow us time to get you fully paid out.

Additionally, as you know the 256 sale to Forum closing has been moved to Oct 28<sup>th</sup>. Our closing contemplates an amalgamation between 256 and La Promenade in order to shield the related taxes. Although there will be no change in control with the amalgamation, it will be best if we can get IMC's consent to allow the amalgamation for tax planning purposes.

Happy to discuss any concerns you may have with this request.

Thanks

Manny

This is Exhibit "P" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**



# Certificate of Amalgamation

# Certificat de fusion

Business Corporations Act

Loi sur les sociétés par actions

**ASHCROFT HOMES - LA PROMENADE INC.**

Corporation Name / Dénomination sociale

**1001045406**

Ontario Corporation Number / Numéro de société de l'Ontario

This is to certify that these articles are effective on

La présente vise à attester que ces statuts entreront en  
vigueur le

**October 25, 2024 / 25 octobre 2024**

*V. Quintanilla W.*

Director / Directeur

Business Corporations Act / Loi sur les sociétés par actions

The Certificate of Amalgamation is not complete  
without the Articles of Amalgamation

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

*V. Quintanilla W.*

Director/Registrar



Le certificat de fusion n'est pas complet s'il ne  
contient pas les statuts de fusion

Copie certifiée conforme du dossier du  
ministère des Services au public et aux  
entreprises.

*V. Quintanilla W.*

Directeur ou registrateur



# Articles of Amalgamation

Business Corporations Act

## 1. Amalgamated Corporation Name

ASHCROFT HOMES - LA PROMENADE INC.

## 2. Registered Office Address

18 Antares Drive, Suite 201, Nepean, Ontario, K2E 1A9, Canada

## 3. Number of Directors

Minimum/Maximum

Min 1 / Max 5

## 4. The director(s) is/are:

Full Name

DAVID CHOO

Resident Canadian

Yes

Address for Service

18 Antares Drive, Unit 201, Nepean, Ontario, K2E 1A9, Canada

## 5. Method of Amalgamation

### A. Amalgamation Agreement

The amalgamation agreement has been duly adopted by the shareholders of each of the amalgamating corporations as required by subsection 176(4) of the Business Corporations Act on the date set out below.

**The Name, OCN, and Date of Adoption/Approval for each amalgamating corporation are as follows:**

The endorsed Articles of Amalgamation are not complete without the Certificate of Amalgamation.

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

*V. Quintanilla W.*

Director/Registrar, Ministry of Public and Business Service Delivery

Corporation Name	OCN	Date of Adoption/Approval
ASHCROFT HOMES - LA PROMENADE INC.	2215135	October 25, 2024
3137425 ONTARIO INC.	3137425	October 25, 2024

**6. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. If none, enter "None":**

There are no restrictions on the business the corporation may carry on or the powers it may exercise.

**7. The classes and any maximum number of shares that the corporation is authorized to issue:**

- an unlimited number of Class A Common shares;
- an unlimited number of Class B Common shares;
- an unlimited number of Class C Common shares;
- an unlimited number of Class D Preference shares; and
- an unlimited number of Class E Preference shares.

**8. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors' authority with respect to any class of shares which may be issued in series. If there is only one class of shares, enter "Not Applicable":**

**1. CLASS A COMMON SHARES**

The holders of the Class A Common shares shall be entitled:

- (a) to vote at all meetings of shareholders of the Corporation on the basis of One (1) vote for each Class A Common share held, except meetings at which only holders of a specified class of shares are entitled to vote;
- (b) to receive in any financial year of the Corporation, as and when declared by the director(s) of the Corporation in their sole discretion, a fixed, non-cumulative dividend equal to Two (2) cents per share or such additional amount as the director(s) may determine, in the director(s) absolute discretion, out of the moneys of the Corporation properly applicable to the payment of dividends. The dividends shall be non-cumulative whether or not earned. Any rights of a holder of Class A Common shares to a dividend in any fiscal year shall be extinguished if the said dividend is not declared by the director(s) by the end of said fiscal year. The director(s) may declare and pay dividends on the Class A Common shares to the exclusion of the Class B Common shares and/or to the exclusion of the Class C Common shares and/or to the exclusion of the Class D Preference shares and/or to the exclusion of the Class E Preference shares and may declare dividends on any other class of shares to the exclusion of the Class A Common shares. Notwithstanding the foregoing, no dividends shall be declared or paid on the Class A Common shares if declaring and paying said dividends would impair the ability of the Corporation to redeem the Class D Preference shares and/or the Class E Preference shares; and
- (c) to receive, subject to the rights of the holders of the Class D Preference shares and Class E Preference shares and pari passu with the holders of the Class B Common shares and Class C Common shares, the remaining property of the Corporation on the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, save and except that the holders of

The endorsed Articles of Amalgamation are not complete without the Certificate of Amalgamation.

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

*V. Quintanilla W.*

Director/Registrar, Ministry of Public and Business Service Delivery

Class A Common shares shall be entitled to receive the amount paid up for their Class A Common shares in priority to the holders of the Class B Common shares and Class C Common shares.

## 2. CLASS B COMMON SHARES

The holders of the Class B Common shares shall be entitled:

- (a) to vote at all meetings of shareholders of the Corporation on the basis of One (1) vote for each Class B Common share held, except meetings at which only holders of a specified class of shares are entitled to vote;
- (b) to receive in any financial year of the Corporation, as and when declared by the director(s) of the Corporation in their sole discretion, a fixed, non-cumulative dividend equal to Three (3) cents per share or such additional amount as the director(s) may determine, in the director(s) absolute discretion, out of the moneys of the Corporation properly applicable to the payment of dividends. The dividends shall be non-cumulative whether or not earned. Any rights of a holder of Class B Common shares to a dividend in any fiscal year shall be extinguished if the said dividend is not declared by the director(s) by the end of said fiscal year. The director(s) may declare and pay dividends on the Class B Common shares to the exclusion of the Class A Common shares and/or to the exclusion of the Class C Common shares and/or to the exclusion of the Class D Preference shares and/or to the exclusion of the Class E Preference shares and may declare dividends on any other class of shares to the exclusion of the Class B Common shares. Notwithstanding the foregoing, no dividends shall be declared or paid on the Class B Common shares if declaring and paying said dividends would impair the ability of the Corporation to redeem the Class D Preference shares and/or the Class E Preference shares; and
- (c) to receive, subject to the rights of the holders of the Class D Preference shares and the Class E Preference shares and *pari passu* with the holders of the Class A Common shares and the Class C Common shares, the remaining property of the Corporation on the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, save and except that the holders of Class B Common shares shall be entitled to receive the amount paid up for their Class B Common shares in priority to the holders of the Class C Common shares.

## 3. CLASS C COMMON SHARES

The holders of the Class C Common shares shall be entitled:

- (a) to vote at all meetings of shareholders of the Corporation on the basis of One (1) vote for each Class C Common share held, except meetings at which only holders of a specified class of shares are entitled to vote;
- (b) to receive in any financial year of the Corporation, as and when declared by the director(s) of the Corporation in their sole discretion, a fixed, non-cumulative dividend equal to Four (4) cents per share or such additional amount as the director(s) may determine, in the director(s) absolute discretion, out of the moneys of the Corporation properly applicable to the payment of dividends. The dividends shall be non-cumulative whether or not earned. Any rights of a holder of the Class C Common shares to a dividend in any fiscal year shall be extinguished if the said dividend is not declared by the director(s) by the end of said fiscal year. The director(s) may declare and pay dividends on the Class C Common shares to the exclusion of the Class A Common shares and/or to the exclusion of the Class B Common shares and/or to the exclusion of the Class D Preference shares and/or to the exclusion of the Class E Preference shares and may declare dividends on any other class of shares to the exclusion of the Class C Common shares. Notwithstanding the foregoing, no dividends shall be declared or paid on the Class C Common shares if declaring and paying said dividends would impair the ability of the Corporation to redeem the Class D Preference shares and/or the Class E Preference shares; and
- (c) to receive, subject to the rights of the holders of the Class D Preference shares and the Class E Preference shares and *pari*

The endorsed Articles of Amalgamation are not complete without the Certificate of Amalgamation.

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

*V. Quintanilla W.*

Director/Registrar, Ministry of Public and Business Service Delivery

passu with the holders of the Class A Common shares and the Class B Common shares, the remaining property of the Corporation on the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary save and except that the holders of Class C Common shares shall be entitled to receive the amount paid up for their Class C Common shares.

#### 4. CLASS D PREFERENCE SHARES

The rights, privileges, restrictions and conditions attaching to the Class D Preference shares are as follows:

##### A. Definitions

Where used in this section 4 of Article 7, the following words and phrases have the following meanings unless such meaning would be inconsistent in the context in which the word or phrase is used:

- (i) "Redemption Amount" of each Class D Preference share means \$1.00;
- (ii) "Redemption Price" of each Class D Preference share means the Redemption Amount plus an amount equal to all dividends which have at the relevant time been declared or accrued on the shares but which have not then been paid, if any, and;
- (iii) "Act" means the Business Corporations Act (Ontario), R.S.O. 1990, as amended or supplemented from time to time by further legislation, and the Regulations thereto.

B. Subject to the Act, the holders of the Class D Preference shares shall not, as such, be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting, but shall be entitled to receive notice of and to attend, but not to vote at, any meeting of the shareholders called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business.

C. Subject to the Act, the holders of the Class D Preference shares shall be entitled to receive such non-cumulative dividends as may from time to time be declared by the director(s) of the Corporation, in their absolute discretion, out of the moneys of the Corporation properly applicable to the payment of dividends, provided in no event shall the dividends exceed 5% of the Redemption Amount as defined in A(i) hereof. The dividends shall be non-cumulative whether or not earned. The director(s) may declare and pay dividends on the Class D Preference shares to the exclusion of the Class A Common shares and/or to the exclusion of the Class B Common shares and/or to the exclusion of the Class C Common shares and/or to the exclusion of the Class E Preference shares and may declare dividends on any other class of shares to the exclusion of the Class D Preference shares.

D. Unless prohibited by the Act, the Corporation may at any time redeem the whole or any number of the issued and outstanding Class D Preference shares of the Corporation by paying the Redemption Price with a Canadian chartered Bank or other financial institution as set out below:

(a) The Corporation shall initiate the redemption of any shares being redeemed by giving notice by mail (the "Notice Date"), of its intention to the shareholder whose shares are to be redeemed, to the shareholder's last known address, which shall not be less than thirty (30) days before the shares are to be redeemed (the "Redemption Date"), specifying:

- (i) the number and class of shares being redeemed;
- (ii) the Notice Date;
- (iii) the Redemption Date;
- (iv) the place the shares will be redeemed; and

The endorsed Articles of Amalgamation are not complete without the Certificate of Amalgamation.

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

*V. Quintanilla W.*

Director/Registrar, Ministry of Public and Business Service Delivery

(v) the name and address of the Canadian chartered Bank or other financial institution at which redemption money will be deposited if not collected by the shareholder on the Redemption Date.

(b) The Corporation shall pay the Redemption Price on the Redemption Date to those shareholders tendering certificates for redemption in accordance with the Redemption Notice and shall deposit with a Canadian chartered Bank or other financial institution the Redemption Price of those shares, the redemption of which is called for in the Redemption Notice but which have not on or before the Redemption Date been tendered to the Corporation. Shareholders whose shares have been redeemed but who have not tendered certificates for those shares to the Corporation prior to the Redemption Date shall be entitled to receive the Redemption Price from monies deposited upon surrender of the certificates representing the redeemed shares to the bank or other financial institution. Interest earned on monies so deposited shall belong to the Corporation.

(c) The holders of the shares being redeemed cease to be entitled to dividends following the Redemption Date and have no further rights to exercise after the Redemption Date in respect of the shares being redeemed unless the Corporation fails to pay or deposit the Redemption Price as provided above. In that event, the holders' rights remain unaffected until the Redemption Price is paid in full or deposited as provided above.

(d) Notwithstanding the foregoing, should any taxing authority successfully allege that the Redemption Amount of any share so determined should be other than the designated Redemption Amount, or should make or propose to make an assessment on the basis that any benefit or advantage is conferred on any person by reason of the issuance of any shares, then the Redemption Amount shall, subject to such person exhausting his rights of appeal to a tribunal or court of competent jurisdiction, be deemed always to have been an amount equal to the consideration received for such share as at the date of its issuance as determined by such taxing authority after it has consulted with the advisers of such a person and the Corporation. If such a person and the relevant taxing authority do not agree on the consideration received for any share and such a person exercises his rights of appeal to a tribunal or court of competent jurisdiction, then the Redemption Amount of each share shall be deemed always to have been an amount equal to the consideration received for such share as at the date of its issuance as finally determined by such tribunal or court of competent jurisdiction after such person has exhausted all rights of appeal under the relevant tax legislation or when the time to commence appeal has completely expired, whichever occurs first. If the Redemption Amount so determined exceeds the amount previously designated as the Redemption Amount, and paid as such on the redemption of any shares pursuant to the provisions of these articles, the excess shall be a debt of the Corporation payable on demand to the shareholders whose shares were redeemed. If the Redemption Amount so determined is less than the amount previously designated as the Redemption Amount and paid as such on such redemption of any shares, the difference shall be a debt payable on demand to the Corporation by the shareholder whose shares were redeemed. Any dividends payable or paid upon the said share between the date of redemption and the date that the Redemption Amount is finally determined as provided in this paragraph which said dividends are/were calculated as a percentage of the Redemption Amount for said share, shall be increased or decreased as the case may be in the same proportion as the reduction or increase in the Redemption Amount and, if reduced, shall be repaid by the holder forthwith upon demand by the Corporation and if increased, shall be paid by the Corporation to the holder forthwith upon demand.

E. Subject to the Act, holders of any Class D Preference shares shall be entitled to require the Corporation to redeem the whole or any part of the shares registered in the name of the holder on the books of the Corporation, as set out below:

(a) A holder of shares to be redeemed shall tender to the Corporation at its registered office a request in writing specifying:

(i) that the holder desires to have the whole or any part of the said shares registered in his/her/its name redeemed by the Corporation; and

(ii) the business day, which shall not be less than thirty (30) days after the day on which the request in writing is given to the Corporation, on which the holder desires to have the Corporation redeem the shares (the "Redemption Date"), together with the

The endorsed Articles of Amalgamation are not complete without the Certificate of Amalgamation.

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

*V. Quintanilla W.*

Director/Registrar, Ministry of Public and Business Service Delivery

share certificates, if any, representing the Class D Preference shares which the registered holder desires to have the Corporation redeem.

(b) On receipt of a request and share certificates, the Corporation shall, on the Redemption Date, redeem the shares by paying to the registered holder an amount equal to the Redemption Price. This payment shall be made by cheque payable at any branch in Canada of one of the Corporation's bankers for the time being. If a part only of the Class D Preference shares represented by any certificate is redeemed, a new certificate for the balance shall be issued by the Corporation.

(c) The Class D Preference shares shall be redeemed on the Redemption Date and from that date the shares shall cease to be entitled to dividends and their holders shall not be entitled to exercise any of the rights of shareholders in respect of the shares, unless payment of the Redemption Price is not made on the Redemption Date, in which case the rights of the holders of the shares shall remain unaffected.

(d) Notwithstanding the foregoing, should any taxing authority successfully allege that the Redemption Amount of any share so determined should be other than the designated Redemption Amount, or should make or propose to make an assessment on the basis that any benefit or advantage is conferred on any person by reason of the issuance of any shares, then the Redemption Amount shall, subject to such person exhausting his rights of appeal to a tribunal or court of competent jurisdiction, be deemed always to have been an amount equal to the consideration received for such share as at the date of its issuance as determined by such taxing authority after it has consulted with the advisers of such a person and the Corporation. If such a person and the relevant taxing authority do not agree on the consideration received for any share and such a person exercises his rights of appeal to a tribunal or court of competent jurisdiction, then the Redemption Amount of each share shall be deemed always to have been an amount equal to the consideration received for such share as at the date of its issuance as finally determined by such tribunal or court of competent jurisdiction after such person has exhausted all rights of appeal under the relevant tax legislation or when the time to commence appeal has completely expired, whichever occurs first. If the Redemption Amount so determined exceeds the amount previously designated as the Redemption Amount, and paid as such on the redemption of any shares pursuant to the provisions of these articles, the excess shall be a debt of the Corporation payable on demand to the shareholders whose shares were redeemed. If the Redemption Amount so determined is less than the amount previously designated as the Redemption Amount and paid as such on such redemption of any shares, the difference shall be a debt payable on demand to the Corporation by the shareholder whose shares were redeemed. Any dividends payable or paid upon the said share between the date of redemption and the date that the Redemption Amount is finally determined as provided in this paragraph which said dividends are/were calculated as a percentage of the Redemption Amount for said share, shall be increased or decreased as the case may be in the same proportion as the reduction or increase in the Redemption Amount and, if reduced, shall be repaid by the holder forthwith upon demand by the Corporation and if increased, shall be paid by the Corporation to the holder forthwith upon demand.

F. In the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Class D Preference shares shall be entitled to receive *pari passu* with the holders of the Class E Preference shares and, in priority to any distribution to the holders of the Class A Common shares, the Class B Common shares, and the Class C Common shares, an amount equal to the Redemption Price of their shares, but such holders of Class D Preference shares shall not be entitled to participate any further in the property or assets of the Corporation.

## 5. CLASS E PREFERENCE SHARES

The rights, privileges, restrictions and conditions attaching to the Class E Preference shares are as follows:

### A. Definitions

Where used in this section 5 of Article 7, the following words and phrases have the following meanings unless such meaning

The endorsed Articles of Amalgamation are not complete without the Certificate of Amalgamation.

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

*V. Quintanilla W.*

Director/Registrar, Ministry of Public and Business Service Delivery

would be inconsistent in the context in which the word or phrase is used:

- (i) "Redemption Amount" of each Class E Preference share means the fair market value of the consideration received by the Corporation for which each said share was issued;
- (ii) "Redemption Price" of each Class E Preference share means the Redemption Amount plus an amount equal to all dividends which have at the relevant time been declared or accrued on the shares but which have not then been paid, if any, and;
- (iii) "Act" means the Business Corporations Act (Ontario), R.S.O. 1990, as amended or supplemented from time to time by further legislation, and the Regulations thereto.

B. The holders of the Class E Preference shares shall be entitled to receive notice of, to attend and to vote at all meetings of shareholders of the Corporation, except meetings at which only holders of a specified class of shares are entitled to attend. Each Class E Preference share shall confer the holder of said share One (1) vote at such meeting.

C. Subject to the Act, the holders of the Class E Preference shares shall be entitled to receive such non-cumulative dividends as may from time to time be declared by the director(s) of the Corporation, in their absolute discretion, out of the moneys of the Corporation properly applicable to the payment of dividends. The dividends shall be non-cumulative whether or not earned. The director(s) may declare and pay dividends on the Class E Preference shares to the exclusion of the Class A Common shares and/or to the exclusion of the Class B Common shares and/or to the exclusion of the Class C Common shares and/or to the exclusion of the Class D Preference shares and may declare dividends on any other class of shares to the exclusion of the Class E Preference shares.

D. Unless prohibited by the Act, the Corporation may at any time redeem the whole or any number of the issued and outstanding Class E Preference shares of the Corporation by paying the Redemption Price with a Canadian chartered Bank or other financial institution as set out below:

(a) The Corporation shall initiate the redemption of any shares being redeemed by giving notice by mail (the "Notice Date"), of its intention to the shareholder whose shares are to be redeemed, to the shareholder's last known address, which shall not be less than thirty (30) days before the shares are to be redeemed (the "Redemption Date"), specifying:

- (i) the number and class of shares being redeemed;
- (ii) the Notice Date;
- (iii) the Redemption Date;
- (iv) the place the shares will be redeemed; and
- (v) the name and address of the Canadian chartered Bank or other financial institution at which redemption money will be deposited if not collected by the shareholder on the Redemption Date.

(b) The Corporation shall pay the Redemption Price on the Redemption Date to those shareholders tendering certificates for redemption in accordance with the Redemption Notice and shall deposit with a Canadian chartered Bank or other financial institution the Redemption Price of those shares, the redemption of which is called for in the Redemption Notice but which have not on or before the Redemption Date been tendered to the Corporation. Shareholders whose shares have been redeemed but who have not tendered certificates for those shares to the Corporation prior to the Redemption Date shall be entitled to receive the Redemption Price from monies deposited upon surrender of the certificates representing the redeemed shares to the bank or other financial institution. Interest earned on monies so deposited shall belong to the Corporation.

(c) The holders of the shares being redeemed cease to be entitled to dividends following the Redemption Date and have no further rights to exercise after the Redemption Date in respect of the shares being redeemed unless the Corporation fails to pay

The endorsed Articles of Amalgamation are not complete without the Certificate of Amalgamation.

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

*V. Quintanilla W.*

Director/Registrar, Ministry of Public and Business Service Delivery



or deposit the Redemption Price as provided above. In that event, the holders' rights remain unaffected until the Redemption Price is paid in full or deposited as provided above.

(d) Notwithstanding the foregoing, should any taxing authority successfully allege that the Redemption Amount of any share so determined should be other than the designated Redemption Amount, or should make or propose to make an assessment on the basis that any benefit or advantage is conferred on any person by reason of the issuance of any shares, then the Redemption Amount shall, subject to such person exhausting his rights of appeal to a tribunal or court of competent jurisdiction, be deemed always to have been an amount equal to the consideration received for such share as at the date of its issuance as determined by such taxing authority after it has consulted with the advisers of such a person and the Corporation. If such a person and the relevant taxing authority do not agree on the consideration received for any share and such a person exercises his rights of appeal to a tribunal or court of competent jurisdiction, then the Redemption Amount of each share shall be deemed always to have been an amount equal to the consideration received for such share as at the date of its issuance as finally determined by such tribunal or court of competent jurisdiction after such person has exhausted all rights of appeal under the relevant tax legislation or when the time to commence appeal has completely expired, whichever occurs first. If the Redemption Amount so determined exceeds the amount previously designated as the Redemption Amount, and paid as such on the redemption of any shares pursuant to the provisions of these articles, the excess shall be a debt of the Corporation payable on demand to the shareholders whose shares were redeemed. If the Redemption Amount so determined is less than the amount previously designated as the Redemption Amount and paid as such on such redemption of any shares, the difference shall be a debt payable on demand to the Corporation by the shareholder whose shares were redeemed. Any dividends payable or paid upon the said share between the date of redemption and the date that the Redemption Amount is finally determined as provided in this paragraph which said dividends are/were calculated as a percentage of the Redemption Amount for said share, shall be increased or decreased as the case may be in the same proportion as the reduction or increase in the Redemption Amount and, if reduced, shall be repaid by the holder forthwith upon demand by the Corporation and if increased, shall be paid by the Corporation to the holder forthwith upon demand.

E. Subject to the Act, holders of any Class E Preference shares shall be entitled to require the Corporation to redeem the whole or any part of the shares registered in the name of the holder on the books of the Corporation, as set out below:

(a) A holder of shares to be redeemed shall tender to the Corporation at its registered office a request in writing specifying:

(i) that the holder desires to have the whole or any part of the said shares registered in his/her/its name redeemed by the Corporation; and

(ii) the business day, which shall not be less than thirty (30) days after the day on which the request in writing is given to the Corporation, on which the holder desires to have the Corporation redeem the shares (the "Redemption Date"), together with the share certificates, if any, representing the Class E Preference shares which the registered holder desires to have the Corporation redeem.

(b) On receipt of a request and share certificates, the Corporation shall, on the Redemption Date, redeem the shares by paying to the registered holder an amount equal to the Redemption Price. This payment shall be made by cheque payable at any branch in Canada of one of the Corporation's bankers for the time being. If a part only of the Class E Preference shares represented by any certificate is redeemed, a new certificate for the balance shall be issued by the Corporation.

(c) The Class E Preference shares shall be redeemed on the Redemption Date and from that date the shares shall cease to be entitled to dividends and their holders shall not be entitled to exercise any of the rights of shareholders in respect of the shares, unless payment of the Redemption Price is not made on the Redemption Date, in which case the rights of the holders of the shares shall remain unaffected.

The endorsed Articles of Amalgamation are not complete without the Certificate of Amalgamation.

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

*V. Quintanilla W.*

Director/Registrar, Ministry of Public and Business Service Delivery

(d) Notwithstanding the foregoing, should any taxing authority successfully allege that the Redemption Amount of any share so determined should be other than the designated Redemption Amount, or should make or propose to make an assessment on the basis that any benefit or advantage is conferred on any person by reason of the issuance of any shares, then the Redemption Amount shall, subject to such person exhausting his rights of appeal to a tribunal or court of competent jurisdiction, be always to have been an amount equal to the consideration received for such share as at the date of its issuance as determined by such taxing authority after it has consulted with the advisers of such a person and the Corporation. If such a person and the relevant taxing authority do not agree on the consideration received for any share and such a person exercises his rights of appeal to a tribunal or court of competent jurisdiction, then the Redemption Amount of each share shall be deemed always to have been an amount equal to the consideration received for such share as at the date of its issuance as finally determined by such tribunal or court of competent jurisdiction after such person has exhausted all rights of appeal under the relevant tax legislation or when the time to commence appeal has completely expired, whichever occurs first. If the Redemption Amount so determined exceeds the amount previously designated as the Redemption Amount, and paid as such on the redemption of any shares pursuant to the provisions of these articles, the excess shall be a debt of the Corporation payable on demand to the shareholders whose shares were redeemed. If the Redemption Amount so determined is less than the amount previously designated as the Redemption Amount and paid as such on such redemption of any shares, the difference shall be a debt payable on demand to the Corporation by the shareholder whose shares were redeemed. Any dividends payable or paid upon the said share between the date of redemption and the date that the Redemption Amount is finally determined as provided in this paragraph which said dividends are/were calculated as a percentage of the Redemption Amount for said share, shall be increased or decreased as the case may be in the same proportion as the reduction or increase in the Redemption Amount and, if reduced, shall be repaid by the holder forthwith upon demand by the Corporation and if increased, shall be paid by the Corporation to the holder forthwith upon demand.

F. In the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Class E Preference shares shall be entitled to receive, *pari passu* with the holders of the Class D Preference shares and, in priority to any distribution to the holders of the Class A Common shares, the Class B Common shares, and the Class C Common shares an amount equal to the Redemption Price of their shares, but such holders of Class E Preference shares shall not be entitled to participate any further in the property or assets of the Corporation.

**9. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows. If none, enter "None":**

No securities of the corporation, other than non-convertible debt securities, shall be transferred without either:

- (a) the sanction of the directors of the corporation expressed by a resolution passed at a meeting of directors by a majority of the directors or by instrument or instruments in writing signed by all of the directors; or
- (b) the sanction of the shareholders of the corporation expressed by a resolution passed at a meeting of shareholders by the holders of at least a majority of the voting rights attached to the shares of the corporation for the time being outstanding entitled to vote thereon or by an instrument or instruments in writing signed by the holders of all of the shares of the corporation entitled to vote thereon.

**10. Other provisions:**

The endorsed Articles of Amalgamation are not complete without the Certificate of Amalgamation.

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

*V. Quintanilla W.*

Director/Registrar, Ministry of Public and Business Service Delivery

#### LIMITATION ON NUMBER OF SHAREHOLDERS

The outstanding securities of the Corporation, other than non-convertible debt securities, shall be beneficially owned by not more than fifty persons, not including employees and former employees of the Corporation or its affiliates, provided that each person shall be counted as one beneficial owner unless the person is created or used solely to purchase or hold securities of the Corporation in which case each beneficial owner or each beneficiary of the person, as the case may be, must be counted as a separate beneficial owner.

#### BORROWING POWERS

The directors, without authorization of the shareholders, may from time to time on behalf of the corporation:

- (a) borrow money upon the credit of the corporation;
- (b) issue, re-issue, sell or pledge bonds, debentures, notes or other evidence of indebtedness or guarantee of the corporation, whether secured or unsecured;
- (c) to the extent permitted by the Business Corporations Act (Ontario) give a guarantee on behalf of the corporation to secure performance of an obligation to any person;
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, moveable or immovable property of the corporation, including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidence of indebtedness or guarantee or any other present or future indebtedness or liability of the corporation; and
- (e) delegate to a director, a committee of directors, or an officer, or one or more of them as may be designated by resolution of the directors, all or any of the powers conferred by the foregoing provisions to such an extent and in such manner as the directors of the corporation may determine at the time of such delegation.

Nothing in the above provisions shall limit or restrict the borrowing of money by the corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the corporation.

#### LIEN ON SHARES

Subject to the provisions of the Business Corporations Act (Ontario), the Corporation shall have a lien on the shares registered in the name of a shareholder who is indebted to the Corporation to the extent of such debt.

#### PURCHASE OF SHARES

Subject to the provisions of the Business Corporations Act (Ontario), the Corporation may purchase any of its issued shares.

**The articles have been properly executed by the required person(s).**

The endorsed Articles of Amalgamation are not complete without the Certificate of Amalgamation.

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

*V. Quintanilla W.*

Director/Registrar, Ministry of Public and Business Service Delivery

**Supporting Document - Schedule "A"**

Statement of a director or officer of each of the amalgamating corporations completed as required under subsection 178(2) of the Business Corporations Act.

The endorsed Articles of Amalgamation are not complete without the Certificate of Amalgamation.

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

*V. Quintanilla W.*

Director/Registrar, Ministry of Public and Business Service Delivery

**Supporting Document - Schedule "B"**

A copy of the amalgamation agreement adopted by shareholders under subsection 176(4) of the Business Corporations Act

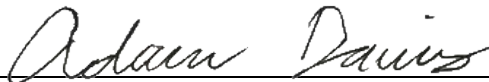
The endorsed Articles of Amalgamation are not complete without the Certificate of Amalgamation.

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

*V. Quintanilla W.*

Director/Registrar, Ministry of Public and Business Service Delivery

This is Exhibit "Q" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

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

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**



**ONTARIO  
SUPERIOR COURT OF JUSTICE**

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

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

and

ASHCROFT HOMES – 101 RICHMOND ROAD INC.,  
ASHCROFT HOMES – 108 RICHMOND ROAD INC., and ASHCROFT  
HOMES – 111 RICHMOND ROAD INC.

Respondents

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

**NOTICE OF APPLICATION**

**TO THE RESPONDENTS:**

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

**THIS APPLICATION** will come on for a hearing (*choose one of the following*)

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

at the following location:

161 Elgin Street, Ottawa, Ontario K2P 2K1

On a date to be scheduled by the Court.

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

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

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

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

Date \_\_\_\_\_ Issued by \_\_\_\_\_  
Local Registrar

Address of court office: Superior Court of Justice  
161 Elgin Street  
Ottawa, ON, K2P 2K1

<b>To:</b>	<b>Ashcroft Homes – 101 Richmond Road Inc., Ashcroft Homes – 108 Richmond Road Inc. and Ashcroft Homes – 111 Richmond Road Inc.</b> 18 Antares Drive, Suite 102 Nepean, ON, K2E 1A9 <b>Attention: David Choo</b>
------------	---



## APPLICATION

1. The applicant, DUCA Financial Services Credit Union Ltd. (“**DUCA**”) makes application for:
  - (a) if necessary, an order abridging the time for service and filing of this notice of application, and the application record, validating service effected to date, and an order dispensing with service thereof, on any party other than the persons served;
  - (b) an order appointing BDO Canada Limited (“**BDO**”) as receiver (in such capacity, the “**Receiver**”), without security of all the assets, undertakings, and properties of the respondents Ashcroft Homes – 101 Richmond Road Inc. (“**101 Richmond**”), Ashcroft Homes – 108 Richmond Road Inc. (“**108 Richmond**”), and Ashcroft Homes – 111 Richmond Road Inc. (“**111 Richmond**” and collectively with 101 Richmond and 108 Richmond, the “**Debtors**”);
  - (c) appointing the Receiver over the real properties municipally described as 101 Richmond Road (“**101 Richmond Properties**”), 108 Richmond Road (“**108 Richmond Properties**”), and 111 Richmond Road (“**111 Richmond Properties**”), Ottawa, Ontario (collectively the “**Properties**”), and each as further described in **Schedule “A”** to this Notice of Application;
  - (d) costs, in accordance with the terms of the Credit Agreement (as hereinafter defined), the Security (as hereinafter defined), and the Forbearance Agreement (as hereinafter defined), as applicable, or in the alternative, in accordance with the *Courts of Justice Act* R.S.O. 1990, c. C.43, as amended (the “**CJA**”); and,

(e) such further and other Relief as this Honourable Court may deem just.

2. The grounds for the application are:

**A. The Parties:**

- (a) DUCA is a credit union and an Ontario corporation with its head office located at 5255 Yonge Street, 4<sup>th</sup> Floor, Toronto, Ontario;
- (b) On or about March 1, 2022, 101 Richmond amalgamated with 111 Richmond and continues to do business as 111 Richmond;
- (c) the Debtors are each Ontario corporations with their registered head offices located at the same location in Ottawa, Ontario;
- (d) David Choo (“**David**”) is an individual that resides in the City of Ottawa, and is a director of each of the Debtors;
- (e) The Debtors operate under the banner “Ashcroft Homes” being a real estate development group primarily doing business in the Ottawa region. David is the principal of the Ashcroft Group of Companies;
- (f) 101 Richmond is the registered owner of the 101 Richmond Properties; 108 Richmond, despite the amalgamation with 111 Richmond, is still the registered owner of the 108 Richmond Properties; and, 111 Richmond is the registered owner of the 111 Richmond Properties.

- (g) The Properties collectively consist of 38,935 square feet of retail/commercial condominium units located at 88, 98, 108, and 101-111 Richmond Road in the Westboro neighborhood of Ottawa;

**B. The Credit Agreement:**

- (h) pursuant to a Commitment Letter dated October 30, 2018, (as same may have been amended, replaced, restated or supplemented from time to time, the “**Credit Agreement**”), DUCA granted a non-revolving five-year term loan to the Debtors in the amount \$8,800,000 (the “**Loan**”);
- (i) the purpose of the Loan was to assist Ashcroft Homes in refinancing an existing debt with DUCA and for an equity take out to be used for an equity injection in a separate Ashcroft Homes project known as the Ashcroft Le Promenade II;
- (j) the Loan bears interest at a rate of the 5% per annum calculated half-yearly not in advance;
- (k) the Loan had a maturity date of November 30, 2023;
- (l) as security for the Credit Agreement, the Debtors provided, amongst other things (collectively, the “**Security**”):
  - (i) a general security agreement dated December 18, 2018 against each of the Debtors;
  - (ii) a first-ranking mortgage/charge dated December 21, 2018, in the principal amount of \$8,800,000, and registered against title to the:

-6-

- (1) 101 Richmond Properties as Instrument No. OC2066793 on December 21, 2018, in the Land Titles Office for Ottawa (No. 4);
  - (2) 108 Richmond Properties as Instrument No. OC2066800 on December 21, 2018, in the Land Titles Office for Ottawa (No. 4);  
and,
  - (3) 111 Richmond Properties as Instrument No. OC2066810 on December 21, 2018, in the Land Titles Office for Ottawa (No. 4).
- (iii) a general assignment of rents dated December 21, 2018, and registered against title to the:
- (1) 101 Richmond Properties as Instrument No. OC2066797 on December 21, 2018, in the Land Titles Office for Ottawa (No. 4);
  - (2) 108 Richmond Properties as Instrument No. OC2066806 on December 21, 2018, in the Land Titles Office for Ottawa (No. 4);  
and,
  - (3) 111 Richmond Properties as Instrument No. OC2066813 on December 21, 2018, in the Land Titles Office for Ottawa (No. 4).

**C. The Default and Forbearance Agreement:**

- (m) the Debtors failed to make their monthly payments due under the Credit Agreement, and they also failed to pay certain property taxes owing in respect of the Properties, both of which were events of default under the Credit Agreement;
- (n) on November 14, 2023, DUCA's lawyers wrote to each of the Debtors and to David to advise of the events of default and that DUCA would not be renewing the Loan, which was set to mature on November 30, 2023;
- (o) on or about December 4, 2023, DUCA, and the Debtors and David, entered into a forbearance agreement whereby the parties agreed, *inter alia*, that DUCA would forbear from enforcing the Loan on certain terms and conditions (the "**Forbearance Agreement**"). Pursuant to the Forbearance Agreement, the Debtors confirmed, agreed, and acknowledged, as applicable, that, *inter alia*:
  - (i) They were indebted to DUCA in the amount of \$6,566,078.12;
  - (ii) Any and all fees and interest in connection with the Credit Agreement, the Security, and the Forbearance Agreement, including enforcement fees, would be added to their indebtedness;
  - (iii) They would appoint, and be responsible for all fees and disbursements of, BDO, as a consultant, to, *inter alia*, review and assess the business plans of the Debtors, the financial reporting of the Debtors, and perform audits/appraisals of the Properties and the assets of the Debtors;

-8-

- (iv) The Security was, and remains, in full force and effect;
- (v) They would execute a Consent to Judgment and execute a Consent to Appoint a Receiver, both which DUCA could rely upon on the occurrence of an event of default;
- (vi) They would satisfy the indebtedness by March 21, 2024, and the forbearance period would expire on March 21, 2024;
- (vii) In the event, they did not satisfy the indebtedness by March 21, 2024, that DUCA could, *inter alia*:
  - (1) Enforce its rights under the Credit Agreement, the Security, and the Forbearance Agreement, including appointing a Receiver against the Properties and the assets of each of the Debtors; and,
  - (2) Enforce the Consent to Judgment and Consent to Appoint a Receiver.

**D. The Demands**

- (p) on or about March 25, 2024, DUCA issued demands to each of the Debtors requesting payment of the indebtedness due and owing under the Credit Agreement and Forbearance Agreement, together with accruing interest and any and all costs and expenses incurred by DUCA in accordance with the Credit Agreement and Forbearance Agreement (the “**Demands**”), which as of March 22, 2024, was in the

-9-

amount of \$6,537,579.45 of which \$6,456,740.92 was principal (the “**Indebtedness**”);

- (q) further, DUCA issued to each of the Debtors a notice of intention to enforce security pursuant to section 244(1) (the “**244 Notice**”) of the *Bankruptcy and Insolvency Act* R.S.C. 1985 c. B-3 as amended (the “**BIA**”);
- (r) the time for repayment under the Demands and the 244 Notice has expired and the Indebtedness owing to DUCA remains unpaid. Interest and costs continue to accrue on the principal indebtedness;

**E. General:**

- (s) the Debtors have failed to honour the Demands and 244 Notice, make alternative arrangements acceptable to DUCA, or initiate any filing under the BIA;
- (t) in the circumstances, DUCA wishes to take any and all steps necessary to preserve and protect the Security and realize on same;
- (u) DUCA has, at all times, acted in good faith towards the Debtors;
- (v) DUCA proposes that BDO be appointed as Receiver of the Debtor. BDO is a licensed trustee in bankruptcy, has experience with the Properties and the Debtors in its role as consultant, and has consented to act as court-appointed receiver with respect to each of the Debtors;
- (w) it is just and equitable that a receiver now be appointed over each of the Debtors;

-10-

- (x) the appointment of a receiver over the Debtors is provided for in the Security, the Credit Agreement, and the Forbearance Agreement, and the Debtors have consented to same;
  - (y) Subsection 243(1) of the BIA;
  - (z) Section 101 of the CJA;
  - (aa) Rules 1.04, 2.03, 3.02; 14.05; 16.04, and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
  - (bb) such further and other relief as counsel may advise and this Honourable Court may permit.
3. The following documentary evidence will be used at the hearing of the application:
- (a) the affidavit of Ivan Bogdanovich, to be sworn; and
  - (b) such further and other evidence as the lawyers may advise and this Honourable Court may permit.

**Dated:** April 9, 2024

**BLANEY MCMURTRY LLP**

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

**Timothy R. Dunn (LSO #34249I)**

Tel: (416) 597-4880

Email: [tdunn@blaney.com](mailto:tdunn@blaney.com)

**Stephen Gaudreau (LSO #65895M)**

Tel: (416) 596-4285

Email: [sgaudreau@blaney.com](mailto:sgaudreau@blaney.com)



## Schedule "A"

### LEGAL DESCRIPTIONS OF THE PROPERTIES

#### 101 Richmond Properties:

1. Unit 6, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0006(LT), in LRO #4.
2. Unit 11, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0011(LT), in LRO #4.
3. Unit 12, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0012(LT), in LRO #4.
4. Unit 13, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0013(LT), in LRO #4.
5. Unit 14, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0014(LT), in LRO #4.
6. Unit 15, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0015(LT), in LRO #4.
7. Unit 20, Level 3, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0056(LT), in LRO #4.

#### 108 Richmond Properties:

1. Unit 1, Level 1, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0001(LT), in LRO #4.
2. Unit 2, Level 1, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0002(LT), in LRO #4.
3. Unit 3, Level 1, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0003(LT), in LRO #4.

-12-

4. Unit 4, Level 1, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0004(LT), in LRO #4.
5. Unit 11, Level 2, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0014(LT), in LRO #4.
6. Unit 37, Level 4, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0089(LT), in LRO #4.
7. Unit 6, Level 5, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0106(LT), in LRO #4.
8. Unit 16, Level 6, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0166(LT), in LRO #4.
9. Unit 34, Level 6, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0184(LT), in LRO #4.
10. Unit 37, Level 6, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0187(LT), in LRO #4.
11. Unit 7, Level 7, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0207(LT), in LRO #4.
12. Unit 15, Level 9, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0315(LT), in LRO #4.
13. Unit 34, Level 9, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0334(LT), in LRO #4.

**111 Richmond Properties:**

1. Unit 2, Level 1, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0002(LT), in LRO #4.

2. Unit 7, Level 1, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0007(LT), in LRO #4.
3. Unit 9, Level 1, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0009(LT), in LRO #4.
4. Unit 1, Level 2, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0010(LT), in LRO #4.
5. Unit 6, Level 2, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0015(LT), in LRO #4.
6. Unit 11, Level 2, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0020(LT), in LRO #4.
7. Unit 24, Level 3, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0048(LT), in LRO #4.
8. Unit 20, Level 8, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0164(LT), in LRO #4.

Court File No.

DUCA FINANCIAL SERVICES  
CREDIT UNION LTD.

-and-

ASHCROFT HOMES – 101 RICHMOND ROAD INC., ASHCROFT  
HOMES – 108 RICHMOND ROAD INC., and ASHCROFT HOMES –  
111 RICHMOND ROAD INC.

Applicant

Respondents

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**PROCEEDING COMMENCED AT OTTAWA**

**NOTICE OF APPLICATION**

**BLANEY MCMURTRY LLP**

Barristers & Solicitors

2 Queen Street East, Suite 1500

Toronto ON M5C 3G5

**Timothy R. Dunn (LSO #34249I)**

Tel: (416) 597-4880


Email: [tdunn@blaney.com](mailto:tdunn@blaney.com)

**Stephen Gaudreau (LSO #65895M)**

Tel: (416) 596-4285

Email: [sgaudreau@blaney.com](mailto:sgaudreau@blaney.com)

This is Exhibit "R" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in cursive script that reads "Adam Davis".

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

Court File No.: CV-24-00095337-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

and

ASHCROFT HOMES – 101 RICHMOND ROAD INC.,  
ASHCROFT HOMES – 108 RICHMOND ROAD INC., and ASHCROFT  
HOMES – 111 RICHMOND ROAD INC.

Respondents

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

**AFFIDAVIT OF IVAN BOGDANOVICH  
(Sworn April 23, 2024)**

I, **IVAN BOGDANOVICH**, of the City of Toronto, in the Province of Ontario MAKE  
OATH AND SAY:

1. I am a Director of the Special Assets group of DUCA Financial Services Credit Union Ltd. (“**DUCA**”). As a result, I have personal knowledge of the matters to which I hereinafter depose save and except where I refer to matters based on information and belief, in which case I verily believe that information to be true.
2. This affidavit is sworn in support of an application by DUCA to the Ontario Superior Court of Justice (the “**Court**”) for an Order (the “**Appointment Order**”) appointing BDO Canada Limited (“**BDO**”) as receiver (in such capacity, the “**Receiver**”) of the property, assets and

undertakings of Ashcroft Homes – 101 Richmond Road Inc. (“**101 Richmond**”), Ashcroft Homes – 108 Richmond Road Inc. (“**108 Richmond**”), and Ashcroft Homes – 111 Richmond Road Inc. (“**111 Richmond**” and collectively with 101 Richmond and 108 Richmond, the “**Debtors**”), including without limitation the Properties (as defined below) pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 (“**CJA**”).

### **Overview**

3. DUCA is seeking the Appointment Order on the basis that the Loan (as defined herein) went into default and matured on November 30, 2023, and the full amount owing under the Loan became due and payable to DUCA at that time. Thereafter, DUCA and the Debtors entered into a Forbearance Agreement (as defined herein), where amongst other things, on certain terms and conditions DUCA agreed to forbear from enforcing on its Security (as defined herein) to give the Debtors additional time to obtain financing to repay the Loan.

4. The Forbearance Agreement expired on March 21, 2024, and again, the full amount owing under the Loan (including fees and interest) became due and payable to DUCA at this time. Despite issuing Demands (as defined herein) and 244 Notices (as defined herein) on March 25, 2024, which have now expired, the Debtors have failed to repay the Indebtedness (as defined herein) to DUCA. Furthermore, the Debtors have not identified to DUCA any firm source of funds available to repay the Indebtedness in the near term.

## The Parties

5. DUCA is a credit union and an Ontario corporation with a head office located at 5255 Yonge Street, 4<sup>th</sup> Floor, Toronto, Ontario.

6. According to the corporate profile report obtained from the provincial ministry on April 2, 2024, 108 Richmond and 111 Richmond are each Ontario corporations with their registered head offices located at 18 Antares, Drive, 102, Nepean, Ontario, K2E 1A9. David Choo (“**David**”) is the sole director of each of 108 Richmond and 111 Richmond. 101 Richmond amalgamated with 111 Richmond on March 1, 2022, and is now known as 111 Richmond. Attached hereto and marked as **Exhibits “A” and “B”** are copies of the provincial Corporate Profile Reports for each of 108 Richmond and 111 Richmond, respectively. For ease of reference, at page five of the 111 Richmond report it sets out the amalgamation with 101 Richmond.

## Business of the Debtors and Credit Agreement

7. Based on my personal knowledge and interactions with David and the Debtors, the Debtors are real estate holding companies operating out of the Ottawa, Ontario region. They operate under the banner “Ashcroft Homes”. David is the principal of Ashcroft Homes, which is a real estate development group primarily doing business in the Ottawa region.

8. Based on my review of the parcel abstracts at Exhibits “C”, “D”, and “E”, 101 Richmond, despite the amalgamation with 111 Richmond, is the registered owner of the properties generally described as 101 Richmond Road (“**101 Richmond Properties**”). 108 Richmond is the registered owner of the properties generally described as 108 Richmond Road (“**108 Richmond**”).



**Properties**”). 111 Richmond is the registered owner of the properties generally described as 111 Richmond Road (“**111 Richmond Properties**”). The 101 Richmond Properties, the 108 Richmond Properties, and the 111 Richmond Properties (collectively, the “**Properties**” or individually “**Property**”) are further described at Schedule “A” to this Affidavit. Attached hereto and marked as **Exhibits “C”, “D”, and “E”** are copies of the property parcel abstracts dated April 4 and 5, 2024, for each of the 101 Richmond Properties, the 108 Richmond Properties, and the 111 Richmond Properties, respectively.

9. The Properties collectively consist of approximately 38,935 square feet of retail/commercial condominium units and 20 residential condominium units located at 88, 98, 108, and 101-111 Richmond Road in the Westboro neighborhood of Ottawa. Enclosed at Schedule “B” and Schedule “C” of the Credit Agreement (defined herein and attached as Exhibit “F”) is a list of the commercial units and the residential units, respectively.

10. Pursuant to a commitment letter dated October 30, 2018, between DUCA, as lender, and the Debtors, as borrowers (the “**Credit Agreement**”), DUCA agreed to, and did provide, a non-revolving five-year term loan to the Debtors in the principal amount of eight million eight hundred thousand dollars (\$8,800,000) (the “**Loan**”). Attached hereto and marked as **Exhibit “F”** is a copy of the Credit Agreement.

11. As a condition of advancing the Loan, David provided an unlimited and unconditional guarantee guaranteeing the payment of the Loan (plus fees and interest) (the “**Guarantee**”). As of the date of swearing this affidavit, DUCA is not enforcing against David over the Guarantee, but reserves its right to do so. The Guarantee forms part of the Credit Agreement at Exhibit “F” and a separate Guarantee was also executed which is attached hereto and marked as **Exhibit “G”**.

12. Based on my review of the Credit Agreement, the purpose of the Loan was to assist Ashcroft Homes in refinancing an existing debt with DUCA and for an equity take out to be used for an equity injection in a separate Ashcroft Homes project known as the Ashcroft Le Promenade II.

13. The Loan closed on November 30, 2018, and matured on November 30, 2023 (“**Maturity Date**”).

14. The Loan bears interest at the rate of 5% *per annum* calculated half-yearly not in advance.

15. The Credit Agreement provided for blended monthly payments of interest and principal in the amount of \$51,181 until the Maturity Date, upon which the outstanding balance of the Loan was due and owing, unless renewed. The Loan was not renewed.

### **The Security**

16. As security for the Loan pursuant to the Credit Agreement, the Debtors provided DUCA with broad security, including, but not limited to, the following:

- (a) a general security agreement dated December 21, 2018 against each of the Debtors (the “**GSAs**”);
- (b) a first-ranking mortgage/charge dated December 21, 2018, in the principal amount of \$8,800,000, and registered against title to the:
  - (i) 101 Richmond Properties as Instrument No. OC2066793 on December 21, 2018, in the Land Titles Office for Ottawa (No. 4) (the “**101 Richmond Mortgage**”);

- (ii) 108 Richmond Properties as Instrument No. OC2066800 on December 21, 2018, in the Land Titles Office for Ottawa (No. 4) (the “**108 Richmond Mortgage**”); and,
  - (iii) 111 Richmond Properties as Instrument No. OC2066810 on December 21, 2018, in the Land Titles Office for Ottawa (No. 4) (the “**111 Richmond Mortgage**”).
- (c) a general assignment of rents dated December 21, 2018, and registered against title to the:
- (i) 101 Richmond Properties as Instrument No. OC2066797 on December 21, 2018, in the Land Titles Office for Ottawa (No. 4) (the “**101 Richmond GAS**”);
  - (ii) 108 Richmond Properties as Instrument No. OC2066806 on December 21, 2018, in the Land Titles Office for Ottawa (No. 4) (the “**108 Richmond GAS**”); and,
  - (iii) 111 Richmond Properties as Instrument No. OC2066813 on December 21, 2018, in the Land Titles Office for Ottawa (No. 4) (the “**111 Richmond GAS**”).
- (d) Assignment and Postponement of Loans between the Debtors and various Ashcroft Homes entities dated December 21, 2018 (“**APL**”).

Attached hereto and marked as **Exhibits “H”, “I”, “J”, “K”, “L”, “M”, “N”, “O”, “P”, and “Q”** respectively, are copies of each of the GSAs, the 101 Richmond Mortgage, the 108 Richmond

Mortgage, the 111 Richmond Mortgage, the 101 Richmond GAS, the 108 Richmond GAS, and the 111 Richmond GAS, and the APL (collectively, the “**Security**”).

### **Secured Creditors**

17. Attached hereto and marked as **Exhibit “R”**, **“S”**, and **“T”** are summaries of the certified PPSA search results for 101 Richmond, 108 Richmond, 111 Richmond, respectively, dated April 9, 2024. The PPSA search results indicate that DUCA registered first in time Financing Statements giving notice of its security interests against the assets of each of the Debtors.

18. The PPSA search results show that DUCA is the only registrant for each of 101 Richmond and 111 Richmond. With respect to 108 Richmond, the PPSA search shows (i) a registration in favour of Royal Bank of Canada (“**RBC**”) on March 18, 2021, against collateral classified as Inventory, Equipment, Accounts and Other, in respect of a site specific security agreement for a property municipally described as 114 Richmond Road, Ottawa; and (ii) a registration in favour of Canadian Imperial Bank of Commerce (“**CIBC**”) on July 21, 2015, against collateral described as Accounts and Other.

19. In each case, the registrations in favour of RBC and CIBC are subordinate to the prior in time registration in favour of DUCA on June 29, 2015, against all classes of collateral.

20. The parcel registers for each of the Properties indicates that: (i) each of the Debtors remain the owner of their respective Property; and (ii) DUCA is the first and only mortgagee registered on title to each of the Properties. A copy of each of the parcel registers for the Properties were referenced above at Exhibits “C”, “D”, and “E”.

## Default and Demand

21. On November 3, 2023, the Commercial and Business Banking division at DUCA wrote to the Debtors and informed them that due to various specified concerns with liquidity, poor reporting discipline, and unpaid property taxes in excess of \$200,000, the Debtors were in default of their respective obligations under the Loan and Security and that the accounts were being transferred to the Special Asset Group under my supervision. A copy of the November 3, 2023, letter is attached hereto and marked as **Exhibit “U”**.

22. On November 14, 2023, just prior to the Maturity Date, DUCA’s lawyers wrote to the Debtors and David to advise that the Debtors had failed to make certain Monthly Payments and to pay certain property taxes owing in respect to the Properties, both of which were events of default under the Credit Agreement. The letter further advised that DUCA would not be renewing the Loan on the Maturity Date. Attached hereto and marked as **Exhibit “V”** is a copy of DUCA’s letter to the Debtors.

23. As such, the Loan (plus interest and any fees) became due and payable on November 30, 2023.

24. On December 4, 2023, DUCA, and the Debtors and David, entered into a forbearance agreement whereby the parties agreed, *inter alia*, that DUCA would forbear from enforcing the Loan on certain terms and conditions (the **“Forbearance Agreement”**). Attached hereto and marked as **Exhibit “W”** is a copy of the Forbearance Agreement.

25. Pursuant to the Forbearance Agreement, the Debtors and David confirmed, agreed, and acknowledged, as applicable, that, *inter alia*:

- a. They were indebted to DUCA in the amount of \$6,566,078.12 (the “**Indebtedness**”), comprising of \$6,554,525.43 in principal and \$11,522.69 in accrued interest (section 2.01);
- b. They were in default under the Credit Agreement and have no right to set-off or counterclaim against DUCA in connection with the Indebtedness (section 3.01(b));
- c. Any and all fees and interest in connection with the Credit Agreement, the Security, and the Forbearance Agreement, including enforcement fees, would be added to the Indebtedness (section 2.02);
- d. They would appoint, and be responsible for, all fees and disbursements of, BDO, as a consultant, to, *inter alia*, review and assess the business plans of the Debtors, the financial reporting of the Debtors, and perform audits/appraisals of the Properties and the assets of the Debtors (section 2.02 and 9.01);
- e. The Security was, and remains, in full force and effect and would continue to be held by DUCA (sections 3.01(e) and 8.01);
- f. DUCA, up to the date of the Forbearance Agreement, had acted fairly and reasonably, and the Debtors have waived and released DUCA from any and all claims and defences that they may have against DUCA (section 4.01);
- g. The Debtors would execute a Consent to Appoint a Receiver, which DUCA could rely upon on the occurrence of an event of default (section 6.01(u));

- h. They would satisfy their indebtedness by March 21, 2024, and the forbearance period would expire on March 21, 2024 (sections 5.01 and 5.02);
  - i. During the forbearance period the Debtors would continue to make monthly payments to DUCA (section 5.04), and bring the outstanding property taxes in respect of the Properties current by January 5, 2024 (section 5.05);
  - j. In the event, they did not satisfy the Indebtedness by March 21, 2024, the Debtors agreed, *inter alia* that (section 10.01(a)):
    - i. They would consent to DUCA enforcing its rights under the Credit Agreement, the Security, and the Forbearance Agreement, including appointing a Receiver against the Properties and the assets of each of the Debtors (section 11.01(c));
    - ii. They would assist DUCA in exercising its rights and remedies, including securing possession of their assets and the Properties (section 11.01(b)); and,
    - iii. DUCA can enforce the Consent to Appoint a Receiver (section 11.01(g)).
26. Pursuant to section 9.01 of the Forbearance Agreement, DUCA appointed BDO as a consultant to, essentially, review and assess the finances and operations of the Debtors. The Debtors further agreed that BDO could be appointed, amongst other things, as receiver and manager of the Debtors.

## **Default and Demand for Payment**

27. On March 11, 2024, counsel for DUCA sent an email communication to Mr. Manny Difilippo of the Debtors reminding him that the forbearance period was due to expire later that month and that DUCA was not prepared to extend the forbearance period. Counsel also enquired as to whether the Debtors had arranged to repay the indebtedness owing to DUCA. Mr. Difilippo responded to this email on March 12, 2024, indicating that the Debtors were expecting to receive a letter of intent that would provide sufficient funding to permit repayment of the indebtedness owing to DUCA. A copy of this email exchange is attached hereto and marked as **Exhibit “X”**.

28. On March 21, 2024, the day that the forbearance period expired, counsel for DUCA sent a follow-up email to Mr. Difilippo enquiring as to whether the Debtors were in a position to repay the indebtedness. Mr. Difilippo responded later that day indicating that he had sent an email to me the day before on March 20<sup>th</sup> confirming that the Debtors were not able to repay the indebtedness and anticipated that financing arrangements would likely not be in place until the end of April, 2024. My counsel had not been copied on this email and I was away from the office with my out of office alert activated. Copies of this email exchange are attached hereto and marked as **Exhibit “Y”**.

29. The Debtors failed to repay the Indebtedness by March 21, 2024, which constituted an event of default under the Forbearance Agreement. As previously indicated to the Debtors, DUCA was not and is not amenable to extending the forbearance period.

30. On or about March 25, 2024, DUCA issued demands to each of the Debtors requesting payment of the Indebtedness due and owing under the Credit Agreement and as confirmed in the Forbearance Agreement, together with accruing interest and any and all costs and expenses



incurred by DUCA in accordance with the Credit Agreement and Forbearance Agreement (the “**Demands**”), which as of March 22, 2024, was in the amount of \$6,537,579.45 of which \$6,456,740.92 was principal. Attached hereto and marked as **Exhibit “Z”** to this affidavit is a copy of the Demands and 244 Notice (as defined herein).

31. Further, DUCA issued to each of the Debtors a notice of intention to enforce security pursuant to subsection 244(1) (the “**244 Notice**”) of the Bankruptcy and Insolvency Act R.S.C. 1985 c. B-3 as amended (the “**BIA**”).

32. On April 5, 2024, the time for repayment under the Demands and the 244 Notice expired and the all amounts owing to DUCA remain unpaid. Interest and professional fees continue to accrue on the Indebtedness.

33. As of the date of swearing this Affidavit, the Debtors have not repaid the Indebtedness owing to DUCA. There has been no further communication with DUCA from the Debtors (or David) since the issuance of the Demands and 244 Notices on March 25, 2024.

#### ***Debtors Failure to Refinance***

34. A non-binding letter of intent from Cameron Stephen Mortgage Capital to Ashcroft Homes (and to the attention of David and Manny Difilippo), dated March 22, 2024, was provided to counsel for DUCA, Blaney McMurtry LLP (“**Blaney**”), by the Debtors on March 25, 2024 (the “**Cameron Stephens’ Non-Binding LOI**”). The Cameron Stephens’ Non-Binding LOI is highly conditional in nature, and subject to syndication. A copy of the Cameron Stephens’ Non-Binding LOI is attached hereto and marked as **Exhibit “AA”**.

35. The Debtors and DUCA have not provided any update or additional information concerning the Cameron Stephens' Non-Binding LOI since it was received on March 25, 2024.

### **Appointment of Receiver**

36. First, and foremost, as set out above, the Debtors have each executed and delivered a consent to appoint a receiver whereby the Debtors have each consented to (the "**Consent to Appoint a Receiver**") on an event of default:

- a. The immediate appointment of a private receiver or manager in respect of the Debtors' assets, property and undertaking, and any and all of the Debtors' books and records (the "**Assets**"); and/or;
- b. The immediate appointment of receiver or receiver and manager of the Assets by Court Order in substantially the form of Order attached as a schedule to the Consent to Appoint Receiver.

Attached hereto and marked as **Exhibit "BB"** is a copy of the Consent to Appoint a Receiver (which is also a schedule to the Forbearance Agreement).

37. I understand that the form of Order sought by DUCA in these proceedings is substantially the same as the form of Order attached to the Consent to Appoint a Receiver. Attached hereto and marked as **Exhibit "CC"** is a blackline to the Order attached to the Consent to Appoint Receiver and the Order sought on this Application.

38. Moreover, the Security and Credit Agreement, delivered to DUCA gives it the right to appoint a receiver, including:

- a. The “Appointment of Receiver” section in Schedule “A” – Additional Loan Terms to the Credit Agreement;
  - b. Section 13.1 “Remedies” of the GSA; and
  - c. Section 7.7 “Receiver” of the Mortgage.
39. DUCA has provided the Debtors with more than sufficient time to repay the Indebtedness, which continues to accrue interest and fees on a daily basis.
40. There has been no indication by David or any representatives of the Debtors that there is a reasonable prospect that the Debtors can repay the Indebtedness. I am not aware of the Debtors having any firm sources of funding available sufficient to satisfy the Indebtedness.
41. As set out above, the Debtors are in default for their failure to pay the Indebtedness, and as a result I verily believe, that DUCA can enforce the Consent to Appoint a Receiver and other enforcement rights.
42. DUCA wishes to take any and all steps necessary to protect the Security granted to it by the Debtors and to realize on it.
43. DUCA considers it reasonable and prudent to begin enforcement of its Security in an effort to recover the outstanding Indebtedness. It is my view that the appointment of a receiver over the assets of the Debtors, including, without limitation, over the Properties will create a clear and transparent way forward for the repayment of the Indebtedness and, to the extent there is any surplus, the repayment of indebtedness owing by the Debtors to its other creditors.

44. If this Honourable Court sees it fit to make such an appointment, DUCA has obtained the consent of BDO to act as receiver over each of the Debtors (in such capacity, the “Receiver”). BDO is a licensed insolvency trustee and has significant experience in mandates of this nature. Moreover, as set out above, BDO has experience with the Debtors and the Assets in its role as a Consultant, and therefore, it is in a good position to be the Receiver. A copy of the Consent is attached hereto and marked as **Exhibit “DD”**.

45. This Affidavit is sworn in support of DUCA’s application for an Order appointing BDO as Receiver of each of the Debtors, and for no improper purpose.

**SWORN REMOTELY BEFORE ME BY** )  
 Ivan Bogdanovich at the City of Toronto, in )  
 Province of Ontario, and I being of the City of )  
 Toronto, in the Province of Ontario, on this 23<sup>rd</sup> )  
 day of April 2024, in accordance with O. Reg. )  
 431/20 Administering Oath or Declaration )  
 Remotely. )

*Stephen Gaudreau*

\_\_\_\_\_  
 A Commissioner for Taking Affidavits )  
**Stephen Gaudreau** )

*Ivan Bogdanovich*  
 Ivan Bogdanovich , Apr 23, 2024 10:34 EDT

\_\_\_\_\_  
**Ivan Bogdanovich**

**SCHEDULE “A”****LEGAL DESCRIPTIONS****101 Richmond Properties:**

1. Full Legal Description for PIN 15889-0006(LT): Unit 6, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0006(LT), in LRO #4.
2. Full Legal Description for PIN 15889-0011(LT): Unit 11, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0011(LT), in LRO #4.
3. Full Legal Description for PIN 15889-0012(LT): Unit 12, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0012(LT), in LRO #4.
4. Full Legal Description for PIN 15889—0013(LT): Unit 13, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0013(LT), in LRO #4.
5. Full Legal Description for PIN 15889-0014(LT): Unit 14, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0014(LT), in LRO #4.
6. Full Legal Description for PIN 15889-0015(LT): Unit 15, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0015(LT), in LRO #4.
7. Full Legal Description for PIN 15889-0056(LT): Unit 20, Level 3, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0056(LT), in LRO #4.

**108 Richmond Properties:**

1. Full Legal Description for PIN 15963-0001(LT): Unit 1, Level 1, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as

set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0001(LT), in LRO #4.

2. Full Legal Description for PIN 15963-0002(LT): Unit 2, Level 1, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0002(LT), in LRO #4.
3. Full Legal Description for PIN 15963-0003(LT): Unit 3, Level 1, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0003(LT), in LRO #4.
4. Full Legal Description for PIN 15963-0004(LT): Unit 4, Level 1, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0004(LT), in LRO #4.
5. Full Legal Description for PIN 15963-0014(LT): Unit 11, Level 2, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0014(LT), in LRO #4.
6. Full Legal Description for PIN 15963-0089(LT): Unit 37, Level 4, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0089(LT), in LRO #4.
7. Full Legal Description for PIN 15963-0106(LT): Unit 6, Level 5, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0106(LT), in LRO #4.
8. Full Legal Description for PIN 15963-0166(LT): Unit 16, Level 6, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0166(LT), in LRO #4.
9. Full Legal Description for PIN 15963-0184(LT): Unit 34, Level 6, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0184(LT), in LRO #4.
10. Full Legal Description for PIN 15963-0187(LT): Unit 37, Level 6, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0187(LT), in LRO #4.

11. Full Legal Description for PIN 15963-0207(LT): Unit 7, Level 7, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0207(LT), in LRO #4.
12. Full Legal Description for PIN 15963-0315(LT): Unit 15, Level 9, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0315(LT), in LRO #4.
13. Full Legal Description for PIN 15963-0334(LT): Unit 34, Level 9, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0334(LT), in LRO #4.

### **111 Richmond Properties:**

1. Full Legal Description for PIN 15937-0002(LT): Unit 2, Level 1, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0002(LT), in LRO #4.
2. Full Legal Description for PIN 15937-0007(LT): Unit 7, Level 1, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0007(LT), in LRO #4.
3. Full Legal Description for PIN 15937-0009(LT): Unit 9, Level 1, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0009(LT), in LRO #4.
4. Full Legal Description for PIN 15937-0010(LT): Unit 1, Level 2, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0010(LT), in LRO #4.
5. Full Legal Description for PIN 15937-0015(LT): Unit 6, Level 2, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0015(LT), in LRO #4.
6. Full Legal Description for PIN 15937-0020(LT): Unit 11, Level 2, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0020(LT), in LRO #4.

7. Full Legal Description for PIN 15937-0048(LT): Unit 24, Level 3, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0048(LT), in LRO #4.
8. Full Legal Description for PIN 15937-0164(LT): Unit 20, Level 8, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0164(LT), in LRO #4.



Court File No. CV-24-00095337-0000

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

-and-

ASHCROFT HOMES – 101 RICHMOND ROAD  
INC., ASHCROFT HOMES – 108 RICHMOND  
ROAD INC., and ASHCROFT HOMES – 111  
RICHMOND ROAD INC.

Applicant

Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

**AFFIDAVIT OF IVAN BOGDANOVICH****BLANEY MCMURTRY LLP**

Barristers &amp; Solicitors

2 Queen Street East, Suite 1500

Toronto ON M5C 3G5

**Timothy R. Dunn (LSO #34249I)**

Tel: (416) 597-4880

Email: [tdunn@blaney.com](mailto:tdunn@blaney.com)**Stephen Gaudreau (LSO #65895M)**

Tel: (416) 596-4285

Email: [sgaudreau@blaney.com](mailto:sgaudreau@blaney.com)

Lawyers for the Applicant

This is Exhibit “S” referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in cursive script that reads "Adam Davis".

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

**FINAL INSPECTION REPORT**  
**Under the *Retirement Homes Act, 2010***

Inspection Information	
Date of Inspection: September 24, 2024	Name of Inspector: Melissa Meikle
Inspection Type: Responsive Inspection – Mandatory Report	
Licensee: ACC-003222 - Ashcroft Homes - La Promenade Inc	
Retirement Home: Promenades Seniors' Suites	
License Number: N0519	

#### About Responsive Inspections

A responsive inspection, performed by an RHRA inspector, is a physical inspection of a licensed retirement home. A responsive inspection is conducted when RHRA receives information that the licensee may have failed to meet the standards of the *Retirement Homes Act, 2010* or its regulations (the “*RHA*”). An inspection being conducted does not imply that an allegation is substantiated or that a contravention of the *RHA* has occurred. A licensee is required to report to RHRA if they suspect harm or risk of harm to a resident. During a responsive inspection, an RHRA inspector may observe the operations of the home, interview relevant individuals, review records and other documentation, and determine whether the licensee’s management and staff have followed mandatory policies and practices designed to protect the welfare of residents.

Following a responsive inspection, the RHRA inspector prepares a draft inspection report which is sent to the licensee. The draft report may include instances where the licensee has failed to meet the standards of the *RHA*. If included, the licensee can respond to these instances and is strongly encouraged to inform RHRA of its plans to meet the standards of the *RHA*.

Following the draft report, the RHRA inspector prepares this final inspection report, incorporating any response from the licensee with their plans to meet the standards of the *RHA*. The most recent final inspection report must be posted in the home in a visible and easily accessible location. All final inspection reports from the previous two years must also be made available in an easily accessible location in the home. The licensee must provide a copy of this report to the home’s Residents’ Council, if one exists.

In addition to inspection reports, RHRA may provide information to a licensee to encourage improvements of their current practices.

If there is a serious incident or the licensee repeatedly does not meet the required standards, RHRA may take further action.

#### Concern(s)

*During a responsive inspection, an inspector will focus primarily on the concern(s) which prompted the*

*inspection and may take various actions to determine whether the licensee is compliant with the RHA in relation to the concern(s). Any findings of non-compliance identified in relation to these concerns are listed below.*

**Concern #1: CON-2320-Food**

**RHRA Inspector Findings**

Several reports with concerns related to improper provision of meals were received. The inspector conducted an inspection and returned to observe supper meal service. The inspector confirmed that at the time of inspection residents were not aware of their daily/weekly menu options as menu were not posted and menus were changed regularly. The inspector found that the staff do not all have food handlers certificates to ensure that there is coverage throughout all the time that the kitchen is open. During a follow up visit on October 10, 2024, the inspector confirmed that the food temp logs are not being completed as prescribed and that 2 residents with special dietary needs do not have individualized menu as required. Additionally, a resident made a written complaint and did not receive a written response, nor was the complaint logged as prescribed. Lastly, 6 plans of care were requested, 5/6 were not approved by the resident and 1 resident did not have an assessment or a plan of care. The Licensee failed to ensure that regulations related to provision of a meal and food preparation were complied with as required. Additionally, the Licensee failed to provide a written response to a complaint received and failed to ensure that the requirements of plans of care were complied with as prescribed.

**Outcome**

The Licensee provided information indicating that corrective action was being taken, however, further action must be taken to achieve compliance with all areas outlined in the finding. RHRA to confirm compliance by following up with the Licensee or by inspection.

**Additional Findings**

*During a responsive inspection, an inspector may observe areas of non-compliance that are not related to the concern(s) which prompted the inspection. In these cases, an inspector may cite the home for these contraventions at the time of this inspection. In addition, an inspector may follow-up on findings of non-compliance from previous inspections. Where the licensee is unable to demonstrate they have come into compliance or maintained compliance, an inspector may cite the home for these repeat contraventions at the time of this inspection.*

**Not Applicable**

**Current Inspection – Citations**

*Citations relating to the above Concerns or Additional Findings made during the current inspection are listed below.*

**The Licensee failed to comply with the RHA s. 20. (3); Food preparation**

**s. 20. (3); Food preparation**

20. (3) The licensee shall implement procedures for each of the following matters and ensure that all staff involved in preparing food receives adequate training in them and are retrained annually:

**Specifically, the Licensee failed to comply with the following subsection(s):**

**s. 20. (3), para. 1**

1. The safe handling and storage of food, including how to maintain food at an appropriate temperature and how to practice good hand hygiene.

**The Licensee failed to comply with the RHA s. 20. (4); Food preparation****s. 20. (4); Food preparation**

20. (4) The licensee shall ensure that whenever food is prepared in the retirement home, at least one person involved in preparing the food holds a current certificate in food handling from the local public health unit or has recently successfully completed a food handling training program equivalent to that offered by public health units.

**Specifically, the Licensee failed to comply with the following subsection(s):****s. 20. (4), (a)**

(a) holds a current certificate in food handler training from a local board of health or an agency of the board of health;

**s. 20. (4), (b)**

(b) has recently successfully completed a food handler training program equivalent to that offered by a local board of health or an agency of the board of health.

**The Licensee failed to comply with the RHA s. 40.; Provision of a meal****s. 40.; Provision of a meal**

40. If one of the care services that the licensee or the staff of a retirement home provide to a resident of the home is the provision of a meal, the licensee shall ensure that,

**Specifically, the Licensee failed to comply with the following subsection(s):****s. 40. (g)**

(g) the resident is informed of his or her daily and weekly menu options;

**The Licensee failed to comply with the RHA s. 59. (1); Procedure for complaints to licensee****s. 59. (1); Procedure for complaints to licensee**

59. (1) Every licensee of a retirement home shall ensure that every written or verbal complaint made to the licensee or a staff member concerning the care of a resident or operation of the home is dealt with as follows:

**Specifically, the Licensee failed to comply with the following subsection(s):****s. 59. (1), para. 2**

2. The complaint shall be resolved if possible, and a response that complies with paragraph 4 provided within 10 business days of the receipt of the complaint.

**s. 59. (1), para. 4**

4. A response shall be made to the person who made the complaint, indicating,

**s. 59. (1), para. 4, 1.**

i. what the licensee has done to resolve the complaint,

**The Licensee failed to comply with the RHA s. 59. (2); Procedure for complaints to licensee**

**s. 59. (2); Procedure for complaints to licensee**

59. (2) The licensee shall ensure that a written record is kept in the retirement home that includes,

**Specifically, the Licensee failed to comply with the following subsection(s):****s. 59. (2), (a)**

(a) the nature of each verbal or written complaint;

**s. 59. (2), (b)**

(b) the date that the complaint was received;

**s. 59. (2), (c)**

(c) the type of action taken to resolve the complaint, including the date of the action, time frames for actions to be taken and any follow-up action required;

**s. 59. (2), (d)**

(d) the final resolution, if any, of the complaint;

**s. 59. (2), (e)**

(e) every date on which any response was provided to the complainant and a description of the response;

**s. 59. (2), (f)**

(f) any response made in turn by the complainant.

**The Licensee failed to comply with the RHA s. 62. (9); Persons who approve plans of care****s. 62. (9); Persons who approve plans of care**

62. (9) The licensee shall ensure that the following persons have approved the plan of care, including any revisions to it, and that a copy is provided to them:

**Specifically, the Licensee failed to comply with the following subsection(s):****s. 62. (9), para. 1**

1. The resident or the resident's substitute decision-maker.

**Closed Citations**

*During an inspection, an inspector may follow-up with areas of non-compliance cited during a previous inspection, or verify compliance with areas initially cited during the current inspection. The inspector has verified that at the time of this report, the licensee was able to demonstrate that the following areas have come into compliance.*

**Retirement Homes Act, 2010:****s. 62. (1); Plan of care**

62. (1) When a resident commences his or her residency in a retirement home, the licensee shall, within the prescribed times, ensure that the resident is assessed and that a plan of care is developed based on the assessment and in accordance with this section and the regulations.

**Ontario Regulation 166/11:****s. 40.; Provision of a meal**

40. If one of the care services that the licensee or the staff of a retirement home provide to a resident

of the home is the provision of a meal, the licensee shall ensure that,

**s. 40. (f)**


(f) an individualized menu is developed for the resident if the resident's needs cannot be met through the home's menu cycle;

**NOTICE**

The Final Inspection Report is being provided to the Licensee, the Registrar of the RHRA and the home's Residents' Council, if any.

Section 55 of the *RHA* requires that the Final Inspection Report be posted in the home in a conspicuous and easily accessible location. In addition, the Licensee must ensure that copies of every Final Inspection Report from the previous two (2) years are made available in the Home, in an easily accessible location.

The Registrar's copy of the Final Inspection Report, as it appears here, will be included on the RHRA Retirement Home Database available online at <http://www.rhra.ca/en/retirement-home-database>.

Signature of Inspector 	Date October 23, 2024
---	--------------------------

This is Exhibit "T" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in cursive script that reads "Adam Davis".

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**



---

## COMPLIANCE ORDER TO BE MADE AVAILABLE IN HOME

Pursuant to the *Retirement Homes Act, 2010* S.O. 2010, Chapter 11, section 90.

---

Alavida Lifestyles  
o/a Les Promenades  
110 Rossignol Crescent  
Orleans, ON K42 0N2

### COMPLIANCE ORDER NO. 2024-N0143-90-01

Under section 90 of the *Retirement Homes Act, 2010* (the “Act”), if the Deputy Registrar of the Retirement Homes Regulatory Authority (the “Deputy Registrar” and the “RHRA”, respectively) believes on reasonable grounds that a licensee has contravened a requirement under the Act the Deputy Registrar may serve an order on a licensee ordering it to refrain from doing something, or to do something, for the purpose of ending the contravention and achieving compliance, ensuring that the contravention is not repeated, and that compliance is maintained. The Deputy Registrar issues this Compliance Order (the “Order”) to ensure Alavida Lifestyles (the “Licensee”) operating as Les Promenades (the “Home”) comes into compliance and maintains compliance with the Act.

The Contraventions and Order listed below are followed by the reasons for this Order, and information on the appeal process.

### CONTRAVENTION

The Deputy Registrar has reasonable grounds to believe that the Licensee is not in compliance with the following sections of the Act:

- Section 62(4)(a-c) – failing to ensure that there is a written plan of care for each resident of the Home that sets out the care services being provided.
- Section 62(5) – failing to ensure that the resident and/or the resident’s substitute decision-maker is involved in the development and implementation of the resident’s plan of care.
- Section 62(6) – failing to ensure that the resident’s plan of care is based on an assessment of the resident and the needs and preferences of the resident.
- Section 62(8) – failing to ensure that there are protocols to promote collaboration between staff, external care providers, and others involved in the different aspects of care of the resident.
- Section 67(1) of the Act – failing to protect residents of the Home from abuse by anyone.

**BRIEF SUMMARY OF FACTS**

On December 7, 2023, an RHRA inspector inspected the Home following a complaint relating to plans of care and alleged financial abuse.

A resident was required to pay for care services that were not provided by the Home. The Licensee failed to ensure that plans of care were updated to reflect changes in residents' care needs, there were no documented efforts to include information about care provided by external care providers, and the Licensee did not have protocols in place to promote collaboration between home staff and external care providers.

**REQUIRED ACTION**

1. Within 30 days of the issuance of this Order, demonstrate there are protocols in place to promote collaboration between staff and external care providers.
2. Within 30 days of the issuance of this Order, demonstrate there is a protocol in place to assess residents returning to the Home from hospital such that staff are aware what care is needed and whether staff of the Home are responsible for providing that care.
3. Within 30 days of the issuance of this Order, submit the results of the internal audits conducted by the licensee related to assessing residents and updating resident plans of care, including with respect to care provided by external care providers.

The Licensee must demonstrate through written reports to the RHRA that it has complied with the actions set out above. The internal audits must be anonymized and submitted by email to [enforcement@rhra.ca](mailto:enforcement@rhra.ca).

**Issued on July 3, 2024.**

This is Exhibit "U" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

Ottawa

## 'Lured' by discounts, seniors leaving Ottawa retirement homes after steep fee increase

At least 23 residents have moved out of Alavida apartments due to rising costs, MPP says

[Nicole Williams](#) · CBC News · Posted: Jun 20, 2024 4:00 AM EDT | Last Updated: June 20



Rita Kuiak, 85, stands among packed boxes in her Park Place apartment. Kuiak is one of 23 seniors who say they can no longer afford to live there after Alavida Lifestyles announced earlier this year that it would be removing 'marketing discounts.' (Nicole Williams/CBC)

Nearly two dozen seniors say they've had no choice but to leave their Ottawa homes after their landlord unexpectedly asked them to pay hundreds or even thousands of dollars more in monthly fees.

Earlier this year, [CBC reported Alavida Lifestyles had begun removing longstanding "marketing discounts"](#) at its four retirement residences in Ottawa despite tenants never being told those discounts were temporary in the first place.

The company offers a range of accommodation from independent living to palliative care.

According to an Ottawa member of provincial parliament, at least 23 seniors have moved out of their Alavida apartments since February because they can't afford the

“It's shocking. I mean, it's a lot of money.”

- Rita Kuiak, former Park Place resident

"It's hell," said Rita Kuiak, who left her unit at the end of May. "I had been hoping to make this my last home, but it's a bit traumatizing and upsetting, resettling everything."

The 85-year-old had been living at the company's Park Place residence for the last five years. She said she'd been promised a \$1,500 discount off her monthly rent and service fees, paying just under \$3,500 a month.

"They didn't say this is for a few months. There was no end marked on it," said Kuiak.

But as with other tenants, management approached her earlier this year to tell her they would be removing her discount, increasing her costs to approximately \$5,000 a month.

"It's shocking. I mean, it's a lot of money," said Kuiak. "Most of us here are living with a pension of some kind, so we can't just say fine, just keep going."



Ernie Jackiw, 89, and his daughter Leah De Leo in his new apartment. Jackiw also left his home at Park Place after being told his monthly fees would nearly double from \$3,200 a month to about \$6,300. (Nicole Williams/CBC)

Ernie Jackiw, 89, left his Park Place apartment in April. When he signed his lease two and a half years ago, he was also promised a steep discount, lowering his fees to \$3,200 a month.

Earlier this year, Jackiw was told he would need to start paying about \$6,300 — nearly double what he'd been paying.

"I felt betrayed. I felt they were very dishonest," he said of Alavida management. "They lured us in with the discount to get us in the door."

- [Seniors asked to pay thousands more in monthly fees after landlord removes incentives](#)

Manny DiFilippo, the chief financial officer for Alavida Lifestyles, and the company's CEO David Choo previously told CBC those discounts were "implemented on a case-by-case basis as needed" and "were never intended and are not considered to be permanent in nature."

In a follow-up statement, they wrote that "marketing discounts are a temporary measure to assist the homes when there is a dip in occupancy or during a lease up period."

DiFilippo said inflation forced the company to make a "difficult decision," and while some tenants have chosen to leave, phasing out the discounts has been "well received by many tenants, who have been understanding" about rising costs.



Units at Alavida's Park Place residence are listed starting at \$3,600 a month on the company's website. (Alavida Lifestyles)

---

## Proposed bill would limit some fees

While it's a move that some residents say feels unethical, it's technically legal.

Rent increases are set by Ontario's Landlord and Tenant Board, but there is no such cap under the Retirement Homes Regulatory Authority (RHRA) dictating how much a landlord can increase service fees, as long as tenants are given three months notice.

235

"It really is the Wild West with no regulation at all. These companies can do whatever they want," said NDP MPP Chandra Pasma, who has been in touch with Alavida tenants in her riding of Ottawa West–Nepean.

Pasma is currently drafting a private member's bill that would introduce regulations limiting how much companies can increase service costs for tenants at any one time. Companies would also need to provide information justifying any fee increases.

- [These seniors face a 20% rent increase — and Ontario rules make it legal](#)

The Ministry of Seniors and Accessibility, which oversees the RHRA, declined CBC's request for comment, instead directing all questions to the regulatory authority itself.

In an emailed statement, the RHRA's manager of public affairs Kurtis Barrett wrote that while the authority acknowledged "this can be a difficult situation for residents," it is only in control of administering and enforcing regulations.

"The Retirement Homes Act and regulations do not prescribe fees or fee limits," he said. "We are independent of government and as such, we do not lead or engage in this legislative process."

In the meantime, other tenants CBC spoke with said they have no intention of paying the increased fees at Alavida Lifestyles, and are instead pursuing legal advice.

"I left behind some people who are fighting the battle, and in a way I kind of feel I've abandoned them," Jackiw said of his former neighbours. "But ... I'm 89 years old. I don't know how many years I have left in front of me.

"I want to live. I don't want to fight."

[CBC's Journalistic Standards and Practices](#) | [About CBC News](#)

[Corrections and clarifications](#) | [Submit a news tip](#) | [Report error](#) ▼

## TRENDING VIDEOS

---



VIDEO

**Man gunned down in Brampton driveway in targeted attack: Peel police**

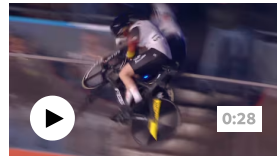
CBC News Toronto



VIDEO

**Southern Manitoba woman, 23, dies following dental procedure**

This Is Ottawa  
Canada - Ottawa



VIDEO

**Horrific crash cancels final round of UCI Track Cycling Champions League**

Nathan Fung  
Canada - Ottawa



VIDEO

**Is Trump right about the Canadian border? | About That**

About That With Andrew Chang



VIDEO

**Taylor Swift tour**

The Post

**RECOMMENDED FOR YOU**



THE LATEST

**Syrians celebrate Bashar al-Assad's fall to rebel factions amid calls for orderly transition**

World



THIS IS OTTAWA

**How did Adolf Hitler's car end up in Ottawa?**

This Is Ottawa  
Canada - Ottawa



**Mother 'walked through fire' to save son from burning house**

Nathan Fung  
Canada - Ottawa



**Conservative MP Jamil Jivani meets U.S. VP-elect amid Trump's tariff threats**

Kelly Geraldine Malone  
Politics



**End of close final**

Canada



This is Exhibit "V" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in cursive script that reads "Adam Davis".

---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**

INFILL DEVELOPMENT OPPORTUNITY

# Permitting Both Residential & Commercial Uses

Ottawa River

TENTH LINE RD

JEANNE-D'ARC BLVD

HIGHWAY 174

**CBRE**



# About The Offering




CBRE'S Land Services Group is pleased to offer for sale approximately 16 acres of land designated as Neighbourhood and Open Space permitting both residential and non-residential uses municipally located at 100 Rossignol Drive (the "Property" or "Site") in the Orleans neighbourhood in the City of Ottawa. The Property is part of a larger 18.16 acre parcel, which includes the existing Promenade Seniors' Suites & Retirement Residence. In July 2024, the Committee of Adjustment granted the provisional consent to sever the Site following the fulfillment of conditions. The Property abuts mostly 2-storey, semi detached dwellings to the north and Highway 174 to the south. The Site is located within an established commercial and residential core of Orleans, with direct access to Highway 174 and close proximity to the future Place d'Orleans and Trim LRT stations.

The Site is primarily designated as Neighbourhood with an Evolving Neighbourhood overlay, and the remainder of the Site is designated as Greenspace as per the City of Ottawa Official Plan. The Neighbourhood designation with an Evolving Neighbourhood overlay envisions intensification while establishing suitable building forms and densities for residential and non-residential uses, supporting the 15-minute neighbourhood concept. Intensification aims to guide the transformation of neighbourhoods into self-sufficient 15-minute neighbourhoods, ensuring the availability of services, parks, recreational facilities, public spaces, infrastructure, and other essential elements to accommodate population growth.

The Site's General Mixed Use zoning permits a variety of uses with building heights ranging from 3-10 storeys. Notable permitted uses include low and mid-rise apartments, townhouses, retirement homes, community centres, offices, restaurants, and retail stores. A development application for the Site has not been submitted to the City, which allows a developer to submit a development application based on their own design and preference.

The Site's designation and site-specific zoning offers an exceptional infill development opportunity in the growing neighbourhood of Orleans with easy access to Highway 174. The opportunity enables any purchaser the ability to submit a development application that is inclusive of a range of uses including, but not limited to, townhouses, low rise buildings and/or local commercial uses, and to finalize the approvals based on their own preference and design.

## INVESTMENT HIGHLIGHTS

-  ZONING PERMITS A WIDE RANGE OF USES
-  FAVOURABLE DEMOGRAPHICS AND TRENDS
-  IDEAL LOCATION WITH IMMEDIATE ACCESS TO HIGHWAY 174



# Property Information



**PIN:**

Part of 145010928 (subject to fulfilling conditions in the Severance Decision dated July 12, 2024)

**SITE AREA:**

16.22 acres

**FRONTAGE:**

586.94 ft. along Tenth Line and 1,582.34 ft. along Highway 174

**OFFICIAL PLAN:**

The Site is within the Suburban Transect Policy Area of the City of Ottawa's Official Plan, and a large portion of the Site is designated as Neighbourhood with an Evolving Neighbourhood Overlay and the remainder of the Site is designated as Greenspace.

**ZONING:**

As per the City of Ottawa Zoning By-law 2008-250, the Site is zoned as General Mixed-Use (GM) [1925] S281-h, GM [1926] S281-h1 h2 and Open Space (O1). Please see pg.6 for more details.

**EXISTING CONDITIONS:**

Given the trees currently on site, there may be a requirement to provide compensation for any tree removal as part of any future development application. Please refer to the City of Ottawa's Tree By-Law for further information.

**ENVIRONMENTAL:**

A Phase 1 Environmental Site Assessment (ESA) was completed on June 4, 2009 by Paterson Group and concluded that a Phase 2 Environmental Site Assessment would not be required for the Property at the time since no significant concerns were identified.

**ACCESS:**

Access will be provided through the future extension of Rossignol Drive on the east and west end of the Property.

**MORTGAGE:**

Treat as free and clear.

→ EXISTING ACCESS POINT



# Planning & Land Use Summary

## ZONING

The Site is currently zoned as **(GM) [1925] S281-h, (GM) [1926] S281-h1 h2** and **O1**. The vendor successfully rezoned the Site from Business Park Industrial to General Mixed-Use (GM) through a decision made by the Tribunal on June 1, 2012. The GM zoning permits both residential and various non-residential uses. Notable residential permitted uses include apartment dwelling (low-rise and mid-rise), stacked and townhouse dwellings, and retirement home. Notable non-residential uses include community centre, convenience store, office, restaurant, and retail store.

Certain uses such as a retail store, convenience store, and restaurant may not exceed a GFA of 300 sq.m. / 3,229 sq.ft. as per the site-specific exception (1925 & 1926). All non-residential and residential uses are prohibited until the holding provision is removed, which will require an approved and registered draft plan of subdivision. The maximum permitted height as per the site-specific exception ranges from 3-10 storeys (see the site-specific maximum building height map – Schedule 281). The maximum permitted Floor Space Index (FSI) is 2.0.

## OFFICIAL PLAN

As per the City of Ottawa Official Plan (last consolidated in November 2022), the Site is located in the Suburban-Transect and primarily designated as **Neighbourhood**, with a small portion designated as **Greenspace**. The Neighbourhood designation permits a mix of building forms (primarily low-rise) and densities but will be depicted through zoning, and are planned for ongoing gradual, integrated, sustainable context-sensitive development. The majority of the Site is subject to the Evolving Neighbourhood Overlay which highlights areas that may gradually transition through intensification from a suburban to a more urban built form.

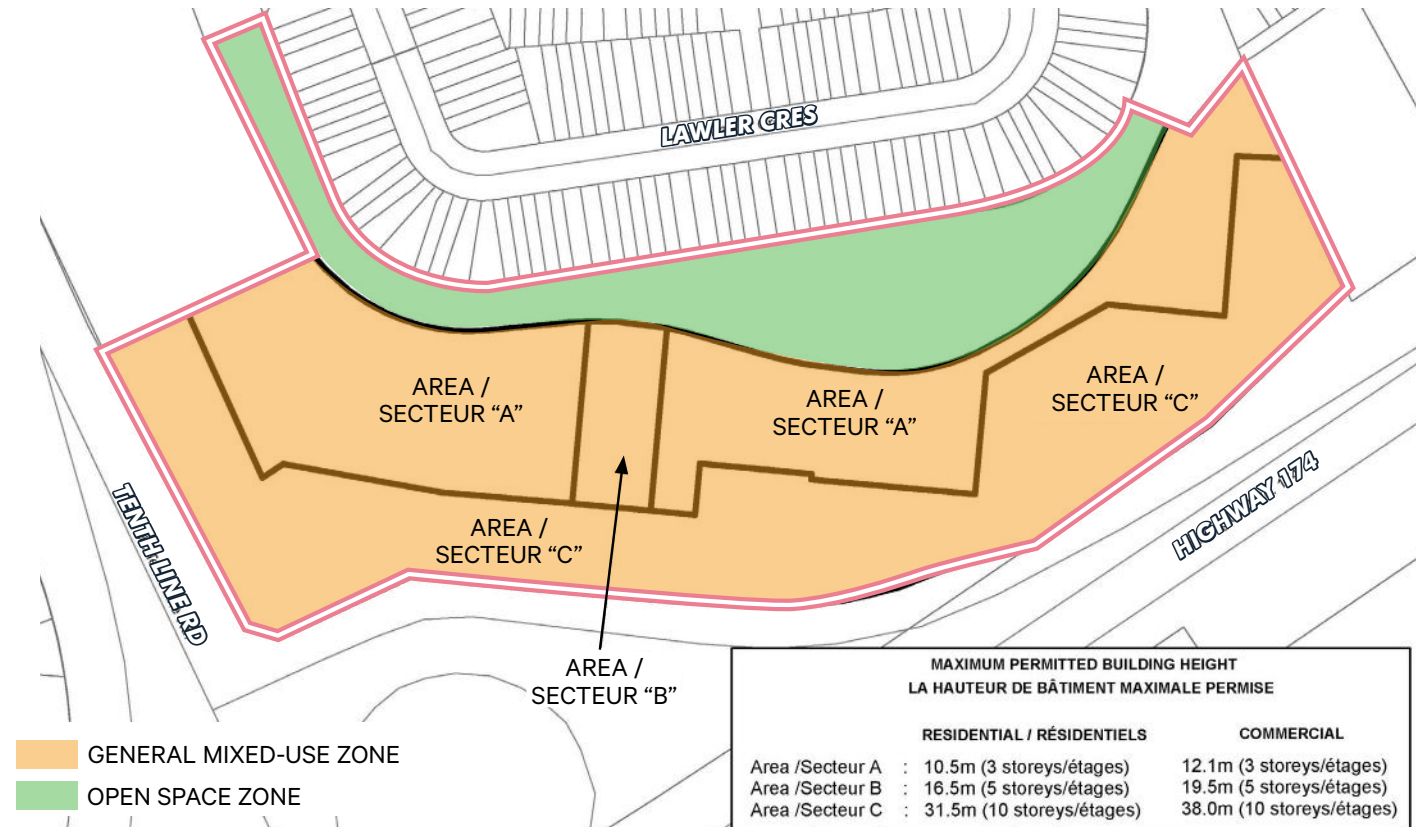
The Official Plan sets a residential density range for intensification within the Suburban Transect at 40-60 units per hectare/16-24 units per acre. Overall, intensification for the Site is supported through the Neighbourhood designation and the site-specific zoning.

## SEVERANCE APPLICATION

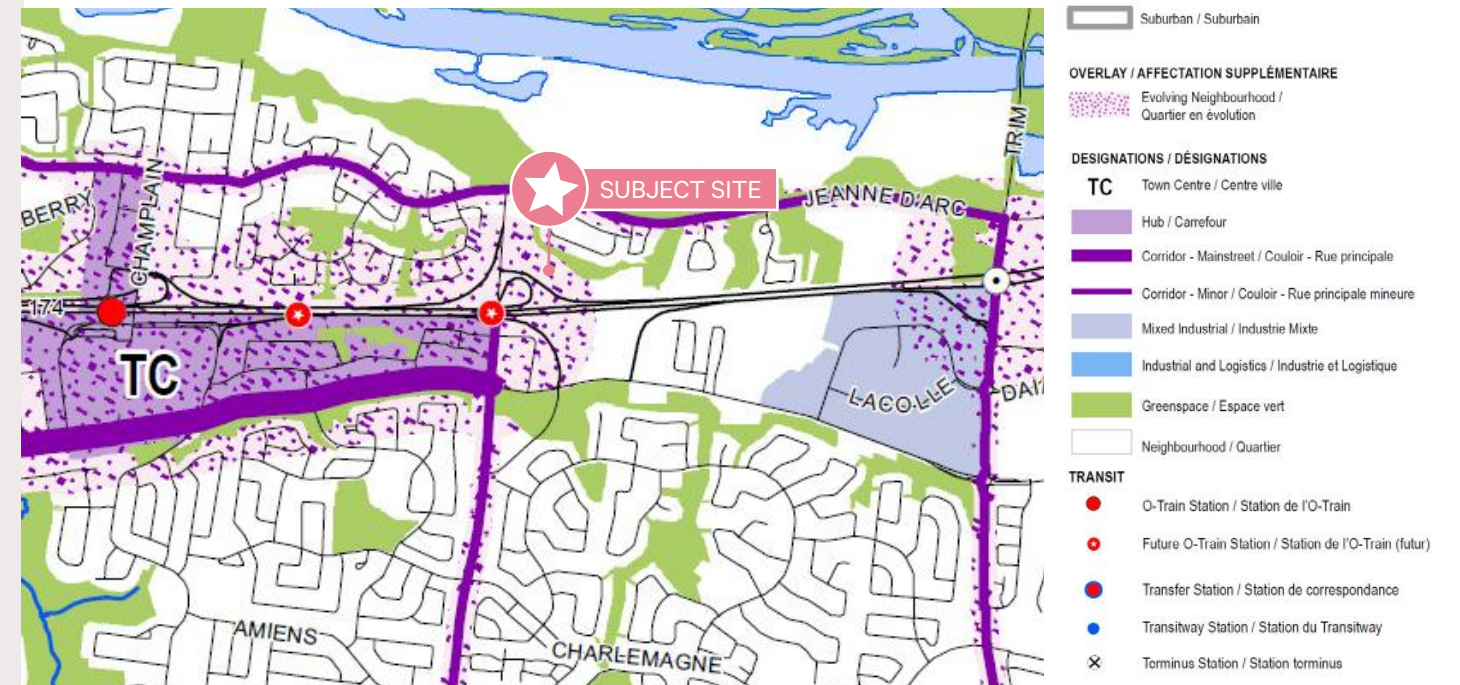
The vendor filed for a severance application to sever the residential care facility lands from the vacant lands (the Site) of the overall PIN 14-5010928 to create 2 separate parcels.

The Committee of Adjustment granted the provisional consent of the severance application with conditions on July 12, 2024 which must be fulfilled within a two-year period from the date of the decision. See the data room for the decision and conditions.

## SCHEDULE 281 - MAXIMUM PERMITTED BUILDING HEIGHT



## OFFICIAL PLAN - SUBURBAN (EAST) TRANSECT



# Market & Location

## Overview



The Site occupies a prominent position within the Orleans community of Ottawa. It is located in the established commercial and residential core of Orleans, with direct access to Highway 174 by the Tenth Line Road interchange. It is in close proximity to Place d'Orleans, the Bus Rapid Transit (future Light Rail Transit) station, among other municipal amenities.

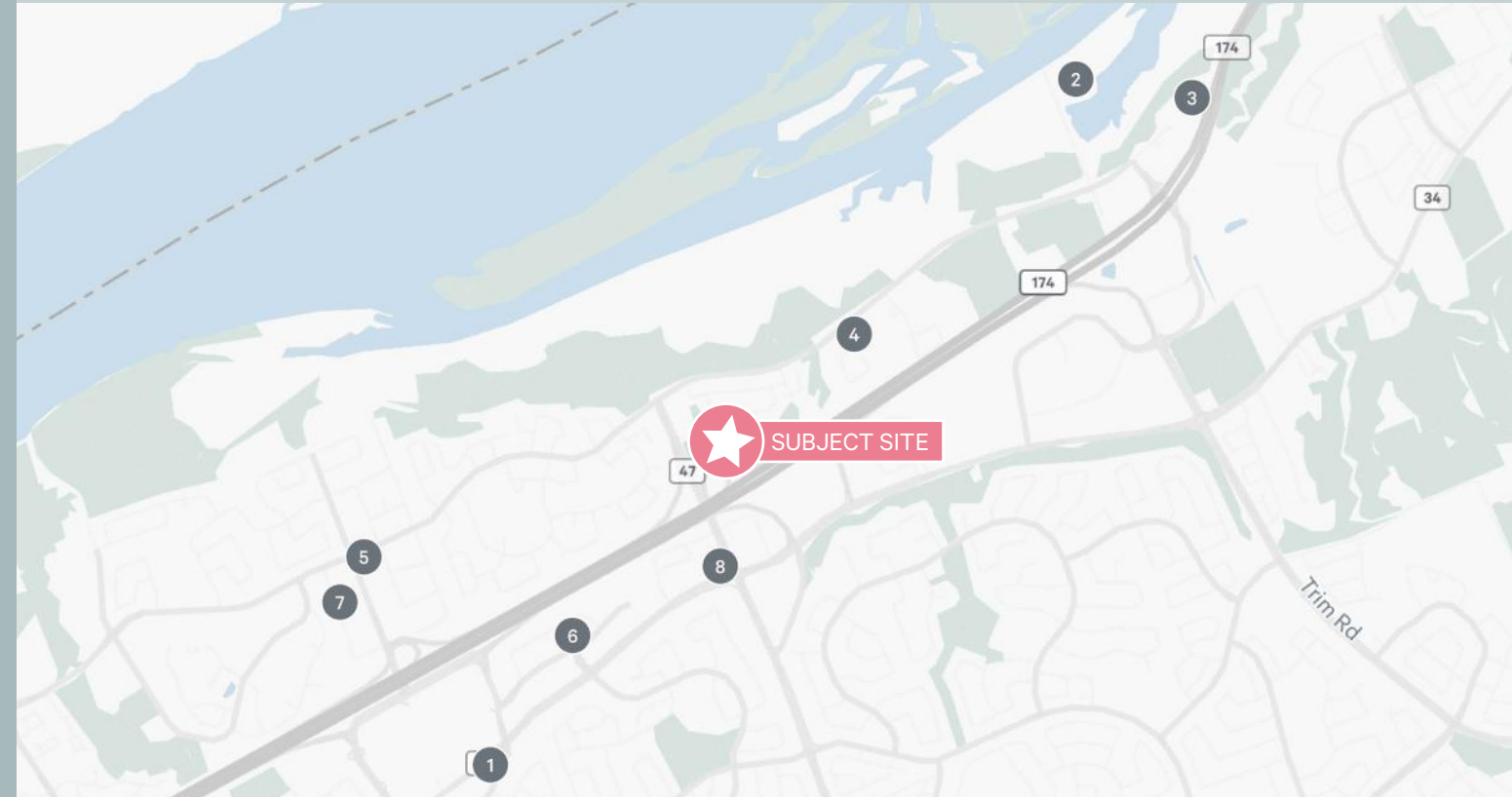
Orleans was established as a municipality in 1974 and amalgamated into the City of Ottawa in 2001. The neighbourhood currently has an estimated population of approximately 127,436 as of 2023 (SiteWise, 2024). Orleans is a bilingual (English / French) community that is predominately a bedroom community. The population has continued to experience an increase in residential development. Orleans is home to the Shenkman Arts Centre, Millennium Sports Park, and Bob MacQuarrie Recreation Complex. The community is well positioned to support new higher density development with its population demographics.

Orleans, Ontario is a place saturated with history. Located near the Ottawa River in the eastern region of the city, this suburb is filled with prehistoric sites, grand museums, art galleries, beaches, parks and gardens to explore. Orleans has an established workforce

of government employees, with 26% of the working population employed by the Public Administration sector. This provides a stable and secure customer base for retailers in the area. Orleans is a major area of growth for Ottawa, accounting for 15% of the city's overall growth in 2018. The LRT is expected to be completed at both the Place D'Orleans and Trim Road stations by 2025. The LRT will support this anticipated population growth in the community.

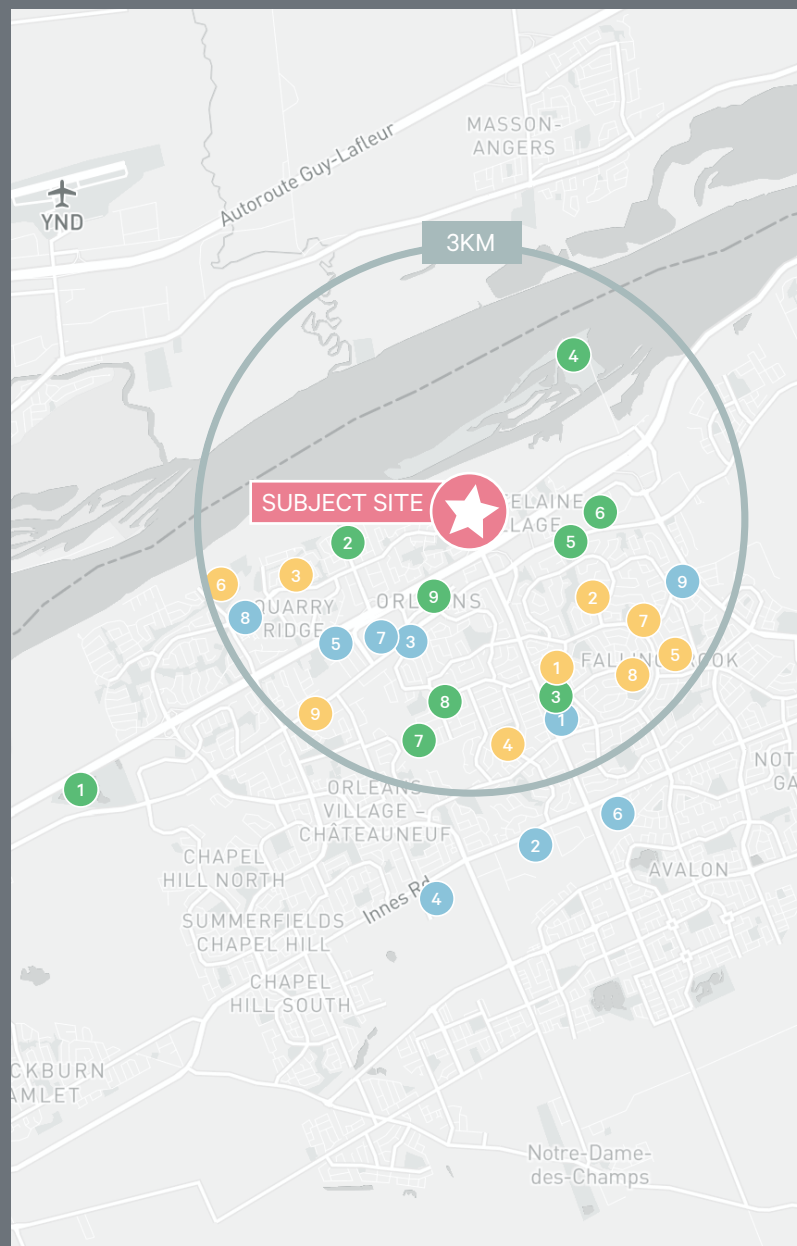
### NEARBY DEVELOPMENTS

#	PROJECT	DEVELOPER	# OF UNITS	TYPE	# OF BEDROOMS	STATUS
1	3030 St. Joseph Blvd	Mastercraft Starwood 3030 St. Joseph Blvd	202	High density (18 storeys)	1, 2, 3	Planning
2	Soho Trim	Mastercraft Starwood 1069 Trim Road	1,068	High density (26, 28, 32 storeys)	1, 2, 3	Planning
3	Petrie Island Tower 3	Brigil Homes 300 Inlet Private	162	High rise- eventually 6 towers	1, 2, 3	Under Construction
4	Petrie Landing Phase 2 Block 8	Brigil Homes 180 Prestige Circle	112	4 storey apt rental	1, 2	Under Construction
5	Petrie's Landing Phase 3	Brigil Homes 8600 Jeanne D'Arc Blvd	3,177	Low rise, mid rise, and high rise apartment	1, 2, 3	Planning
6	265 Centrum Boulevard	Bayview Hospitality	1,127	Three high rise towers (30, 30, 40 storeys)	1, 2, 3	Planning
7	850 Champlain Street	Revera	320 beds	Long Term Care		Under Construction
8	Hillside Commons 3277 St. Joseph Blvd	Phoenix Homes/Landric Homes	274	Apt rentals 5 and 9 storeys	1, 2, 3	Under Construction



100 ROSSIGNOL DRIVE, OTTAWA

# Nearby Amenities



## ● RETAIL

1. Metro
2. Real Canadian Superstore
3. Farm Boy
4. Walmart Supercentre
5. NoFrills
6. Home Depot
7. Place d'Orleans Shopping Mall
8. Metro
9. Sobeys

## ● RECREATIONAL

1. White Sands Golf Course
2. Roy G Hobbs Community Centre
3. Ray Friel Recreation Complex
4. Petrie Island Beach
5. Princess Louise Falls
6. Orleans CrossFit
7. Bilberry Creek
8. Queenswood Heights Community Centre
9. Altitude Gym Orleans

## ● INSTITUTIONAL

1. Sir Wilfrid Laurier Secondary School
2. Fallingbrook Community Elementary School
3. Orleans Wood Elementary School
4. Dunning-Foubert Elementary School
5. St. Peter Catholic High School
6. Cairine Wilson Secondary School
7. St. Francis of Assisi School
8. St. Joseph Medical Centre
9. Des Pionniers Catholic Elementary School



PETRIE ISLAND BEACH



WHITE SANDS GOLF COURSE



FARM BOY



RAY FRIEL RECREATION COMPLEX



SIR WILFRID LAURIER SECONDARY SCHOOL

# Offering Process

CBRE's Land Services Group has been retained by the vendor as the exclusive advisor to seek offers for the disposition of 100 Rossignol Drive (the "Property" or "Site") in Ottawa, ON. The Property is being offered for sale on an unpriced basis. For additional details including the offer submission date, please reach out to one of the advisors below.

## CONFIDENTIALITY AGREEMENT:

Potential purchasers that require access to the Document Centre must complete a CA and return it to:

[LSGTA@CBRE.COM](mailto:LSGTA@CBRE.COM)

[CLICK TO SIGN CA](#)

**OFFER SUBMISSION DATE  
TO BE ANNOUNCED**

## CBRE OTTAWA:

**Erik Falardeau\***  
Senior Vice President  
+1 613 788 3791  
[eric.falardeau@cbre.com](mailto:eric.falardeau@cbre.com)

## CBRE LAND SERVICES GROUP:

**Mike Czestochowski\*\***  
Vice Chairman  
+1 416 495 6257  
[mike.czestochowski@cbre.com](mailto:mike.czestochowski@cbre.com)

**Lauren White\***  
Executive Vice President  
+1 416 495 6223  
[lauren.white@cbre.com](mailto:lauren.white@cbre.com)

**Emelie Rowe\***  
Sales Associate  
+1 416 495 6306  
[emelie.rowe@cbre.com](mailto:emelie.rowe@cbre.com)

**Evan Stewart\***  
Sales Associate  
+1 416 495 6205  
[evan.stewart@cbre.com](mailto:evan.stewart@cbre.com)

\*Sales Representative \*\*Broker  
All outlines are approximate

CBRE Limited | 2005 Sheppard Ave E  
Suite 800, Toronto, ON M2J 5B4

This disclaimer shall apply to CBRE Limited, Real Estate Brokerage, and to all other divisions of the Corporation; to include all employees and independent contractors ("CBRE"). The information set out herein, including, without limitation, any projections, images, opinions, assumptions and estimates obtained from third parties (the "Information") has not been verified by CBRE, and CBRE does not represent, warrant or guarantee the accuracy, correctness and completeness of the Information. CBRE does not accept or assume any responsibility or liability, direct or consequential, for the Information or the recipient's reliance upon the Information. The recipient of the Information should take such steps as the recipient may deem necessary to verify the Information prior to placing any reliance upon the Information. The Information may change and any property described in the Information may be withdrawn from the market at any time without notice or obligation to the recipient from CBRE. CBRE and the CBRE logo are the service marks of CBRE Limited and/or its affiliated or related companies in other countries. All other marks displayed on this document are the property of their respective owners. All Rights Reserved. Mapping Sources: Canadian Mapping Services [canadamapping@cbre.com](mailto:canadamapping@cbre.com); MapPoint, DMTI Spatial, Envirionics Analytics, Microsoft Bing, Google Earth.



# CBRE



This is Exhibit "W" referred to in the Affidavit of Curtis Jackson sworn by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

*Commissioner for Taking Affidavits (or as may be)*

**ADAM DAVIS**



## Narrative Appraisal

Promenade Senior's Suites

150 Rossignol Drive

Ottawa, Ontario

Effective Date: November 30, 2023

Report Date: December 1, 2023

---

**PREPARED BY:**

Rob Purdy, AACI, P.App  
Executive Director, Toronto  
Valuation & Advisory Services

**PREPARED FOR:**

Tara Bonsor  
Director of Finance  
Ashcroft Group of Companies



Our File: TOR231419

December 1, 2023

Ashcroft Group of Companies  
18 Antares Drive, Suite 102  
Ottawa, ON K2E 1A9

**Attention: Tara Bonsor  
Director of Finance**

Dear Ms. Bonsor;

**RE: NARRATIVE APPRAISAL OF PROMENADE SENIOR'S SUITES AS-COMPLETE/STABILIZED  
150 ROSSIGNOL DRIVE, OTTAWA, ONTARIO**

In accordance with your request, we have inspected the above property and have carried out a full analysis in order to estimate its current market value as-complete/stabilized. As of the Effective Date, the Subject Property is improved with a 152 suite seniors' housing development, exhibiting an occupancy of 64.4%, based on the October 2023 rent roll.

Based on our investigations, it is our opinion that the market value of the as-complete/stabilized property as at November 30, 2023 is estimated to be:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Complete/Stabilized Market Value	Leased Fee	November 30, 2023	\$66,410,000

*\*Subject to the Extraordinary Assumptions & Limiting Conditions contained herein*

The above value estimate is based on an exposure period of three to six months, assuming the basis of a transaction involving cash to the vendor and is in conjunction with the Report Assumptions and Limiting Conditions stated within this appraisal. Of particular note are the Extraordinary Conditions outlined within the Terms of Reference section, commencing on Page 9.

This report describes the methods and approaches to value in support of the conclusion and contains the pertinent data gathered in our investigation of the market.

Should you have any questions, we would be pleased to discuss the valuation further.

Yours truly,

**COLLIERS INTERNATIONAL REALTY ADVISORS INC.**

**DRAFT V1**

Rob Purdy, AACI, P.App  
Executive Director, Toronto

**DRAFT V1**

Oliver Tighe B.A., AACI, P.App  
Executive Vice President, Ottawa

# Table of Contents

---

Executive Summary .....	1
General Location Map .....	2
Photographs of Subject Property .....	3
Photographs of Subject Property .....	4
Photographs of Subject Property .....	5
Terms of Reference .....	6
Property Data .....	11
Site Description .....	12
Land Use / Zoning .....	15
Description of the Improvements .....	17
Market Overview .....	<b>Error! Bookmark not defined.</b>
Economic Overview – Ontario .....	<b>Error! Bookmark not defined.</b>
Economic Overview – Ottawa-Gatineau .....	27
Market Analysis – 110 Rossignol Drive, Orleans .....	27
Market Overview.....	27
Ottawa CMA Retirement Market Overview .....	35
Supply Analysis .....	39
Valuation .....	42
Highest and Best Use .....	42
Valuation Methodology .....	44
Overall Income Capitalization .....	45
Direct Capitalization.....	73
Direct Comparison Approach.....	74
Reconciliation and Final Estimate of Value .....	77
Certification .....	78
Appendices.....	80
Appendix A   Ordinary Assumptions and Limiting Conditions	
Appendix B   Definitions	
Appendix C   Comparable Sales	

Promenade Senior's Suites, 150 Rossignol Drive, Ottawa, Ontario

# Executive Summary



## PROPERTY INFORMATION

<b>Address</b>	150 Rossignol Drive
<b>Nearest Major Intersection</b>	Tenth Line Road & Jeanne
<b>Property Type</b>	Independent Living (Seniors Apartment), with services available on site a la carte
<b>Number Of Buildings</b>	1
<b>Number of Storeys</b>	6

## DIRECT INCOME CAPITALIZATION

<b>Stabilized Net Operating Income</b>	\$4,338,234
<b>Vacancy Allowance</b>	10.00%
<b>Overall Capitalization Rate Range</b>	6.25% to 6.75%
<b>Value Indication</b>	\$64,300,000 to \$69,400,000

## PROPERTY DATA

<b>Size (Units)</b>	152
<b>Occupancy</b>	46.30%
<b>Year Built</b>	2014/2020
<b>Quality</b>	Good/Excellent
<b>Condition</b>	Good/Excellent
<b>Land Use/Zoning</b>	IP10(297) F(0.5) H(14) (Business Park Industrial Zone)

## DIRECT COMPARISON APPROACH

<b>Concluded Unit Value Range</b>	\$430,000 to \$440,000
<b>Size (Units)</b>	152
<b>Value Indication</b>	\$65,360,000 to \$66,880,000

## VALUATION SUMMARY

<b>Final Adjusted Value</b>	\$66,410,000
<b>Effective Date</b>	11/30/2023
<b>Operating Expense Ratio</b>	42%
<b>Value Per Unit</b>	\$436,908
<b>Going-In Overall Capitalization Rate</b>	6.53%

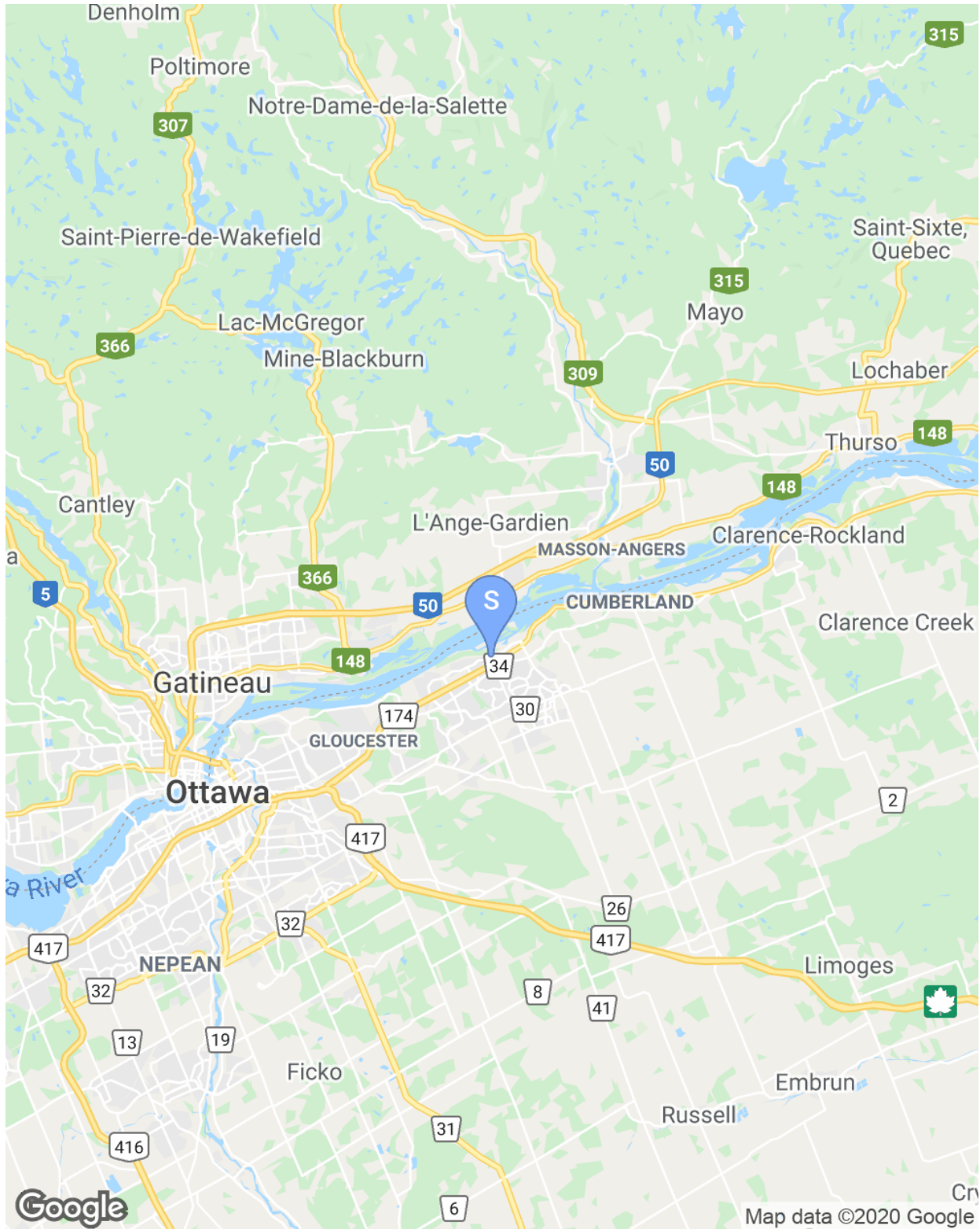
## SUITE MIX

<b>Studio</b>	4	325 SF
<b>One Bedroom</b>	71	446 SF
<b>One Bedroom plus Den</b>	35	606 SF
<b>Two Bedroom</b>	42	737 SF

*\*Subject to the Extraordinary Assumptions & Limiting Conditions contained herein*

Promenade Senior's Suites, 150 Rossignol Drive, Ottawa, Ontario

# General Location Map



Promenade Senior's Suites, 150 Rossignol Drive, Ottawa, Ontario

# Photographs of Subject Property



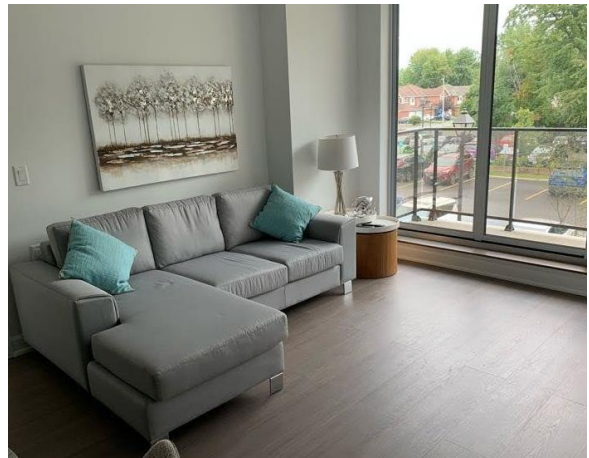
Existing Improvements - Exterior



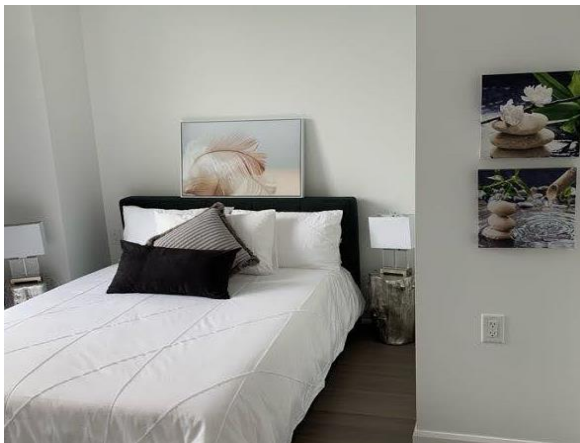
Tenth Line Road Frontage - Exterior



Exterior of Improvements



Typical Suite Finishings



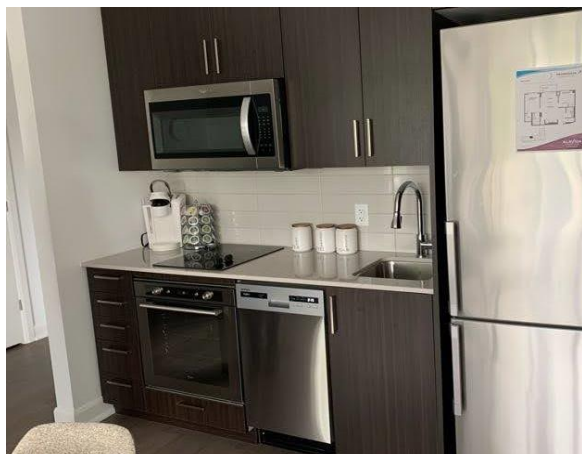
Typical Suite Finishings



Typical Suite Finishings

Promenade Senior's Suites, 150 Rossignol Drive, Ottawa, Ontario

## Photographs of Subject Property



Typical Suite Finishings



Typical Suite Finishings



Typical Suite Finishings



Hallway



Pool

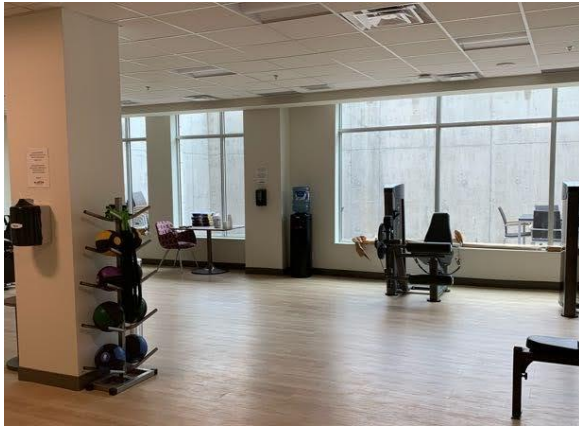


Movie Theatre



Promenade Senior's Suites, 150 Rossignol Drive, Ottawa, Ontario

## Photographs of Subject Property



Fitness Studio



Dining Room



Kitchen



Lounge

# Terms of Reference

## Client and Intended User

The Client of this appraisal is Ashcroft Group of Companies, and the Intended User is Ashcroft Group of Companies.

## Purpose and Intended Use of Report

The purpose of this valuation is to estimate the As-Complete/Stabilized value of the property described herein.

This appraisal is provided on a confidential basis and for the sole and exclusive use by Ashcroft Group of Companies and any other Intended User specifically identified for first mortgage financing only and any third party use of or reliance on this Appraisal Report or any materials prepared by Colliers International Realty Advisors Inc. (Colliers), is strictly prohibited, except to the extent that Colliers has provided prior permission in writing, such permission to be provided or withheld in Colliers's sole and exclusive discretion. In the event that Colliers has not provided said permission Ashcroft Group of Companies shall ensure and be responsible for notifying the third party in writing that it should not rely on the Appraisal Report and any use by such third party of the Appraisal Report or any materials prepared by Colliers shall be at its own risk and that Colliers makes no representations or warranties of any kind. Notwithstanding anything to the contrary, Colliers shall not owe any duty to any third party with respect to the Appraisal Report. Ashcroft Group of Companies shall indemnify, defend and hold harmless Colliers for any and all claims, liabilities, damages, costs and expenses (including court costs and reasonable legal fees) in connection with or arising out of any breach of this Agreement by Ashcroft Group of Companies or any unauthorized use or reliance by third parties of the Appraisal Report or any materials prepared by Colliers.

## Property Rights

The property rights appraised are those of the Leased Fee Interest. The Leased Fee Interest refers to an ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.

## Effective Date

The effective date of this valuation is November 30, 2023.

This Appraisal Report is prepared in the context of the market conditions and other factors (including assumptions and/or materials provided by parties and sources outside of the control of Colliers) prevailing as of the effective date. Real estate markets and assets are subject to significant volatility and change; and can be affected by numerous economic and political conditions as well as other conditions. The value contained (if any) in this Appraisal Report is made as of the effective date only and should not be relied on as of any other date without receiving prior written authorization from Colliers.

## Property Inspection

The following table illustrates the Colliers professionals involved with this appraisal report, and their status with respect to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Rob Purdy, AACI, P.App	No	-	-
Oliver Tighe B.A., AACI, P.App	Yes	Exterior Only	November 30, 2023

Promenade Senior's Suites, 150 Rossignol Drive, Ottawa, Ontario

### Market Value Definition

For the purposes of this valuation, market value is defined as:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and the seller each acting prudently, knowledgeably, and for self-interest, assuming that neither is under duress."

(The Appraisal Institute of Canada "Canadian Uniform Standards of Professional Appraisal Practice". 2020 ed., p. 10)

### Exposure Time

An estimate of market value is related to the concept of reasonable exposure time. Exposure time is defined as:

"The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the Effective Date of the appraisal."

(The Appraisal Institute of Canada "Canadian Uniform Standards of Professional Appraisal Practice". 2020 ed., p. 6)

Exposure Time is a retrospective function of asking price, property type, and past market conditions and encompasses not only adequate, sufficient and reasonable time, but also adequate, sufficient and reasonable marketing effort. Exposure time is a necessary element of a market value definition but is not a prediction of a specific date of sale.

In practice, the exposure time assumes the following:

- The property was extensively marketed. Potential purchasers could inspect the property at will.
- The owner provided interested agents with any and all relevant property information.
- Negotiations of any offers to purchase were performed in a timely manner.
- The property was maintained at a physical status equivalent to its present condition.
- Market level financing was readily available.
- The seller was not under duress.

Ongoing discussions with agents familiar with the market have indicated that properties like the Subject typically require a marketing period of three to six months depending on a variety of factors including its location, vacancy levels, tenant quality, size, market conditions, and motivation of the vendor/purchaser. In consideration of these factors, it is concluded that for the Subject Property to sell at the market value estimated as of the effective date of this report, an exposure period of approximately three to six months would be required.

### Scope of the Valuation

This report has been written in a Narrative format, and complies with the reporting requirements set forth under the Canadian Uniform Standards of Professional Appraisal Practice. As such, all relevant material is provided in this report including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses are retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated.

Promenade Senior's Suites, 150 Rossignol Drive, Ottawa, Ontario

During the course of preparing this valuation, the following was completed:

- Property inspection details are indicated previously within the Terms of Reference section of this report.
- No lease review or audit was conducted. This valuation has been prepared on the basis of summary financial and operating data provided directly to us by our client, in either hard copy or electronic form or both. It is assumed that this information, and specifically that relating to the financial performance of the property described, is accurate. This assumption is critical to the value estimate contained and the authors of this report, and Colliers reserve the right to amend our estimate(s) in whole or in part should the foregoing not be the case.
- A review of a detailed tenant rent roll as provided by our client has been conducted.
- A review has been completed of available data regarding the local market.
- Verification of current land use and zoning regulations has been undertaken. Municipal and neighbourhood information, including tax information, were sourced as noted below and verified where appropriate and possible. Site area and dimensions are from information obtained from the GeoWarehouse. Should further confirmation of site size and dimensions be required, a legal survey should be commissioned.
- A review of sales and listing data on comparable properties has been undertaken. Comparable market information was obtained from our information database and local real estate professionals knowledgeable in the Ottawa real estate market. It was confirmed, when appropriate, with public information at the GeoWarehouse or the parties involved when there was reason to doubt its accuracy.
- Discussions have been held with market participants where applicable.

<b>SOURCES OF INFORMATION</b>	
<b>ITEM</b>	<b>SOURCE</b>
Assessment / Tax Information	Municipal Property Assessment Corporation (MPAC)
Zoning Information	City of Ottawa
Site Size Information	GeoWarehouse
Building Size Information	Client
Demographics	PiinPoint & ArcGIS
Comparable Information	RealNet, RealTrack, MLS
Rent Roll (Dated May 1, 2020)	Client
Site Plan	City of Ottawa & Client
Operating Expense	Client
Suite Configuration	Client
Legal Description	GeoWarehouse

Colliers cannot be held liable for any errors in the information that was provided by third parties or by Tara Bonsor of Ashcroft Group of Companies. The Appraisal Report must be used in its entirety and any reliance on any portion of the appraisal report independent of others may lead to erroneous conclusions.

#### Ordinary Assumptions and Limiting Conditions

This report is subject to the Ordinary Assumptions and Limiting Conditions set forth within the Appendix to this appraisal in addition to any specific assumptions that may be stated in the body of the report. These conditions are critical to the value stated and should be thoroughly read and understood before any reliance on this report should be considered.

Promenade Senior's Suites, 150 Rossignol Drive, Ottawa, Ontario

As of the date of this report Canada and the Global Community is experiencing unprecedented measures undertaken by various levels of government to curtail health related impacts of the Covid-19 Pandemic. The duration of this event is not known. While there is potential for negative impact with respect to micro and macro-economic sectors, as well as upon various real estate markets, it is not possible to predict such impact at present, or the impact of current and future government countermeasures. There is some risk that the Covid-19 Pandemic increases the likelihood of a global recession, however without knowledge of further anticipated government countermeasures at the national and global levels it is not possible to predict any impact at this point in time. Accordingly, this point-in-time valuation assumes the continuation of current market conditions, and that current longer-term market conditions remain unchanged. Given the market uncertainties of the Covid-19 pandemic, a force majeure event, we reserve the right to revise the value estimation set out in this report for a fee, with an update appraisal report under a separate appraisal engagement, incorporating market information available at that time.

#### Extraordinary Limiting Conditions

An Extraordinary Limiting Condition refers to a necessary modification or exclusion of an Appraisal Institute Standard Rule. Such special circumstances include the inability to complete a property inspection, the purposeful exclusion of a relevant valuation technique, etc. No Extraordinary Limiting Conditions were invoked within this appraisal.

#### Hypothetical Conditions

A Hypothetical Condition refers to a condition that is known to be contrary to what exists, but that is supposed to exist for the purpose of analysis. No Hypothetical Conditions were invoked within this report.

#### Extraordinary Assumptions

An Extraordinary Assumption is an assumption which, if not true, could alter the appraiser's opinions and conclusions. They are required when a Hypothetical Condition is invoked or when otherwise necessary due to circumstances that are not self-evident regarding the appraised property. The following Extraordinary Assumptions were invoked within this report:

We have relied on information provided to us by our client with respect to the status of the tenancy and their contractual rights and obligations, and financial data relating to the income and expenses associated with the property's operations, as well as the physical attributes of the property and environmental condition of the site, including any required capital expenditures. The assumptions stated are critical to the value estimate contained and the authors of this report and Colliers reserve the right to amend our estimates should any of these assumptions be altered in whole or in part.

We have not undertaken a detailed soil analysis, and as we are not qualified to comment on soil conditions, we have assumed that there are no contaminants affecting the site. However, a full environmental assessment would be required for certainty and any cost of remedy could potentially impact the reported value conclusion. The sub-soil is assumed to be similar to other lands in the area and suitable in drainage qualities and load bearing capacity to support the existing development.

As the date of the inspection and of writing this report precedes the effective date, it is an Extraordinary Assumption that there are no material changes in the interim to either the physical or operating status of the property or the prevailing market conditions that might impact the value conclusions.

It is an Extraordinary Assumption of this report that the 1.61 acres of underlying land associated with the Subject Improvements has been severed from the parent parcel as of the Effective Date. Any alteration to this assumption will have an impact on the final estimate of value contained herein.

In addition to the foregoing, within the appraisal of the property described herein, the following Extraordinary Assumptions have been employed:

We have relied on information provided to us by our client with respect to the status of the tenancy and their contractual rights and obligations, physical attributes of the property and environmental condition of the site, and occupancy and financial information for the hotel and restaurant. The assumptions stated herein are critical to the value estimate contained herein and the authors of this report and Colliers International Realty Advisors Inc. reserve the right to amend our estimates should any of these assumptions be altered in whole or in part.

The appraiser is not a mechanical/electrical systems expert. All building systems, including water, HVAC, sewer, electrical, alarm, elevator, and all other mechanical operating components of the property are assumed to be in good condition for the purposes of this report. A mechanical systems inspector is therefore recommended to determine the true condition of these building components. Readers should be aware that any significant mechanical system deficiencies would suggest a lower value than as appraised herein. The decrease to value can be greater than the cost to remedy such deferred maintenance.

Revenue and expense information was provided to the appraiser by the client. This includes both written and verbal information. This information was accepted at face value and not verified by any internal or external process. It is therefore a vital assumption of this report that this information is a correct representation of the historical operating performance of the Subject retirement residence. Should it be incorrect due to fraud or negligence, then this report would be void. The appraiser does not certify, in any manner whatsoever, the veracity of the financial statements as supplied by the owner/client. Any party relying upon this report must therefore confirm to their satisfaction the accuracy of the historical data as discussed herein.

The room count and building sizes are based on information obtained from the property owner. The supplied room count and building sizes are assumed to be accurate but should be confirmed with a building survey if greater accuracy is required. No formal room count was completed for this report.

This appraisal assumes that the competency of the Subject retirement residence management team is similar or superior to that of the local market average. Should the property be operated by a less-than-average management team, the market value ascertained herein would be void. Poor management of a retirement residence can negatively affect market value in a profound and long-lasting manner. Changing the management from an incompetent team to a competent team does not produce an immediate benefit to the value. Due to the significant emphasis that market participants put on historical operations data, such a change will normally require a two or three year period before the retirement residence begins to operate at a normalized level.

It is an Extraordinary Assumption of this report that as of the effective date, the Subject Property is operating at a stabilized rate, including occupancy, rents and expenses. Any alteration to this assumption will have an impact on the final estimate of value contained herein.

With the exception of the foregoing, there have been no other Extraordinary Assumptions employed in the preparation of this appraisal or report

Promenade Senior's Suites, 150 Rossignol Drive, Ottawa, Ontario

# Property Data

Municipal Address

150 Rossignol Drive, Ottawa, Ontario

## LEGAL DESCRIPTION

PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 7, 8, PLAN 4R29684 TOGETHER WITH AN EASEMENT OVER PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 2, 4, PLAN 4R29684 IN FAVOUR OF PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PART 7, PLAN 4R29684 AS IN OC1822752 TOGETHER WITH AN EASEMENT OVER PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 2, 3, 4, 5, 6, PLAN 4R29684 IN FAVOUR OF PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PART 7, PLAN 4R29684 AS IN OC1822752 SUBJECT TO AN EASEMENT IN GROSS OVER PLAN 4R30928 AND PART 1 ON PLAN4R31325 AS IN OC2032997 CITY OF OTTAWA

## Property Rights

This valuation pertains to the Leased Fee interest in the property described.

## Encumbrances

There are no encumbrances registered against the title of the subject property. A copy of the Certificate of Title are included in the Addendum to this report to which the reader's attention is specifically directed.

## Ownership / Sale History

The Subject property was acquired from an undisclosed party as vacant land. The consideration for the most recent transfer was also undisclosed.

There have been no other transfers of the property within the past three years.

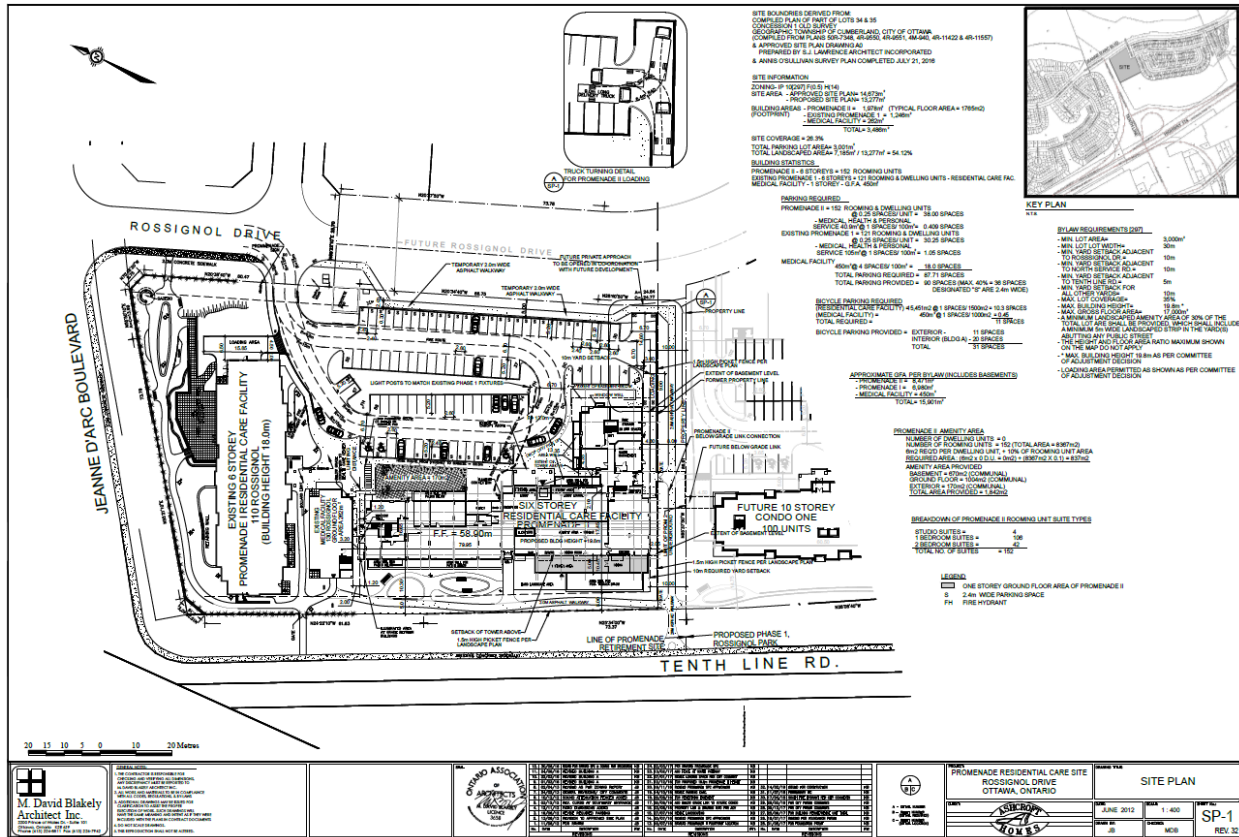
## Realty Taxes/Assessment

The current realty tax and assessment information for the Subject Property is as summarized below:

ASSESSMENT & TAXES				
ROLL NO	TOTAL 2022 ASSESSMENT	TOTAL ASSESSMENT PER UNIT	TOTAL 2022 Annualized YTD TAX LEVY	TOTAL TAX LEVY PER UNIT
0614500401606030000	\$25,806,000	\$169,776.32	\$326,813	\$2,150

It should be noted that the above 2020 Assessment pertains to the underlying lands as if vacant. The 2020 Tax Levy has been estimated based upon data of similar modern Retirement Residence facilities in Ontario and similar markets.

# Site Description



## General Description

The subject site consists of 1 parcel. As noted below, the subject site has 790,845 SF (18.16 AC) of land area. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements. Going forward, our valuation analyses will utilize the usable site area. The following discussion summarizes the subject site size and characteristics.

It is an Extraordinary Assumption of this report that as of the Effective Date the Subject Property has been severed from the Parent Parcel and has a total site area of 1.61 acres.



**Assessor Parcel** 145010928

**Number Of Parcels** 1

<b>Land Area</b>	<b>Acres</b>	<b>Square Feet</b>
Primary Parcel	1.61	70,132
Excess Land	16.55	720,713
<u>Surplus Land</u>	<u>0.00</u>	<u>0</u>
<b>Total Land Area</b>	<b>18.16</b>	<b>790,845</b>

**Shape** Irregular - See Plot Map For Exact Shape

**Topography** Sloping above street grade

**Adjacent Use North** Immediately north of the Subject Property is the an attached medical centre and pre-existing Promenade 1 Retirement Residence

**Adjacent Use South** Immediately south of the Subject Property is vacant land in a forested state, beyond which is the limited access highway Queensway

**Adjacent Use East** Immediately east of the Subject Property is a medium density residential neighbourhood.

**Adjacent Use West** Immediately west of the Subject Property are low & medium density residential land uses.

**Zoning** IP10(297) F(0.5) H(14)

**Drainage** Assumed Adequate

**Utilities** All available to the site

<b>Street Improvements</b>	<b>Frontage</b>	<b>Direction</b>	<b>No. Lanes</b>	<b>Street Type</b>	<b>Curbs</b>	<b>Sidewalks</b>	<b>Streetlights</b>	<b>Center Lane</b>	<b>Gutters</b>
Rossignol Drive	20 Feet	two-way	two-lane	connector street	✓	✓	✓		
Tenth Line Road	425 Feet	two-way	four-lane	minor arterial	✓	✓	✓		

**Accessibility** Good - Overall access to the property is considered to be good. The Subject Property is located north of the Queensway within the district of Orleans; the area is predominantly residential in nature with the nearest major commercial node situated along St. Joseph Blvd. There are walking trails immediately north of Jeanne D'Arc Blvd N. The Subject can be accessed easily via several roadways & highways and is considered to have good access.

**Exposure** Good - The site enjoys good exposure characteristics compared to other mid-rise multi-residential buildings of this size and vintage within the subject neighbourhood. The subject is considered to maintain a good frontage onto Tenth Line Road. Furthermore, the Subject is situated immediately adjacent to the an existing medical facility. The site has secondary exposure along Rossignol Drive, considered to be a residential thoroughfare.

**Conclusion**

The site provides good access and good exposure characteristics and no adverse influences are visually apparent.

## Land Use / Zoning



### Introduction

Zoning bylaws typically establish ranges of permitted and discretionary uses, in addition to development restrictions including such factors as maximum building heights, allowable densities, setback requirements, parking and loading limitations, signage restrictions and other items.

According to the relevant land use / zoning bylaw for the City of Ottawa, the property is currently classified IP10(297) F(0.5) H(14) (Business Park Industrial Zone). An excerpt from the zoning bylaw is included in the appendices to this report.

A zoning summary and a listing of pertinent zoning requirements are presented below:

## ZONING SUMMARY

<b>Municipality Governing Zoning</b>	City of Ottawa
<b>Zoning Bylaw Number</b>	2008-250
<b>Current Zoning</b>	Business Park Industrial Zone
<b>Permitted Uses</b>	See Appendix A for completed permitted uses.
<b>Current Use</b>	Retirement Residence
<b>Is Current Use Legally Permitted?</b>	Yes
<b>Zoning Change</b>	Not Likely

## ZONING REQUIREMENTS

<b>Conforming Use</b>	The existing improvements represent a conforming use within this zone.
<b>Minimum Yard Setbacks</b>	
Front (Meters)	10 Meters
Rear (Meters)	10 Meters
Side (Meters)	10 Meters
<b>Minimum Lot Area</b>	3000 Square Meters

Source: City of Ottawa

### Zoning Conclusions

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of analysis presented correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. Please note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

Based on our interpretation of the applicable land use/zoning bylaw, the property use appears to reflect a legally permitted conforming use. However, the authors are not technically qualified to confirm zoning compliance, and for greater certainty in this regard, written confirmation from the municipality and/or a qualified legal opinion should be obtained.

## Description of the Improvements

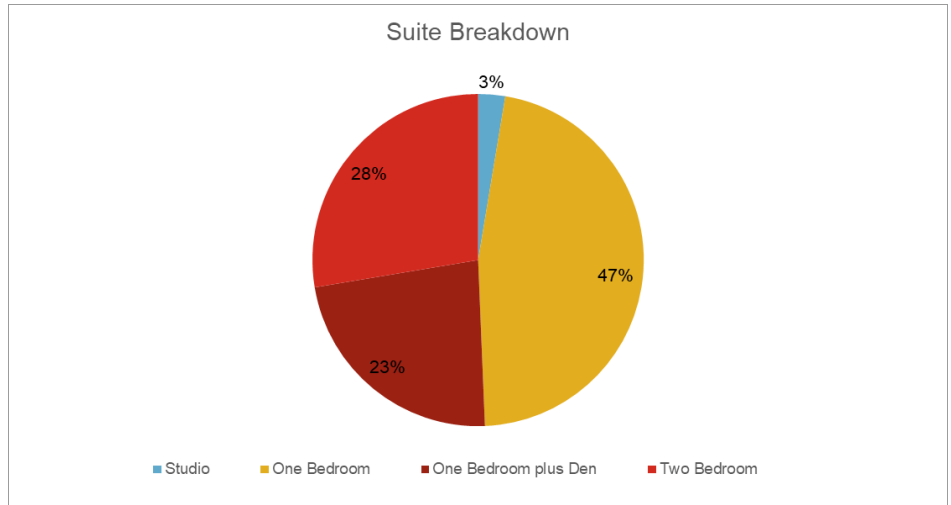


As of the effective date the Subject Property is improved with a 152 unit Independent Living facility for seniors. The Subject Improvements were completed in March 2020 and are partially occupied as of the effective date. Each unit is equipped with a two-burner stove, oven, dishwasher, fridge and microwave and each unit is also equipped with a washer and dryer.

The Subject Improvements feature extensive amenities, commensurate with other modern Independent Living/Senior Apartment developments.

<b>Property Type</b>	Independent Living (Seniors Apartment), with services available on site a la carte
<b>No. of Stories</b>	6 storey building

Units



UNIT MIX			
UNIT TYPES	# of Units	Avg. Unit Size (SF)	% Total Units
<b>Existing Units</b>			
Studio	4	325	3%
One Bedroom	71	446	47%
One Bedroom plus Den	35	606	23%
Two Bedroom	42	737	28%
<b>Total Existing</b>	<b>152</b>		<b>100%</b>
<b>TOTAL EXISTING</b>	<b>152</b>		

Year Built

As previously mentioned, the original component of the Subject Improvements is a former institutional use that was reported to have been constructed in 1950, being converted to retirement uses after the most recent transaction described herein.

Quality & Condition

The property, as complete/stabilized represents good/excellent quality construction in good/excellent overall condition.

Foundation

The foundation of the subject improvements were not fully visible. Discussions with the site contact indicated that there is no below grade premises within the Subject Improvements. The foundation consists of cast-in-place reinforced concrete on compacted granular base.

Superstructure

The superstructure of the subject improvements consists of core slab concrete floor plates and a steel frame support structure.

Roof

The roof of the subject property was not directly inspected during the site tour. The roof membrane is assumed to consist of a modified bitumen membrane or other commercial membrane, commensurate with other modern multi-residential developments. The roof structure is assumed to consist of concrete core-slab.

### Windows / Doors

The exterior doors and windows of the subject property consists of commercial grade, fixed insulated, double-paned glass units set in modern aluminum frames. Most windows within resident units are also operable, with staff and or residents able to open and close the windows at their discretion and interior doors consisting of a combination of solid core, fire-rated wood doors and hollow metal doors set in hollow metal frames. Additional passage doors consist of hollow core metal slabs suspended in metal frames. The units are equipped with balconies, access to which is provided via sliding glass door.

### Common Area/Hallways

The common areas and hallways are comprised of a combination of the following interior finishes:

Commercial grade broadloom/carpet and ceramic tile in high traffic/wear areas. Painted gypsum board walls on assumed steel framing throughout. Incandescent/LED pot accent lighting and ceiling mounted lighting throughout. Suspended acoustic ceiling tiles

### Interior Finishes

The interior areas and finishings of the subject have been demised to accommodate the specific needs of the current users given the nature of the seniors oriented development. Each unit is furnished with a kitchenette, including a two burner electric stove, oven, dishwasher, microwave and fridge. The units are also equipped with en-suite laundry.

The units are finished with wood laminate flooring, painted gypsum board walls and ceiling, a balcony and a three-piece bathroom.

### Vertical Access

Vertical access within the building is provided via the following:

Elevators: 2  
Stairwells: 2

Based on the overall size of the subject improvements, this appears to be adequate by comparative standards.

### Heating/Cooling

Heating is provided throughout the residential units via PTAC wall mounted units. Each resident has autonomous control over their respective units, with the ability to control heating and cooling as desired. Common areas are heated and cooled via rooftop units and air-handling units situated throughout the building.

### Electrical

The electrical service within the subject properties are assumed to be adequate for the needs of the current users and of the anticipated requirements of future users.

The Subject Improvements are equipped with a back-up generator, with sufficient capacity to run building life systems.

### Parking

Onsite parking for the subject property is available for residents, visitors and employees via a paved surface lot located on the west side of the improvements. Review of the site plan provided by the client indicates that the surface parking lot shared between the Subject Improvements and existing Promenade 1 Retirement resident adjacent to the Subject are as follows:

Underground	0 stalls
Surface	90 stalls
Other	0 stalls
Total	90 stalls

### Design and Functionality

The overall design and functionality of the subject improvements are considered to be good and typical to that of other mid-rise, multi-residential seniors suites independent living facilities. The resulting sight lines of the site improvements are also considered to be good.

### Age / Life Analysis

Subject to the above description and the comments below, the following is a summary age / life analysis.

Actual Age	3 years
Effective age	3 years
Economic Life	50 years
Remaining Economic Life	50 years

### Amenities

The subject improvements includes a number of various amenities which could be utilized by residents at their discretion consisting of the following:

- Common Living Rooms and Lounges with couches, tables & kitchenettes
- Common Activity & Games Room
- Fitness Centre/Gym
- Outdoor Patio and Garden
- Salon
- Pool
- Movie Theatre
- Billiards Room
- Yoga Studio
- Private dining room
- Library

These improvements are considered to be typical of other modern luxury mid-rise, multi-residential seniors housing and independent living facilities.

### Comments

The Subject Property is improved with a newly completed seniors housing development, targeting seniors who require little assistance with ADL's and are largely independent. Each suite is furnished with a small kitchenette, including stove, oven, dishwasher, fridge and microwave and each unit is equipped with en-suite laundry. Given the age and design of the Subject Improvements, they are considered to be in excellent condition, commensurate with other modern luxury seniors developments.

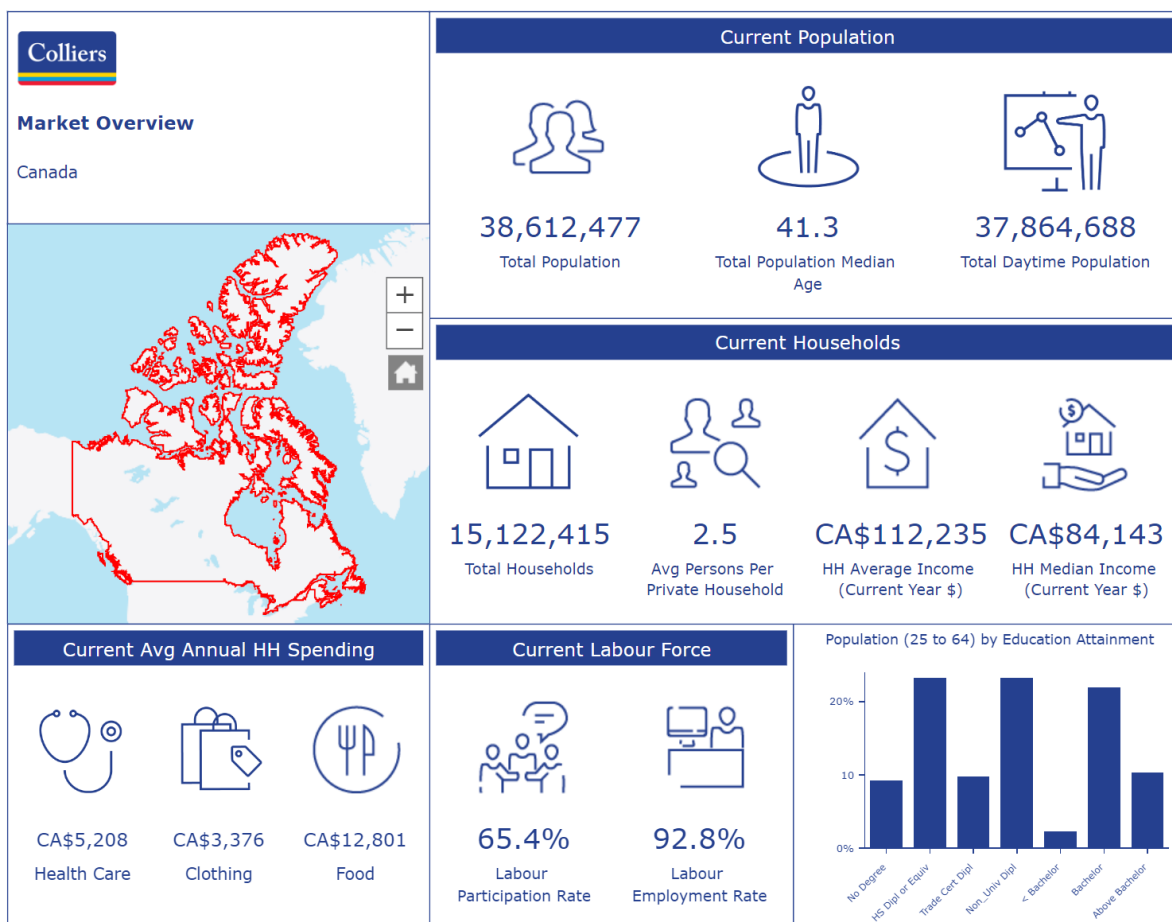


## Economic Overview – Canada

Canada has the world's 39<sup>th</sup> largest population and the world's second largest land mass. The country's population is dispersed among 10 provinces and 3 territories with nearly 90% of its people living within 160 kilometers of the United States border. Canada consistently receives a top fifteen Human Development Index ranking and a top twenty ranking for GDP (nominal) per capita.

Canada's economy consistently receives a top twelve world ranking. International trade makes up a large part of Canada's economy, with the United States as its largest trading partner followed by the European Union and China. Key Canadian exports include petroleum, automobiles and auto parts, precious metals, machinery including computers, wood, electrical machinery, aircraft and spacecraft, pharmaceuticals and aluminum. More recently, Canada's high knowledge industries of manufacturing, business services, engineering and computer and management services have received a top ten global knowledge economy ranking from the World Bank Institute.

Following is a demographic summary for the Country of Canada.



Following is a summary of featured insights prepared by the Oxford Economics in their November 2023 Canada Economic Forecast.

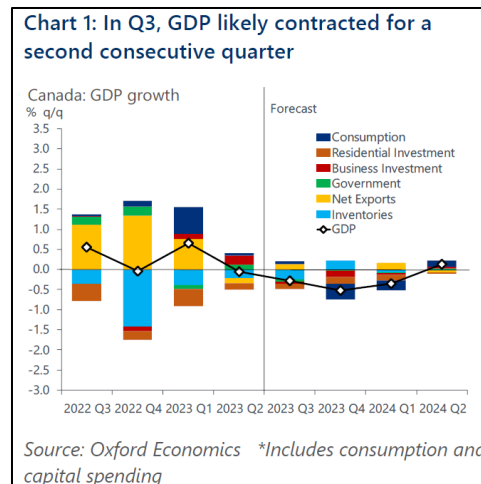
#### Shallow Recession Now Underway Expected to Deepen

- Consumers and businesses are starting to yield to higher interest rates, and their full impact is building. The Canadian economy already slipped into a technical recession in Q2 and Q3 2023 according to preliminary GDP estimates by StatCan. We anticipate sharper contractions through Q1 2024 as the past 18 months of tighter monetary policy weaken demand. We forecast GDP to grow by 0.8% this year, before contracting by 0.4% in 2024, unchanged from last month.
- Job gains in October were outpaced by strong migration-led labour supply growth, lifting the unemployment rate to 5.7%, its highest level since January 2022. We expect the gap between labour supply and demand growth to widen as firms hire less during the deepening recession. This will drive the unemployment rate to 7.2% in Q2 2024.
- After two consecutive monthly increases, CPI inflation eased to 3.8% y/y in September from 4%/y/y in August. Still, we have nudged up our forecast for average inflation in 2024 to reflect a weaker outlook for the Canadian dollar. We expect growing slack during the emerging downturn to facilitate a disinflationary trend to the Bank of Canada's 2% inflation target by late 2024.
- In its October Monetary Policy Report, the central bank cut its outlook for near-term economic growth, which now aligns more closely with ours. The Bank has reduced its GDP growth forecast by 0.6ppts to 1.2% for 2023 and by 0.3ppts to 0.9% for 2024 from its July report. In contrast with our view that the economy will not escape a hard landing, the Bank still anticipates a soft landing.
- The Bank of Canada kept the target for the overnight rate at 5% in October citing growing signs that past hikes are starting to filter through to the economy. As the economy falters, we think the Bank will continue to hold the policy rate at 5% through mid-2024, before beginning to ease slowly. We have raised our forecast for the long-term neutral policy rate by 25bps to 2.25%, in line with a higher US neutral fed funds rate.

#### Forecast Overview

##### Recent Developments

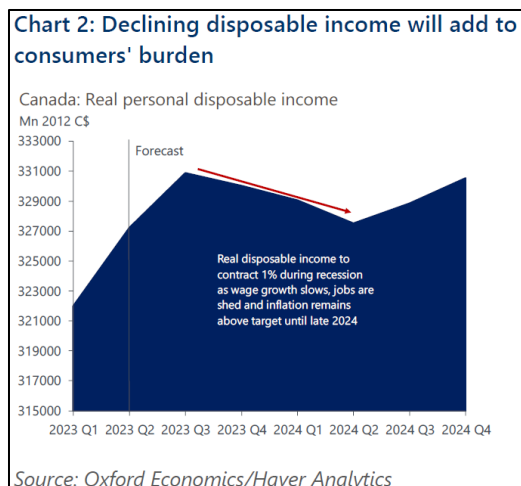
- In August, GDP remained unchanged, still a tick weaker than StatCan's advance estimate. Strong growth in wholesale trade, transportation, and warehousing outweighed the declines in food services and traveller's accommodation, driving a slight uptick in services output. This offset a modest manufacturing-led 0.2% m/m contraction in goods production. Drought conditions in Western Canada hit the agricultural sector, while utilities declined, and construction stalled. Mining, quarrying, oil and gas extraction recovered to levels recorded before wildfires and maintenance weighed on activity in the late spring and summer. But interest-sensitive sectors, including retail trade and real estate, kept weakening in August.
- StatCan's advance estimate indicates that the economy was flat again in September. This suggests that Q3 2023 GDP edged down for the second consecutive quarter and that the economy is now in a technical recession. What is more, we see downside risk to StatCan's Q3 2023 GDP estimate.



- The Bank of Canada (BoC) opted to keep the policy rate at 5% in October, as it becomes clearer that past hikes are starting to filter through to the economy.
- In October, a 17,500 m/m increase in jobs was not enough to match a 57,800 immigration-led increase in labour supply. This lifted the unemployment rate by 0.2ppts to 5.7% in October, its highest level since January 2022. Disruptions from strikes, droughts, floods, and wildfires continue to impact the economy. We estimate the record-breaking wildfire season cut about 0.2ppts off total GDP in Q3, but rebuilding will take time, providing little impetus to economic activity in the short term.

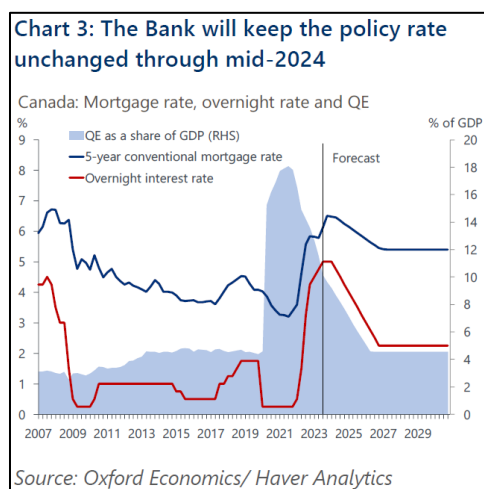
#### Short-Term Outlook

- We think that the official GDP by income and expenditure data will show that the economy contracted by 0.3% q/q in Q3 2023, two ticks weaker than the preliminary monthly GDP by industry estimates suggest. Highly indebted Canadian households are starting to yield to higher interest rates, and the full impact is building. According to the BoC's Q3 Business Outlook Survey, firms are also feeling the sting of higher rates. Many firms think that higher rates will limit sales and hurt business investment plans in the next year, while some are considering hiring less over the next 12 months.
- Mounting job losses along with still elevated inflation and slowing wage growth will weigh on real disposable incomes. This will add to the burden on consumers during the emerging recession, which we expect will last through Q1 2024. Although we no longer expect a mild US recession to start in Q4 2023, we still forecast the US economy to slow down sharply. This will soften demand for Canadian exports.
- So, we now forecast a 1.2% peak-to-trough decline in Canada's GDP over Q2 2023 to Q1 2024, 0.1ppt shallower than our forecast last month.



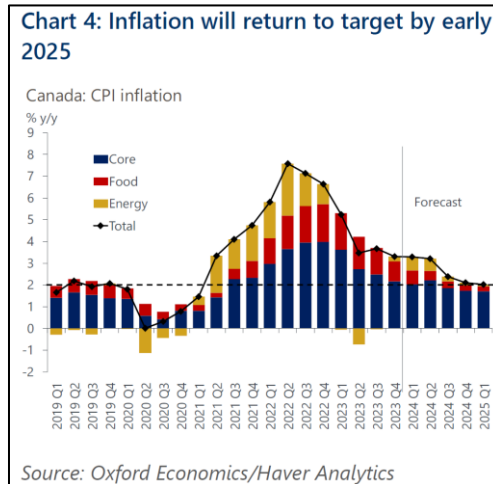
### Key Drive of Our Short-Term Forecast

- Key policy rate cuts will begin in mid-2024. The BoC held the target for the overnight rate at 5% in October, citing "growing evidence that past interest rate increases are dampening economic activity and relieving price pressures". Although, the Bank indicated that it is prepared to raise the policy rate further if needed, given slower-than-expected progress toward price stability and increased inflation risks. However, economic growth in Q3 2023 was slightly negative according to early estimates by StatCan, and much weaker than the Bank's October forecast for a 0.2% q/q rise in GDP. We do not think that the Bank will raise the policy rate further but will hold it at 5.0% until at least Q2 2024, before beginning to slowly ease. We have raised our forecast for the long-term neutral policy rate by 25bps to a 2.25% neutral level in 2027 in line with a higher US-neutral fed funds rate.



- The weaker Canadian dollar will boost prices. The Canadian dollar has depreciated against the US dollar recently on expectations of a more hawkish US Fed, and we expect this weakness will extend into next year. As a result, we now forecast CPI inflation to average 2.7% in 2024, versus 2.6% last month. Weakening demand will loosen the economy and help return inflation close to its 2% target by late 2024.

- Consumers yield to high interest rates. The BoC's Q3 Survey of Consumer Expectations shows that the direct impact of past interest rate increases on household spending is not over and that households are more likely to limit spending in response. Variable-rate mortgage holders are especially feeling the hit from higher debt service costs, while mortgage renewals and refinancings mount. This is placing households in a vulnerable position. In October, 1 in 3 Canadians (age 15+) were living in a household that had found it difficult or very difficult to meet its financial needs according to Statistics Canada. Although we expect consumers to maintain nominal outlays at current levels, we think households will rein in their real spending by 1.2% peak to trough during the recession.



- The unemployment rate will surpass 7% by mid-2024. Record migration-led labour supply growth will outpace job gains during the recession, driving the unemployment rate to 7.2% in Q2 2024.
- The housing correction will deepen further. The resale housing market worsened again after a brief spring revival. Higher mortgage rates and affordability issues will hamper demand and trigger distressed home sales, boosting supply.



## Economic Overview – Ontario

The Province of Ontario is Canada’s most populous province and home to the nation’s capital, Ottawa, as well as the nation’s largest city, Toronto. Besides having 40% of Canada’s population, Ontario has the most culturally diverse population in Canada. The great majority of Ontario’s population and arable land is located in the south. In contrast, the larger, northern part of Ontario is sparsely populated.

Ontario generates 39% of Canada’s GDP and forms Canada’s largest economy. The province’s economy is led by its service sector, manufacturing, agriculture, mining and forestry industries. Nearly 50% of Canada’s high tech, financial services and other knowledge intensive industries are employed in Ontario. Meanwhile, Ontario is Canada’s manufacturing powerhouse, shipping more than \$258 billion of automobiles, information and communications technologies, biotech, pharmaceuticals and medical devices. In addition, the province’s mining industry is among the top 10 producers in the world for nickel and platinum and a significant producer of gold, copper, zinc, cobalt and silver.

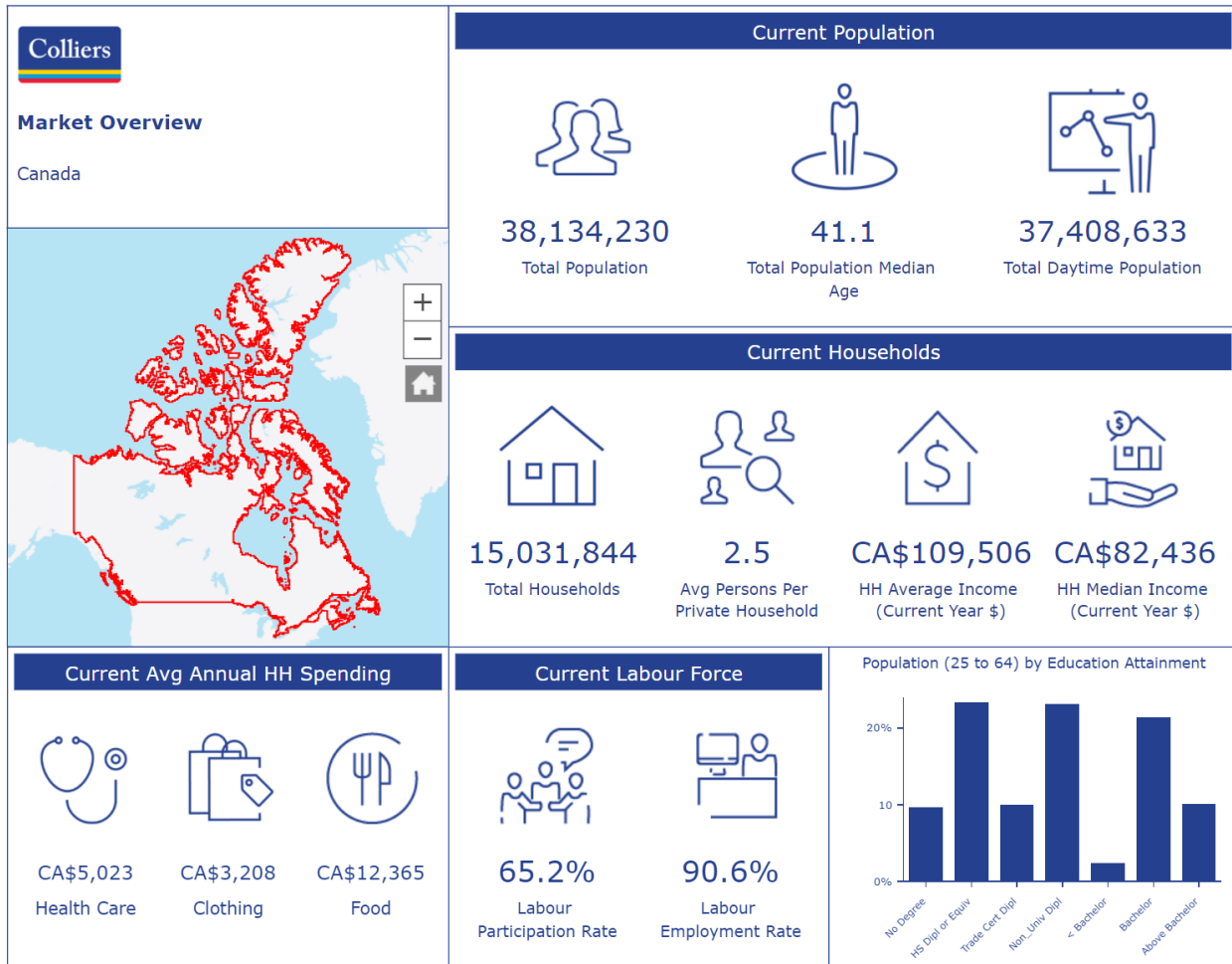


# Economic Overview – Ottawa-Gatineau Market Analysis – 110 Rossignol Drive, Orleans

The subject property is a retirement residence located at 110 Rossignol Drive in Orleans, Ottawa. This report will provide an overview of the Orleans market and will summarize the trends taking place within.

## Market Overview

### Economic Overview – Canada



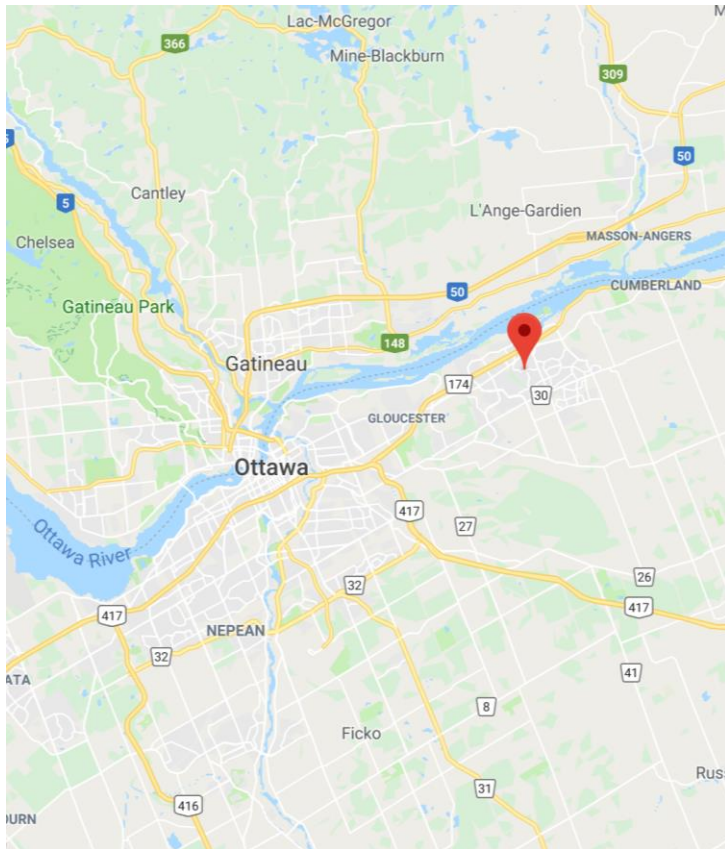
## Economic Overview – Ottawa-Gatineau



Ottawa is the capital city of Canada, fourth largest city in Canada and the centre of the fourth largest metropolitan area in Canada. The city stands on the south bank of the Ottawa River in the eastern portion of southern Ontario at the confluence of three major rivers: the Ottawa River, the Gatineau River and the Rideau River. As a safe, clean and enriching city, coupled with its low cost of living, Ottawa consistently ranks as one of the world’s most livable cities. As the nation’s capital, the Federal government is the city’s largest employer employing over 110,000 people. Meanwhile, the city’s knowledge-based sectors continue to expand with the highest level of Research & Development in the country. The city’s aerospace, defense, e-business, telecommunications and Cleantech employ over 68,000 people. Not only were several large technology companies such as Nortel, Corel, Mitel, Cognos, Halogen Software, Shopify and JDS Uniphase founded in Ottawa, but the city is home to regional locations for Nokia, 3M, Adobe Systems, Bell Canada, IBM and Hewlett-Packard. The city’s other key industries include its health care sector, employing over 18,000 people, and tourism.



## Location Overview – Orleans, Ottawa



**North**  
**South**  
**West**  
**East**

### District Boundaries

Ottawa River  
Wall Road  
Forest Valley Drive/Navan Road  
Trim Road

### Adjacent Districts

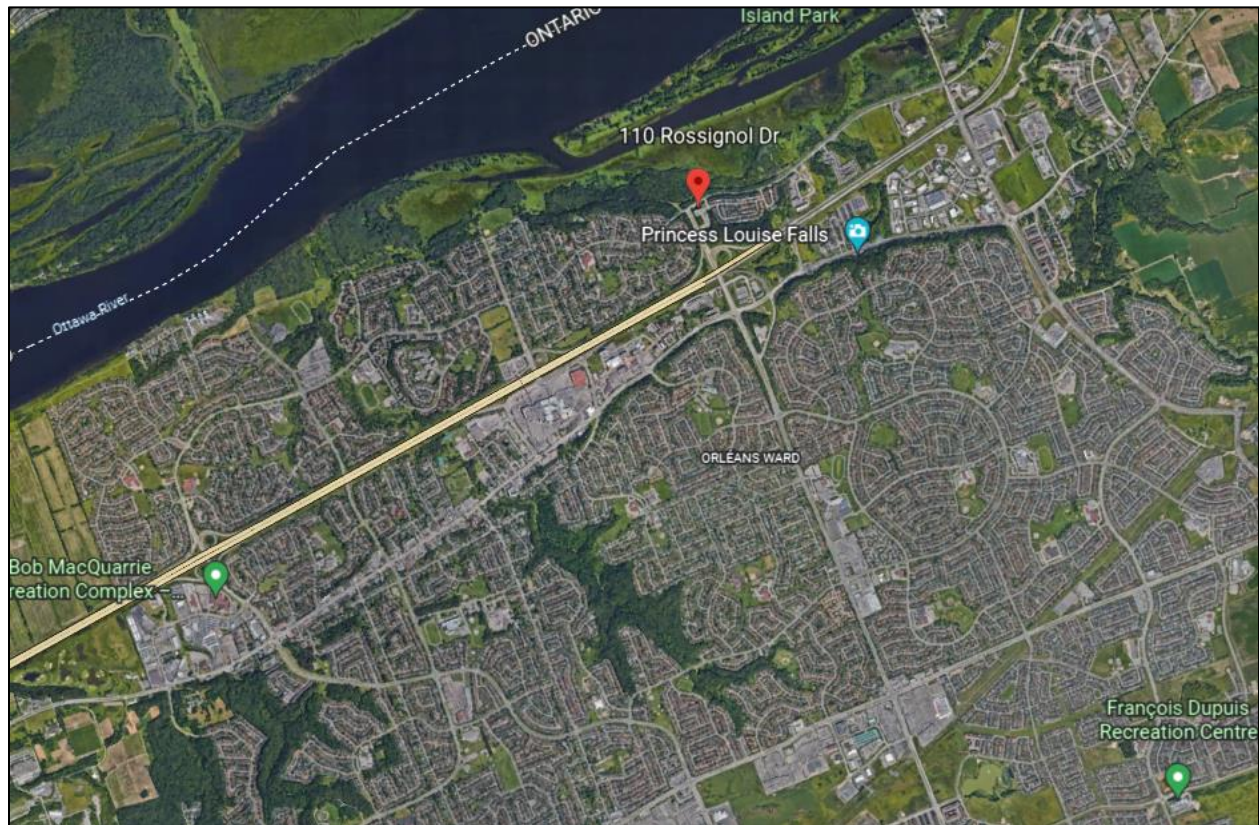
Ottawa River  
Navan  
Gloucester  
Cumberland

Orleans is a suburb in Ottawa, Ontario. Prior to the amalgamation of Ottawa in 2001, Orleans was a part of both the municipalities of Gloucester and Cumberland. Orleans has good access with Highway 174 running across its northern region, connecting Orleans with both Ottawa and Montreal. Orleans is located approximately 17 kilometres east of Downtown Ottawa, with the arterials being Jeanne D'Arc Boulevard, St Joseph Boulevard, Innes Road, and Tenth Line Road.

Orleans offers residential and commercial land uses within its boundaries. The residential portion is largely made up of single-detached home on quiet suburban streets. Orleans offers numerous schools, recreational facilities, and parks.

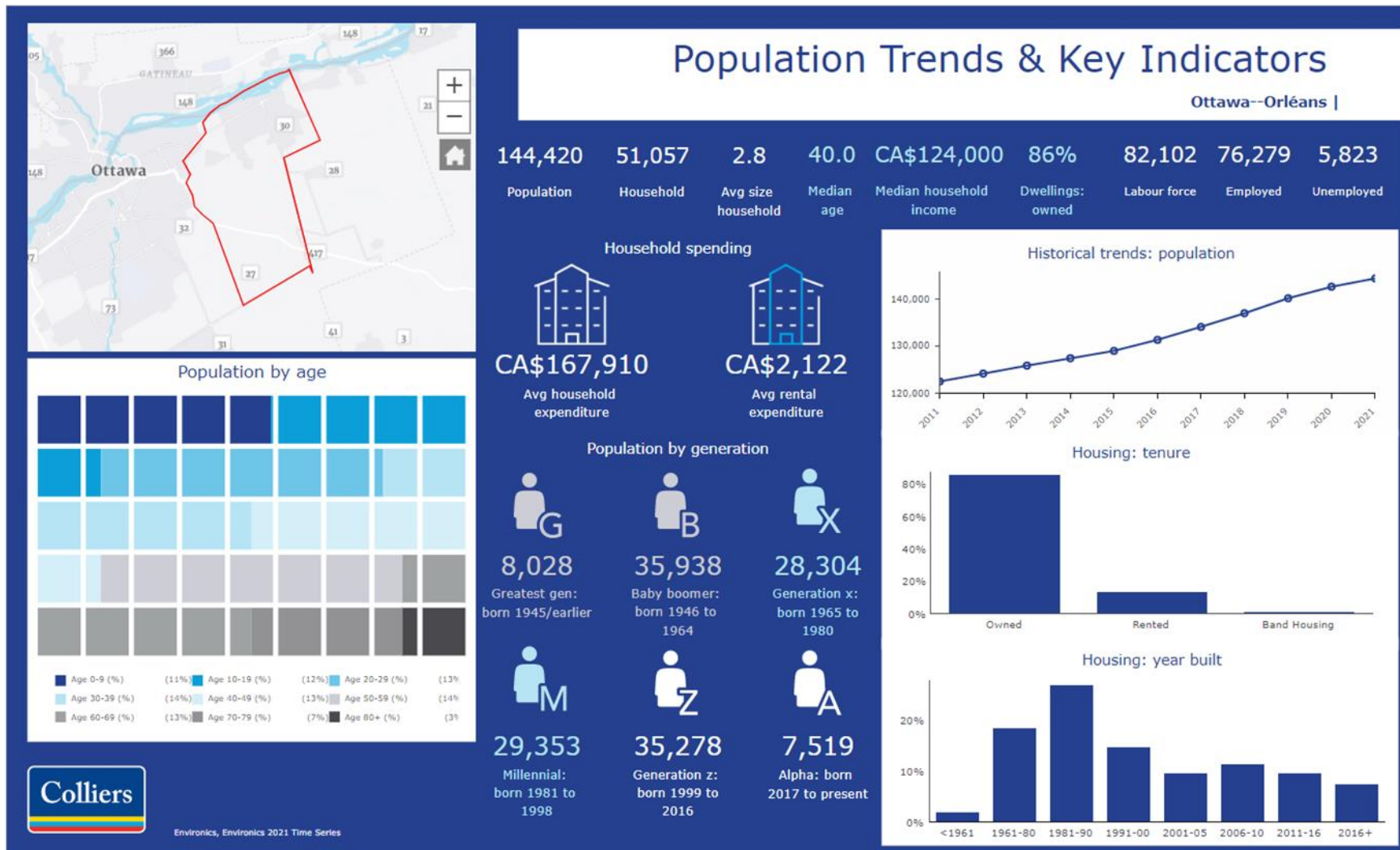
Orleans has several areas of rapid commercial growth, primarily focused around the Place d'Orleans Shopping Centre on St Joseph Boulevard, housing over 175 stores. A retail-industrial area is located along Innes Road with a variety of big box retailers, fast food chains, and other establishments alongside industrial use lands such as warehouses, automotive services, and self-storage facilities.

## Location Analysis



Overall, the site is considered to be well located within the City of Ottawa, and more specifically in Orleans. The subject property is located at the corner of Jeanne d'Arc Boulevard and Tenth Line Road in a primarily residential area. The area sees high daily traffic counts given the nearby interchange with the 174 as well as the intersection with St Joseph Boulevard, both of which are major arterials. We note that there is generally little retail or other amenities which would otherwise attract people to the neighbourhood. However, the subject site is strategically located in an area that is seeing significant residential development. The new development of Cardinal Creek Village, a master-planned community just a few minutes down east from the subject, provides the subject facility with an influx of potential new customers. The community is eventually expected to grow to over 3,000 new homes, per the Ottawa Neighbourhood Study. Perhaps more important than Cardinal Creek is the new luxury apartments being developed at Petrie's Landing, also just a few minutes from the subject property. These apartments will primarily house older, high-income earners and retirees. This forms a core demographic of potential clients for the subject facility.

Orleans is also poised to benefit immensely upon completion of the LRT. The first of Ottawa's major suburbs to have LRT access, Orleans has seen significant residential development as anticipation for the completion of the line grows. Upon completion, Orleans will become a target suburb for many Ottawa residents, further benefitting the subject property.



### Median Age

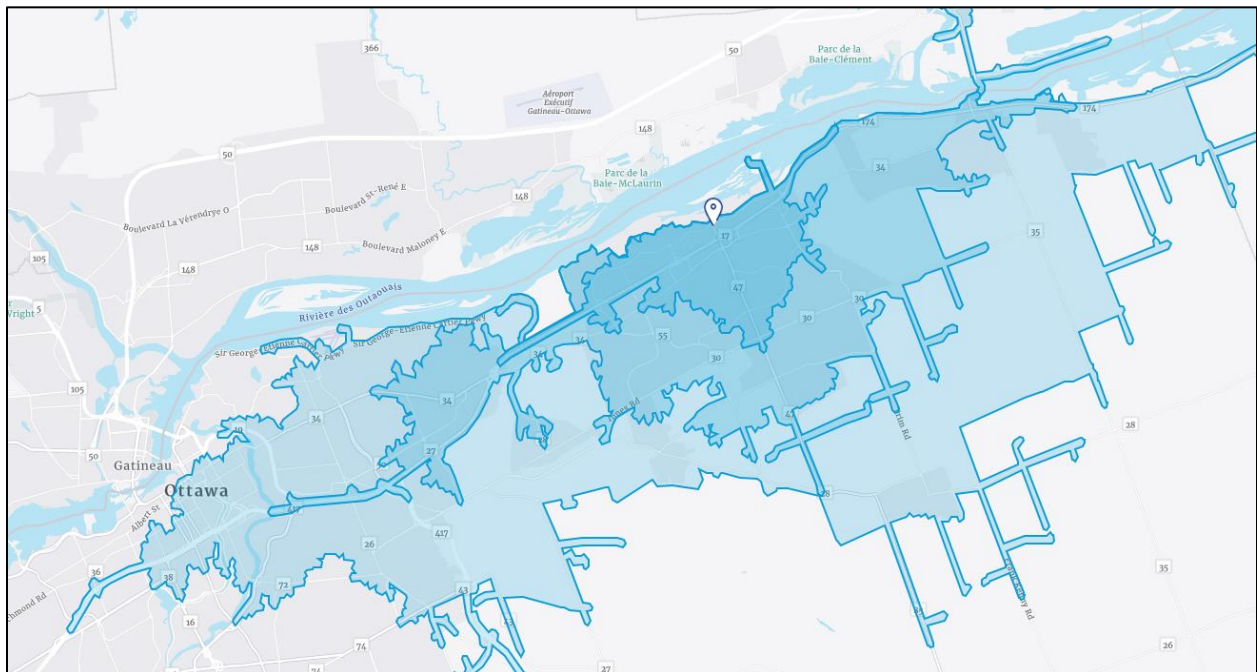
The median ages were found to be 43.1, 43.2, and 40.7 at 1-km, 3-km, and 5-km radiuses, respectively. This is generally in line with Ottawa's median age of 40.0. We believe that the median age in the area will continue to fall as new housing developments attract younger families into the area. Overall, the largest demographic in the surrounding area are those who are in the 36 to 43 group and the over 43 group to the west.

### Median Household Income

The median household incomes were found to be \$106,053, \$127,691, and \$132,548 at 1-km, 3-km, and 5-km respectively. This range falls in line with Ottawa's median household income of \$124,000. This will likely rise upon the completion of Cardinal Village and Petrie's Landing, which will see higher income earners moving into the area. The lowest income levels in the area tend to be in the east toward Cumberland, as it is generally a more rural area with fewer employment opportunities. It is however noted that many areas throughout Orleans feature household incomes in excess of \$140,000 and as high as \$200,000. Overall this bodes well for retirement communities as areas with high income households typically absorb new facilities at a quicker rate than areas with lower incomes. Similarly, wealthier individuals are generally more likely to become clients of retirement facilities and can afford higher rents and more expensive services.



### Drive-Time Analysis



When assessing the demand for self-storage facilities it is important to study the site's accessibility to residents in the neighboring areas. As self-storage is used primarily for personal storage purposes, we have done a drive time analysis to get a better understanding of how accessible the facility is for residents in the Ottawa area. The included drive time are 0-5 minutes (opaque blue), 0-10 minutes (semi-transparent blue), and 0-15 minutes (transparent blue).

	5 minutes	10 minutes	15 minutes
<b>Summary</b>			
2021 Total Population	44,713	149,050	322,039

The figures above indicate a significant population base can access the facility within a 5-, 10-, and 15-minute drive. Given that the facility is located in a suburban area that offers easy access via several arterials, customers will most likely be drawn within a 10-minute drive. Some customers will also be drawn from the 15-minute radius however competition is increased within this drivetime.

Within a 10-minute drive, nearly 150,000 residents can access the subject site which is considered a large pool of potential residents. Within a 15-minute drivetime the customer pool grows to over 320,000 people, however, as previously mentioned there is increased competition as you move west towards more central parts of Ottawa. In order to capture customers in the 10 to 15-minute drivetime high-end amenities and incentives will most likely need to be put in place.

As accessibility is a major demand driver for retirement communities this is a key metric to take into consideration. By having a strong population that can easily access the site, demand for the facility will significantly increase.

### Population Change 2015 – Current

#### 1-km Radius

<b>Summary</b>			
2015 Total Population	4,584	2015 Households	1,988
2021 Total Population	5,327	2021 Households	2,307
2026 Total Population	6,013	2026 Households	2,648
2021 - 2026 Annual Rate	2.45%	2021 - 2026 Annual Rate	2.80%

#### 3-km Radius

<b>Summary</b>			
2015 Total Population	40,941	2015 Households	15,530
2021 Total Population	44,398	2021 Households	16,651
2026 Total Population	47,050	2026 Households	17,758
2021 - 2026 Annual Rate	1.17%	2021 - 2026 Annual Rate	1.30%

#### 5-km Radius

<b>Summary</b>			
2015 Total Population	103,488	2015 Households	37,710
2021 Total Population	112,177	2021 Households	40,428
2026 Total Population	119,104	2026 Households	43,076
2021 - 2026 Annual Rate	1.21%	2021 - 2026 Annual Rate	1.28%

As demonstrated in the charts above, the population distribution has substantially increased in the areas within a 1-km to 5-km radius since 2015. This is the result of residential development in the area, which includes newer apartment buildings as well as single family dwellings, townhomes, and apartments to the north and east. The population has seen an overall positive increase in growth since 2015 within all radiuses that fall within the City of Ottawa's typical growth levels of 10%. Overall the population growth in the area is a good indication for the demand of retirement facilities.

Given the increasing number of jobs in Orleans many are choosing to move towards that area. Similarly, the fact that Orleans will receive access to the LRT line before any of the other major Ottawa suburbs makes it an extremely attractive place to live at the moment. Orleans also offers a very good balance of city living while still being in the suburbs which has resulted in major demand from residents in the Ottawa area.

As such, the subject site's location is expected to have continued growth at moderate levels similar to what is currently being seen. An increase in the population is positively correlated with demand for care facilities.

	1 km radius	3 km radius	5 km radius
<b>Summary</b>			
2021 Total Population	5,327	44,398	112,177
2026 Total Population	6,013	47,050	119,104
2031 Total Population	6,631	49,255	124,944
2021-2031 Annual Rate	4%	2%	2%

This chart summarizes the projected annual growth rates for the area surrounding the subject property until 2031. Based on these figures alone, we can conclude that the subject property is located in a growing area that shows promise of potential future development.

#### Demand Summary

Overall, it is considered that demand for retirement facilities in the subject area is good. The area benefits from population growth and a strong residential population of which a large portion are high income earners. The subject property is also well-located and a significant pool of potential customers can access the facility within the 10 minute drive time. Based on current population and growth trends, it is anticipated that occupancy rates will continue to trend upward in the medium to long term.

## Ottawa CMA Retirement Market Overview

This section presents an assessment of the Seniors Housing market in Ottawa CMA. This section starts by providing an analysis of Ontario's overall Seniors Housing market highlights and then flows into assessing the various qualitative and quantitative factors that would affect the market in Ottawa.

The Seniors Housing market analysis covers the following aspects:

- Supply Characteristics;
- Performance Indicators;
- Conclusion and Outlook.

The following information are based on data provided by the Canada Mortgage and Housing Corporation and collected via an annual survey that covers all centers in each of the ten provinces of Canada and includes both private and non-profit residences.

### Introduction

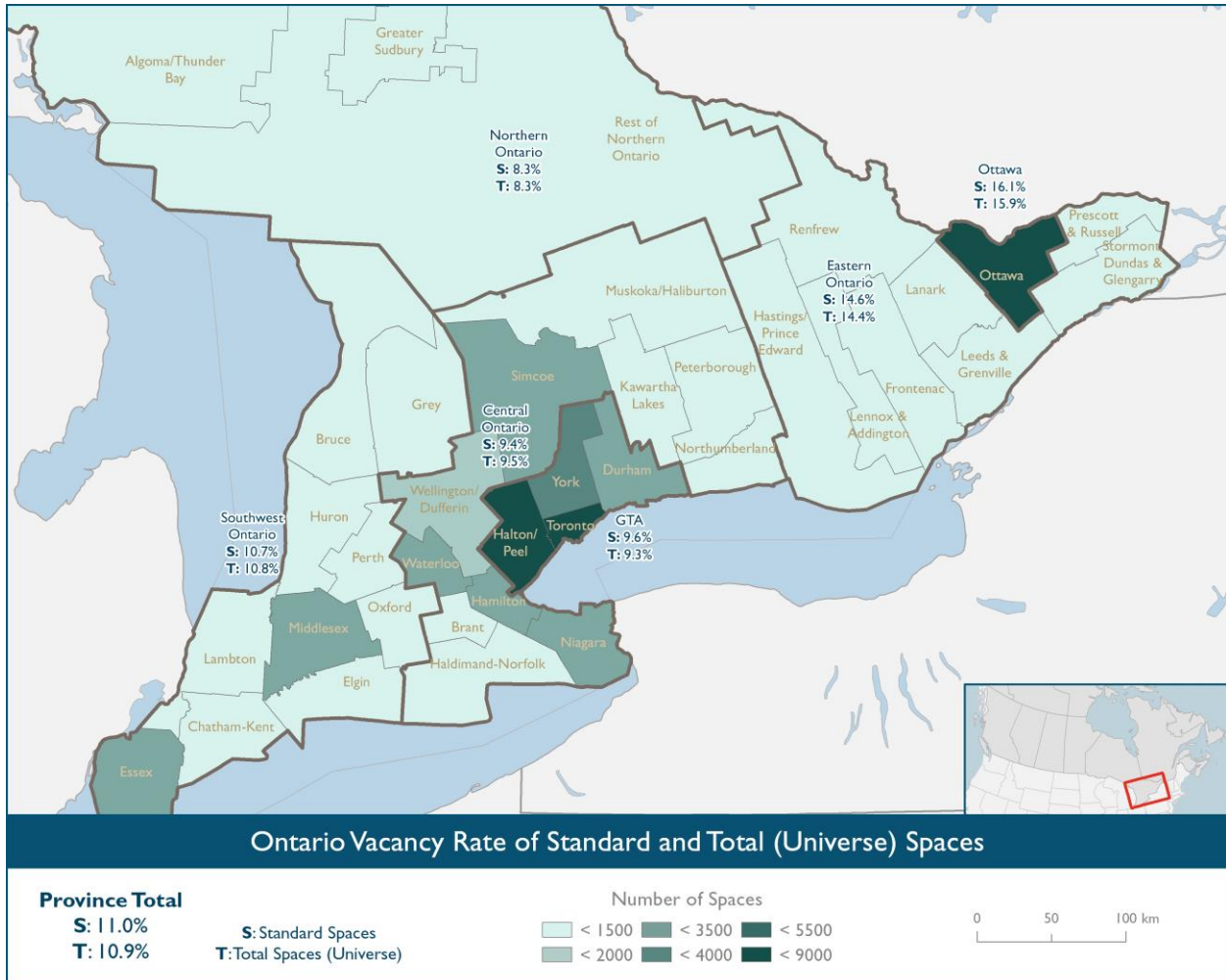
The Seniors Housing in Canada represents a growing sector of real estate and an asset class that is as much sought after as complex in its variances and sub-categories.

The main types of Seniors Housing developments include the private developments called 'Retirement Homes' which are privately owned, and public ones called 'Nursing Homes' or 'Long Term Care Homes' which are government funded by the Ontario province.

The Nursing Homes are regulated by the long-term Care Homes Act, 2007 made under the Ontario Regulation 79/10. In Ontario, the Ministry of Health and Long-term care regulates, inspects and sets out accommodation fees for all long-term care homes. By law, long-term care homes must provide residents safe, consistent, high-quality, and resident-centred care.

The Retirement Homes are regulated by the "Retirement Homes Act" under the Retirement Homes Regulatory Authority which enforce care and safety standards and supports the rights of residents (via licensing, conducting inspections and investigating complaints).

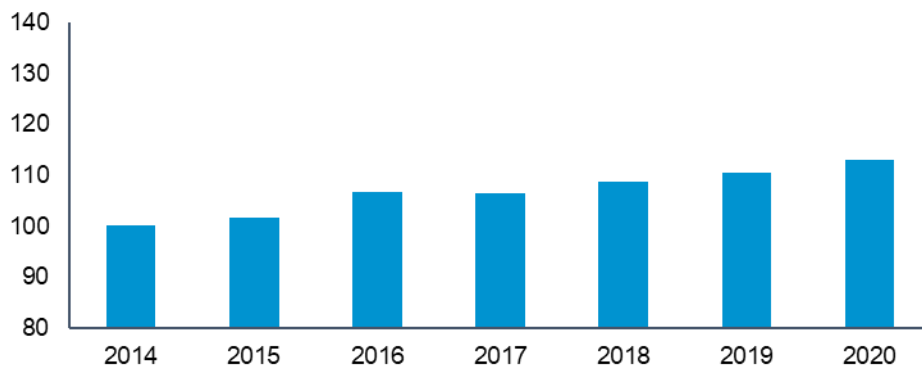
As the Subject Property consists of a privately-owned retirement home, the following Seniors Housing market analysis section will focus on the retirement homes market in Ottawa CMA. **The Map on the following page depicts the area denoted as "Ottawa CMA" by the CMHC.**



**Supply Characteristics**

In order to assess the attractiveness of Seniors Housing in the Ottawa CMA, we have observed the evolution of the Seniors' Universe for the past ten years and their number of residents as set out on the following chart.

**Evolution of Average Number of Spaces Per Residence**

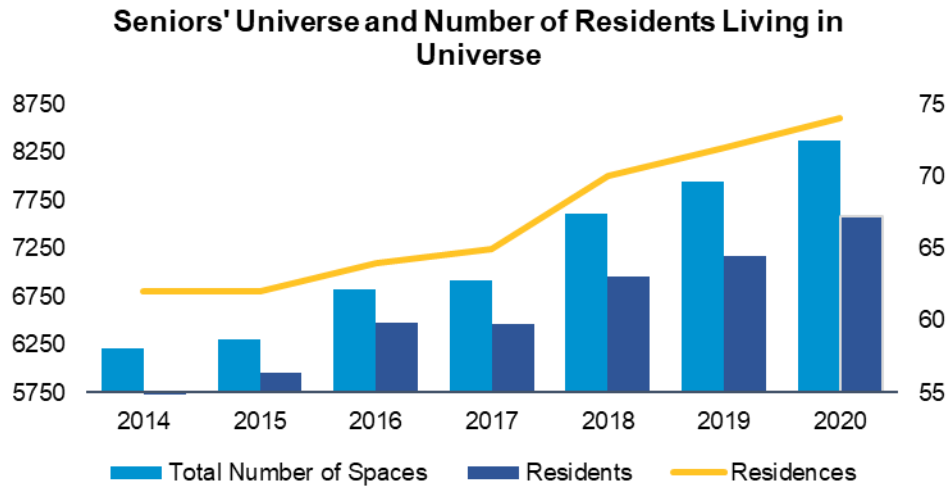


Source: CMHC, 2020



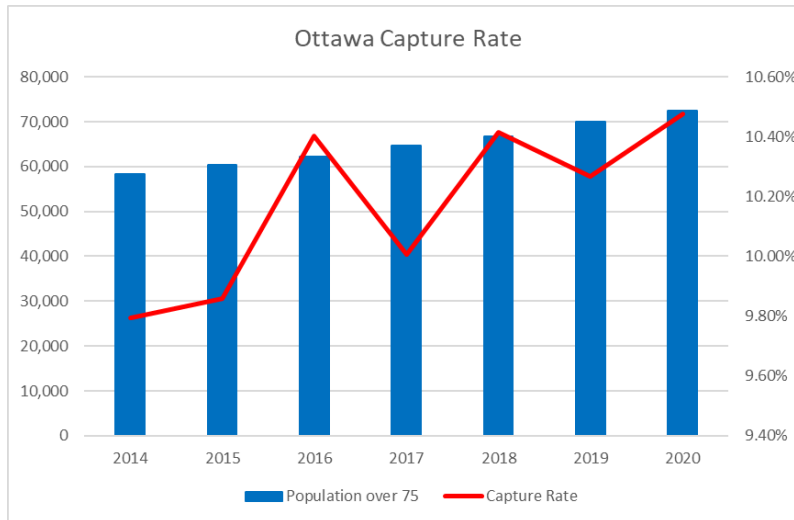
It appears from the chart that the total number of spaces (8,368 in 2020) has witnessed steady year over year growth levels during the period observed, being approximately 5.14% annually on average. The total number of spaces has grown by 34.7% over the period observed.

The following chart depicts the number of residents occupying the inventory of Retirement Residence units within the Ottawa CMA area, as of 2020. As can be seen the supply of Seniors Housing within Ottawa CMA has experience a steady growth over the observed period, increasing from 62 residences in 2014 to 74 residences in 2020.



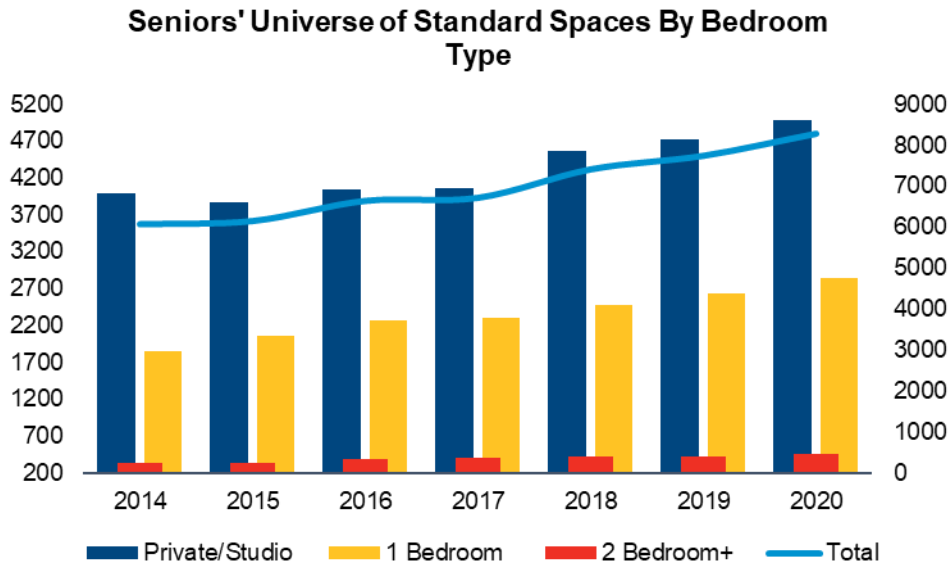
Source: CMHC, 2020

As further context to the total number of spaces and the total number of residents, the target demographic for Seniors Housing (75+) significantly exceeds the number of Senior Housing spaces as tracked by CMHC. As of the effective date, the Capture Rate for Norther Ontario was 10.48%, and has averaged 10.17% since 2014. The capture rate has remained relatively steady during the observed period and population over 75 years of age has grown by 24%



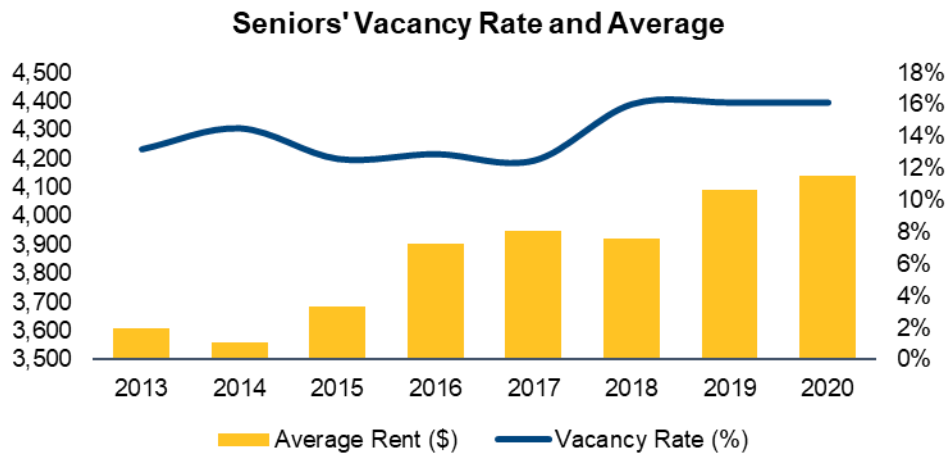
Source: CMHC, 2020

In order to better understand the current supply of Seniors Housing in Ottawa CMA, we have observed the different units' categories within standard spaces that have been on the market since 2014. The following chart sets out the Seniors universe of standard spaces by bedroom type. As can be seen, 1-bedroom and 2-bedroom configuration is becoming a larger proportion of the overall suite count in recent years. The Subject Development features predominantly one-bedroom and one-bedroom plus den suite configurations.



Source: CMHC, 2020

During the period from 2014 to 2020, vacancy rate has averaged 14.24% and average achieved rent has increased from \$3,610 to \$4,141, representing an increase of 14.7% over the observed period.



# Supply Analysis


To support the potential absorption of the subject units we have surveyed the local market for potential competing retirement homes and independent living facilities.

## Retirement Homes


The following will display the purpose-built retirement homes in the competitive area.

Capel Hill – 2305 Page Road, Ottawa, ON		
	Year Built	2016
	Price Range	\$4,150 to \$5,950
	Number of Units	157
	<p>Capel Hill provides independent and assisted living options. Operated by All Seniors Care, this location opened in 2016 offering 2-bedroom, 1-bedroom, and studio suites. The units include kitchenettes, individual climate control, and contemporary finishes. The buildings also features a dining room, games room, car services, and an indoor pool.</p>	


Bruyere Village The Villas – 899-903 Hiawatha Park Road, Ottawa, ON		
	Year Built	2012
	Price Range	\$2,200 to \$3,000
	Number of Units	78
	<p>The Villas opened in 2012 and is operated by Bruyere. The units are geared towards independent living with full kitchens, private bathrooms, and individual climate control. The villas do offer units at subsidized pricing making many of the units below mark rent.</p>	

Royal Gardens – 2802 St Joseph Boulevard, Ottawa, ON		
	Year Built	2012
	Price Range	\$3,300 to \$5,400
	Number of Units	96
	<p>Royal Gardens is a independently owned and operated senior living home. The building caters to independent living offering studio, one- and two-bedroom homes. The building offers common areas such as a dinning room, games room, barber shop, lounge, and outdoor terrace.</p>	

Portobello Manor – 691 Valin Street, Ottawa, ON		
	Year Built	2008
	Price Range	\$3,750 to \$5,300
	Number of Units	132
	<p>Portebello Manor is owned and operated by Revera. The facility offers independent and assisted living options. Available units include studio and one-bedroom suites. The rooms offer small kitchenettes with some offering balconies. Amenities include a dining room, 24hr café and pub, theatre, crafts and games room, shuttle service, and an onsite physician.</p>	

Belcourt Manor – 1344 Belcourt Boulevard, Ottawa, ON		
	Year Built	1999
	Price Range	\$2,600 to \$4,000
	Number of Units	109
	<p>Belcourt Manor is owned and operated by Chartwell Seniors Housing. The retirement home is older compared to the competing market however occupancy remains near capacity. The Manor offers Studio and 1-bedroom units. Amenities include a crafts and games room, library, TV room, activity room, as well as a garden.</p>	

Queenswood Villa – 370 Kennedy Lane East, Ottawa, ON		
	Year Built	1992
	Price Range	\$3,000 to \$4,500
	Number of Units	58
	Queenswood Villa is an older building operated by Revera. The building caters to moderate and fully assisted living residents. Studio and 1-bedroom units are available without kitchens. Amenities include a dining room, recreation room, craft room, bi-weekly doctor visit, laundry facilities, and a courtyard.	

Symphony Orleans – 6419 Lumberman Way, Ottawa, ON		
	Year Built	1989
	Price Range	\$3,000 to \$5,500
	Number of Units	153
	Operated by Symphony Senior Living the older building consists of 85 retirement units and 68 conventional rental units. The assisted living units generally demand heavier care.	

The supply of purpose-built retirement homes in the area offers a wide range in offerings with a variety of amenities, living autonomy, and price range. Despite a number of retirement homes in the Orleans area the lowest occupancy rate among new builds is 96% with most homes operating above 99%. Lower occupancy rates were found in older building with poor amenities and build qualities. This suggests that there is a strong demand for new retirement homes with good amenities and that an addition to the supply will be absorbed appropriately.

The subject property will appeal to a broader market of potential tenants than most of the supply. This is due to its units having full kitchens and in-suite laundry which is not typical of most competitors. This will attract tenants who are looking for senior living homes as well as provides an alternative to seniors who are unsure whether they are ready for a conventional retirement home. In addition to the in-suite amenities the common amenities are in line of a luxury building which greatens the building incentive towards prospective tenants.

# Valuation

## Highest and Best Use

The principle of highest and best use is fundamental to the concept of value in real estate. Highest and best use, in general, may be defined as follows:

“The reasonably probable use of real property, that is physically possible, legally permissible, financially feasible and maximally productive, and that results in the highest value.” The four criteria the highest and best use must meet are analyzed following in relation to both the property as vacant and as currently improved.

### As Vacant Analysis

#### Legal Permissibility

The legal factors that can influence the highest and best use of the subject site include land use/zoning regulations, private restrictions, building codes, historic designations/district controls, environmental regulations and others, if applicable to the subject site. In the subject instance, general ranges of permitted uses under its Business Park Industrial Zone zoning were summarized in the Land Use / Zoning section. Overall, legal factors appear supportive of a broad range of residential and institutional uses for the subject site.

#### Physical Possibility

Regarding physical characteristics, the subject site is irregular in shape and has sloping topography with good access and good exposure. Physical and locational features appear supportive of commercial or residential development for the site's highest and best use as-vacant.

#### Financial Feasibility

Our observations of current market conditions for development at the subject property's location suggest that development of the site with a residential/institutional use would be feasible.

#### Maximum Productivity

Of the various legally permissible, physically possible, and financially feasible uses available, the maximum productivity of the property would be achieved with a residential/institutional development.

#### As Vacant Conclusion

Based on the previous discussion, the subject's highest and best use as-vacant is concluded to be as a holding parcel for residential/institutional development pending creation of sufficient demand.

### As Improved Analysis

#### Legal Permissibility

The current use is a permitted use within the applicable zoning and/or land use bylaw requirements affecting the property. There are no known private or other restrictions negatively impacting use of the property. Therefore the current use is considered legally permissible.

#### Physical Possibility

The site is of a sufficient size, configuration, and topography to accommodate the property's present use as improved in an efficient and functional manner. Therefore the current use is considered physically possible.

#### Financial Feasibility

As improved, the property provides a sufficient return that the property as presently improved is considered to be financially feasible.

#### Maximum Productivity

Of the various legally permissible, physically possible, and financially feasible uses of the property as improved, the current use is considered to represent the maximum productivity of the property.

#### As Improved Conclusion

Based on the previous discussion, the highest and best use of the subject property as-improved is concluded to be represented by a continuation of its existing use.

## Valuation Methodology

Traditionally, there are three accepted methods of valuing real property:

- Cost Approach;
- Direct Comparison Approach; and
- Income Approach

The selection of a relevant methodology depends upon the nature and characteristics of the real estate under consideration.

- 1) **The Cost Approach** to value is based upon the economic principle of substitution, which holds that the value of a property should not be more than the amount by which one can obtain, by purchase of a site and construction of a building without undue delay, a property of equal desirability and utility.
- 2) **The Direct Comparison Approach** examines the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the Subject Property on the basis of time and such features as location, size and quality of improvements, design features and income generating potential of the property.
- 3) **The Income Approach** to value is utilized to estimate real estate value of income-producing or investment properties.

**The Direct Capitalization Method** is based on the conversion of current earnings directly into an expression of market value. The net income for the current or forthcoming fiscal year is capitalized with an overall rate, which reflects the investment characteristics offered by the asset.

The capitalization rate used is based on the analysis of sales and interviews with people active in the market.

**Discounted Cash Flow Analysis** allows the appraiser to account for the anticipated growth or decline in income over the term of a prescribed holding period.

Two rates must be selected for an application of the DCF process:

- The internal rate of return or discount rate used to discount the projected receivables; and
- An overall capitalization rate used in estimating reversionary value of the asset.

The reversionary capitalization rate utilized is usually similar to the rate that would be applied in present market conditions.

### Selection of Relevant Methodology

As the property is an income producing asset, purchasers would analyze the property on the basis of its income generating capability. For this reason, we have valued the property using the Income Approach. The Direct Comparison Approach is not the preferred method for valuing income producing real estate. In the case of the Subject Property the Direct Comparison Approach can be utilized as a secondary check and balance on the conclusion of the Income Approach. Investors or analysts do not typically use the Cost Approach to value properties such as the Subject. The inherent difficulties in accurately estimating developer's profit and all forms of depreciation restrict the reliability of this approach. For these reasons, we have not utilized the Cost Approach to value the property.



## Overall Income Capitalization

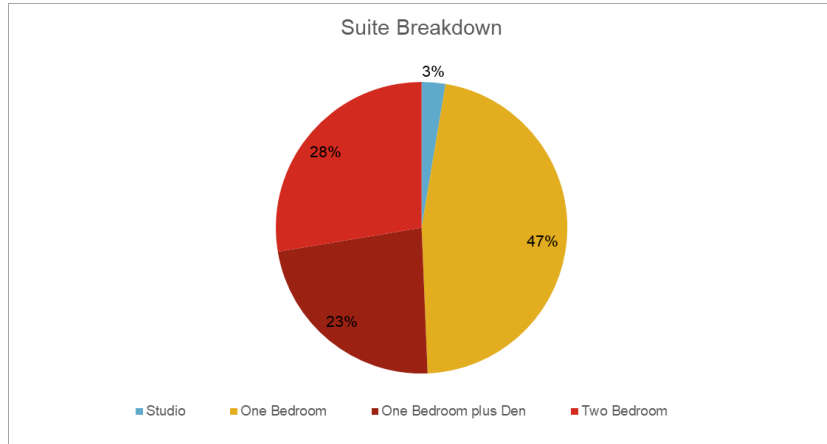
### Revenue and Expense Analysis

To estimate the market value of a property by the Income Approach, the main criteria for the measurement of value is the property's ability to generate income. To this end, an analysis of the potential income and the probable expenses associated with maintaining this income stream is undertaken in order to estimate the net operating income the property is capable of producing.

The net operating income is then converted into an expression of market value through the application of an appropriate technique. The most commonly utilized methods for valuing real estate such as the Subject are the *Overall Income (Direct) Capitalization* and *Discounted Cash Flow* techniques. The Overall Income Capitalization method has been included in our analysis.

Suite Mix

The project includes a total of 152 units and includes a mixture of



UNIT MIX			
UNIT TYPES	# of Units	Avg. Unit Size (SF)	% Total Units
<b>Existing Units</b>			
Studio	4	325	3%
One Bedroom	71	446	47%
One Bedroom plus Den	35	606	23%
Two Bedroom	42	737	28%
<b>Total Existing</b>	<b>152</b>		<b>100%</b>
<b>TOTAL EXISTING</b>	<b>152</b>		

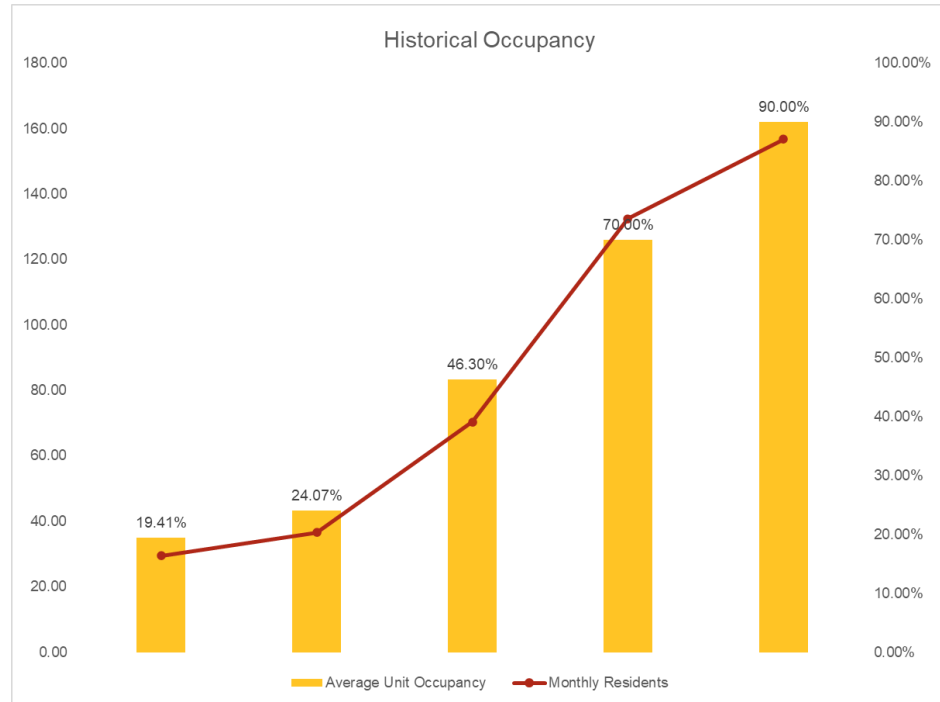
Occupancy

As of the effective date the As-Complete/Stabilized Subject Property is assumed to have an occupancy rate of 90.00%. As of the Effective Date the Subject Property is still in the lease-up/stabilization phase.

While the City of Ottawa CMHC Seniors Data for 2021 shows that average vacancy rates are above 10%, given that the Subject Property is primarily an independent living/seniors apartment facility, it is considered to appeal to a broader audience than typical retirement residence product. As such, the Subject Property is expected to have a lower vacancy rate than the CMHC data indicates is prevalent within the surrounding market place.

Resident Days

As of the effective date the Subject Property was 54.61% occupied, indicated an average of 83 suites occupied. As per the Extraordinary Assumptions contained herein, it is assumed that the Subject Property is exhibiting stabilized occupancy levels. Review of the prevailing market conditions for properties within the Subject Market, coupled with the strong historical performance of the Subject Property, a forecasted occupancy level of 95% has been utilized herein.



Historical Occupancy						
Year	Average Unit Occupancy	# of Units	Avg. Units Occupied	Avg. Monthly Double Occupants	Average Monthly Residents	Actual Resident Days Based on Occupants
2020 Actual	19.41%	152	30	0	29.50	10,768.67
2021 Actual	24.07%	152	37	0	36.59	13,354.04
2022 Actual	46.30%	152	70	0	70.38	25,687.24
2023 Budget	70.00%	152	106	0	132.50	48,362.50
Colliers Projection	90.00%	152	137	20	156.80	57,232.00

Given the nature of the Subject Improvements, featuring larger suites than typical Retirement Residence improvements, it is assumed that 10% of the units will have a second occupant.

Tenant Profile

The tenants in place are all assumed to have been vetted with limited potential for non-payment of rent. A non-payment allowance will be included in our vacancy and bad debt provision.

Market Lease Survey

In order to determine how the Subject’s contract rents compare to current market levels, a residential rental market survey was undertaken. The survey is summarized below.



	Park Place Seniors Suites & Retirement Residence	Ravines Seniors Suites & Retirement Residence	Wellington West Retirement Community	Redwoods Retirement Residence	Carp Commons Retirement Village
<b>Funding Type</b>	Private	Private	Private	Private	Private
<b>Address</b>	110 & 120 Central Park Dr	626 Prado Private	1166 Wellington ST W	2604 Draper Avenue	458 Donald B Munro Drive
<b>Location (City/Town)</b>	Ottawa, ON	Ottawa, ON	Ottawa, ON	Ottawa, ON	Carp, ON
<b>License First Issued</b>	2003	2014	2022	2000	2019
<b>Total Number of Units</b>	200	82	111	211	129
<b>Studio</b>					
Monthly Rental	\$3,474+	\$3,382	\$5,850	\$2,920	\$3,500
Unit Size (sq.ft.)	378 - 415	344	322-512	500	496-412
<b>One Bedroom</b>					
Monthly Rental	\$5,468 - \$6,288	\$5,580 - \$6,510	\$6,310	\$2,730 - \$4,090	\$4,225 - \$4,650
Unit Size (sq.ft.)	611 - 735	505 - 790	550-719	369 - 646	504-560
<b>Two Bedroom</b>					
Monthly Rental	\$6,752	\$6,911 - \$7,175	\$7,490	\$4,760 - \$5,090	\$5,775
Unit Size (sq.ft.)	785 - 1,000	854 - 970	880-997	858 - 965	843-924
<b>Double Occupant Fee (s):</b>	\$767	\$732	\$750	n/a	\$775
<b>Pricing Comments:</b>	Cable TV Included in Room, Kitchen, Fireplace, Balcony	Cable TV Included in Room, Kitchen, Fireplace, Balcony	Pricing includes kitchen or kitchenette in room, meals, weekly housekeeping	Pricing includes kitchen, call bell system and cable TV in room.	Pricing includes accommodation, utilities, available amenities and in most cases meals and listed activities.
<b>24 Hour Staffed Supervision</b>	Yes	Yes	Yes	Yes	Yes
<b>24 Hour Nursing Supervision</b>	Yes	Yes	Yes	Yes	Yes
<b>Emergency Response</b>	Nurse Call System	Nurse Call System	Emergency Call Buttons	Nurse Call System	Nurse Call System
<b>Medication Supervision/Admin</b>	Extra Fee	Extra Fee	Extra	Extra	Extra
<b>Bathing Assistance</b>	Extra Fee	Extra Fee	Extra	Extra	Extra
<b>Assistance with ADL's</b>	N/A	Extra Fee	Extra	Extra	Extra
<b>Meals</b>	Flexible Meal Plans	Flexible Meal Plans	3 Meals per day	Extra	3 Meals Per Day
<b>Snacks</b>	Daily	Yes	Yes	Yes	Yes
<b>Housekeeping</b>	Weekly	Weekly	Weekly	Weekly	Weekly
<b>Towel and Linen Service</b>	Extra	Extra Fee	Extra Fee	Weekly	Extra
<b>Personal Laundry</b>	On Floor or Extra	On Floor or Extra	Extra	Extra	Extra
<b>Utilities (Hydro, water, gas)</b>	Included	Included	Included	Included	Included
<b>Resident Activities + Amenities</b>	Salon, Chapel, Library w/Computer, Private Dining room, Wellness centre, Theatre Room, Patio	Salon, Chapel, Library w/Computer, Private Dining room, Wellness centre, Theatre Room, Patio	Billiards, Fitness Studio, Pub/Bar, Pool, Salon, Games Room, Party Room, Pet Friendly, Laundry machines	Hairdresser, Party Room, Laundry Machines, Games Room, Pool, Chapel, Computers, Fitness Studio, Billiards	Movie Theatre, Spa/Salon, Laundry Machines, Games Room, Chapel, Billiards, Pub/Bar, Library, Private Dining Room
<b>Scheduled Transportation</b>	Shuttle Bus	Shuttle Bus	Scheduled Outings Only	Private Bus for Outings	Private Bus for Outings
<b>Additional Comments</b>	Each unit is equipped with individually controlled climate control.	Each unit is equipped with individually controlled climate control.	Each unit is equipped with individually controlled climate control, walking distance to a number of amenities in Ottawa	Additional services available a la carte as there is an assisted living component in addition to IL	Seniors who want to live in a community of people their age with similar interests. These residents are in good physical and cognitive health and need some light assistance with tasks such as laundry, transportation and meals.

COMPARABLE 1					
<b>PHYSICAL INFORMATION</b>			 <p><b>Park Place Seniors Suites &amp; Retirement Residence</b></p>		
Project Design	Independent Living				
Number of Units	200				
Year Built	2003				
Location	Good				
Quality	Good				
Condition	Good				
Appeal	Good				
<b>UNIT MIX</b>			<b>LOCATION INFORMATION</b>		
<u>DESCRIPTION</u>	<u>Size (Sq.Ft.)</u>	<u>Rates</u>	Name	Park Place Seniors Suites & Retirement Residence	
Studio	378 - 415	\$3,474+	Address	110 & 120 Central Park Dr	
One Bedroom	611 - 735	\$5,468 - \$6,288	Municipality	Ottawa, ON	
Two Bedroom	785 - 1,000	\$6,752			
2nd Occt.		\$767			
<b>PROJECT AMENITIES</b>					
Activity Rooms	Yes	Fitness Centre	Yes	Swimming Pool	Yes
Wellness Centre/Spa	Yes	Theatre	No	Golf Simulator	No
Salon/Barber Shop	Yes	Private Dining Room	Yes	Bar	Yes
Library Lounge	Yes	Activities	Yes	Resident Laundry	Yes
Games Room	Yes	Chapel	Yes	Café/Snack Shop	No
General Store	No	Gardens	Yes	Parking	Yes
Other (See Comments)					
<b>RESIDENTIAL SUITE FEATURES</b>					
Balconies/Walk-Out	Yes	Kitchenette	Yes	Emergency Call System	Yes
Bathtub	No	Full Kitchen	Yes		
Walk-in Shower	Yes	Individual HVAC	Yes		
Other (See Comments)					
<b>RENTAL INCLUSIONS</b>					
24-Hour Emergency Resp.	Yes	Medication Monitoring	Extra	Linen Laundry	Extra
3 Daily Meals	Optional	Shuttle/Transport Service	Day Trips	Personal Laundry	Extra
2 Daily Meals	-	Utilities	Included	Assistance w ith ADL's	Extra
1 Daily Meal	-	Cable	Included	Weekly Housekeeping	Included
Varying Meal Plans	Yes	Telephone	Included		
Other (See Comments)					

COMPARABLE 2					
<b>PHYSICAL INFORMATION</b>					
Project Design	Independent Living				
Number of Units	82				
Year Built	2014				
Location	Good				
Quality	Good/Very Good				
Condition	Good/Very Good				
Appeal	Good/Very Good				
					
<b>Ravines Seniors Suites &amp; Retirement Residence</b>					
<b>UNIT MIX</b>			<b>LOCATION INFORMATION</b>		
<u>DESCRIPTION</u>	<u>Size (Sq.Ft.)</u>	<u>Rates</u>	Name	Ravines Seniors Suites & Retirement Residence	
Studio	344	\$3,382	Address	626 Prado Private	
One Bedroom	505 - 790	\$5,580 - \$6,510	Municipality	Ottawa, ON	
Two Bedroom	854 - 970	\$6,911 - \$7,175			
2nd Occt.		\$732			
<b>PROJECT AMENITIES</b>					
Activity Rooms	Yes	Fitness Centre	Yes	Swimming Pool	Yes
Wellness Centre/Spa	Yes	Theatre	Yes	Golf Simulator	No
Salon/Barber Shop	Yes	Private Dining Room	Yes	Bar	Yes
Library Lounge	Yes	Activities	Yes	Resident Laundry	Yes
Games Room	Yes	Chapel	Yes	Café/Snack Shop	Yes
General Store	No	Gardens	Yes	Parking	Surface
Other (See Comments)					
<b>RESIDENTIAL SUITE FEATURES</b>					
Balconies/Walk-Out	Yes/Some	Kitchenette	Suite Dependent	Emergency Call System	Yes
Bathtub	No	Full Kitchen	Yes	Sprinklers	Yes
Walk-in Shower	Yes	Individual HVAC	Yes		
Other (See Comments)					
<b>RENTAL INCLUSIONS</b>					
24-Hour Emergency Resp.	Yes	Medication Monitoring	Extra	Linen Laundry	Extra
3 Daily Meals	Flexible	Shuttle/Transport Service	Yes	Personal Laundry	Extra
2 Daily Meals	-	Utilities	Yes	Assistance with ADL's	Extra
1 Daily Meal	-	Cable	N/A	Weekly Housekeeping	Yes
Varying Meal Plans	Yes	Telephone	N/A		
Other (See Comments)					

COMPARABLE 3					
PHYSICAL INFORMATION					
Project Design	Independent Living				
Number of Units	111				
Year Built	2022				
Location	Very Good				
Quality	Very Good/Excellent				
Condition	Very Good/Excellent				
Appeal	Very Good/Excellent				
					
			Wellington West Retirement Community		
UNIT MIX			LOCATION INFORMATION		
DESCRIPTION	Size (Sq.Ft.)	Rates	Name	Wellington West Retirement Community	
Studio	322-512	\$5,850	Address	1166 Wellington ST W	
One Bedroom	550-719	6,310	Municipality	Ottawa, ON	
Two Bedroom	880-997	7,490			
Double Occupant Fee (s):		\$750			
PROJECT AMENITIES					
Activity Rooms	Yes	Fitness Centre	Yes	Swimming Pool	Yes
Wellness Centre/Spa	Yes	Theatre	Yes	Golf Simulator	No
Salon/Barber Shop	Yes	Private Dining Room	No	Bar	Yes
Library Lounge	Yes	Activities	Yes	Resident Laundry	Extra
Games Room	Yes	Chapel	Yes	Café/Snack Shop	No
General Store	No	Gardens	Yes	Parking	Yes/Unassigned
Other (See Comments)					
RESIDENTIAL SUITE FEATURES					
Balconies/Walk-Out	No	Kitchenette	Yes	Emergency Call System	Yes
Bathtub	No	Full Kitchen	No	Sprinklers	Yes
Walk-in Shower	Yes	Individual HVAC	Yes		
Other (See Comments)					
RENTAL INCLUSIONS					
24-Hour Emergency Resp.	Yes	Medication Monitoring	Extra	Linen Laundry	Extra
3 Daily Meals	Yes	Shuttle/Transport Service	Scheduled	Personal Laundry	Extra
2 Daily Meals	-	Utilities	Yes	Assistance with ADL's	Extra
1 Daily Meal	-	Cable	Yes	Weekly Housekeeping	Yes
Varying Meal Plans	Yes	Telephone	No		
Other (See Comments)					

COMPARABLE 4					
<b>PHYSICAL INFORMATION</b>					
Project Design	Independent Supportive Living				
Number of Units	211				
Year Built	2000				
Location	Good				
Quality	Good				
Condition	Good				
Appeal	Good				
					
<b>Redwoods Retirement Residence</b>					
<b>UNIT MIX</b>		<b>LOCATION INFORMATION</b>			
<u>DESCRIPTION</u>	<u>Size (Sq.Ft.)</u>	<u>Rates</u>	<u>Name</u>	<u>Redwoods Retirement Residence</u>	
Studio	500	\$2,920	Address	2604 Draper Avenue	
One Bedroom	369 - 646	\$2,730 - \$4,090	Municipality	Ottawa, ON	
Two Bedroom	858 - 965	\$4,760 - \$5,090			
2nd Occt.		n/a			
<b>PROJECT AMENITIES</b>					
Activity Rooms	Yes	Fitness Centre	Yes	Swimming Pool	Yes
Wellness Centre/Spa	Yes	Theatre	Yes	Golf Simulator	No
Salon/Barber Shop	Yes	Private Dining Room	Yes	Bar	No
Library Lounge	Yes	Activities	Yes	Resident Laundry	Yes
Games Room	Yes	Chapel	Yes	Café/Snack Shop	Yes
General Store	No	Gardens	Yes	Parking	Yes
Other (See Comments)	Lawn Bowling and Pet Friendly				
<b>RESIDENTIAL SUITE FEATURES</b>					
Balconies/Walk-Out	Yes	Kitchenette	Yes	Emergency Call System	Yes
Bathtub	No	Full Kitchen	Yes	Sprinklers	Yes
Walk-in Shower	Yes	Individual HVAC	Yes	Laundry	Yes
Other (See Comments)					
<b>RENTAL INCLUSIONS</b>					
24-Hour Emergency Resp.	Yes	Medication Monitoring	Extra	Linen Laundry	Extra
3 Daily Meals	-	Shuttle/Transport Service	Day Trips	Personal Laundry	Extra
2 Daily Meals	-	Utilities	Included	Assistance with ADL's	Extra
1 Daily Meal	-	Cable	Yes	Weekly Housekeeping	Yes
Varying Meal Plans	Yes - Extra	Telephone	Extra		
Other (See Comments)					



COMPARABLE 5					
PHYSICAL INFORMATION					
Project Design	Independent Supportive Living				
Number of Units	129				
Year Built	2019				
Location	Good				
Quality	Good/Very Good				
Condition	Good/Very Good				
Appeal	Good/Very Good				
					
Carp Commons Retirement Village					
UNIT MIX		LOCATION INFORMATION			
DESCRIPTION	Size (Sq.Ft.)	Rates	Name	Carp Commons Retirement Village	
Studio	496-412	\$3,500	Address	458 Donald B Munro Drive	
One Bedroom	504-560	\$4,225 - \$4,650	Municipality	Carp, ON	
Two Bedroom	843-924	\$5,775			
2nd Occt.		\$775			
Respite Care		Suite/Duration Dependent			
PROJECT AMENITIES					
Activity Rooms	Yes	Fitness Centre	No	Swimming Pool	No
Wellness Centre/Spa	No	Theatre	No	Golf Simulator	No
Salon/Barber Shop	No	Private Dining Room	Yes	Bar	No
Library Lounge	No	Activities	Yes	Resident Laundry	Yes
Games Room	Yes	Chapel	No	Café/Snack Shop	Yes
General Store	No	Gardens	No	Parking	Yes
Other (See Comments)					
RESIDENTIAL SUITE FEATURES					
Balconies/Walk-Out	Yes	Kitchenette	Yes	Emergency Call System	Yes
Bathtub	No	Full Kitchen	No	Sprinklers	Yes
Walk-in Shower	Yes	Individual HVAC	Yes		
Other (See Comments)					
RENTAL INCLUSIONS					
24-Hour Emergency Resp.	Yes	Medication Monitoring	Extra	Linen Laundry	Extra
3 Daily Meals	Yes	Shuttle/Transport Service	Yes	Personal Laundry	Extra
2 Daily Meals	-	Utilities	Included	Assistance with ADL's	Extra
1 Daily Meal	-	Cable	Included	Weekly Housekeeping	Yes
Varying Meal Plans	Yes	Telephone	Included		
Other (See Comments)					

### Market Rent

The foregoing market rental survey is a combination of Independent Living and Senior Apartment style accommodation. The rental rates indicated therein range from \$2,2920 - \$5,850 per month for studio units, \$2,730 - \$6,310 per month for one bedrooms & one bedrooms plus den units and \$4,760 - \$7,490 per month for two-bedroom units.

The low-end of the range pertains to Seniors Apartments with few inclusions in the rent when compared to the Subject Property spectrum of care and basket of services. The high-end of the range pertain to Independent Supportive Living accommodations that feature a higher level of service within the base rental revenue.

In addition to the Rental Survey contained herein, CMHC tracks annual rental rates for Seniors Housing options in various CMA's across Ontario. The following chart indicates a broad range of quality, accommodation type and spectrum of care; while this information is a broad range it is nonetheless a relevant benchmark.

CHMC Ottawa CMA Rates		
SUITE TYPE	2020	2021
Studio	\$3,535	\$3,486
1room	\$5,028	\$4,879
2room	\$6,269	\$5,866
<b>Overall</b>	<b>\$4,141</b>	<b>\$4,156</b>

Based on the previous market rental survey rental rates and analysis of recent leases within the Subject, we have selected market rents of \$4,500, \$4,860, \$4,676, \$4,587, \$4,405 and for units, respectively.

SUITE TYPE	# UNITS	MARKET RATES
Studio	4	\$3,150
One Bedroom	71	\$4,250
One Bedroom plus Den	35	\$4,450
Two Bedroom	42	\$5,400
<b>TOTAL/AVG</b>	<b>152</b>	<b>\$4,585</b>

### Projected Base Rent

As previously stated, it is assumed that the Subject Property is fully stabilized as of the effective date, with all suites rented at market levels.

Given the foregoing, should the Subject Property be fully occupied as of the effective date, base rental revenue is forecast at **\$8,070,360**

### Double Occupancy

As of the effective date, upon stabilization double occupants are to be charged \$700 per month. Based upon the size of the units and existing level of double occupants as of the effective date a forecast monthly double occupant total of 20 has been utilized herein, yielding an annual revenue of **\$168,000**.

### Ancillary Income

Discussions with the client indicate that ancillary income consists of additional care items (beyond typical scope) and miscellaneous items such as family meals. Based on historical subscription rates, an annual ancillary income figure of **\$85,848** has been included, based upon **\$1.50 per Resident Day**.

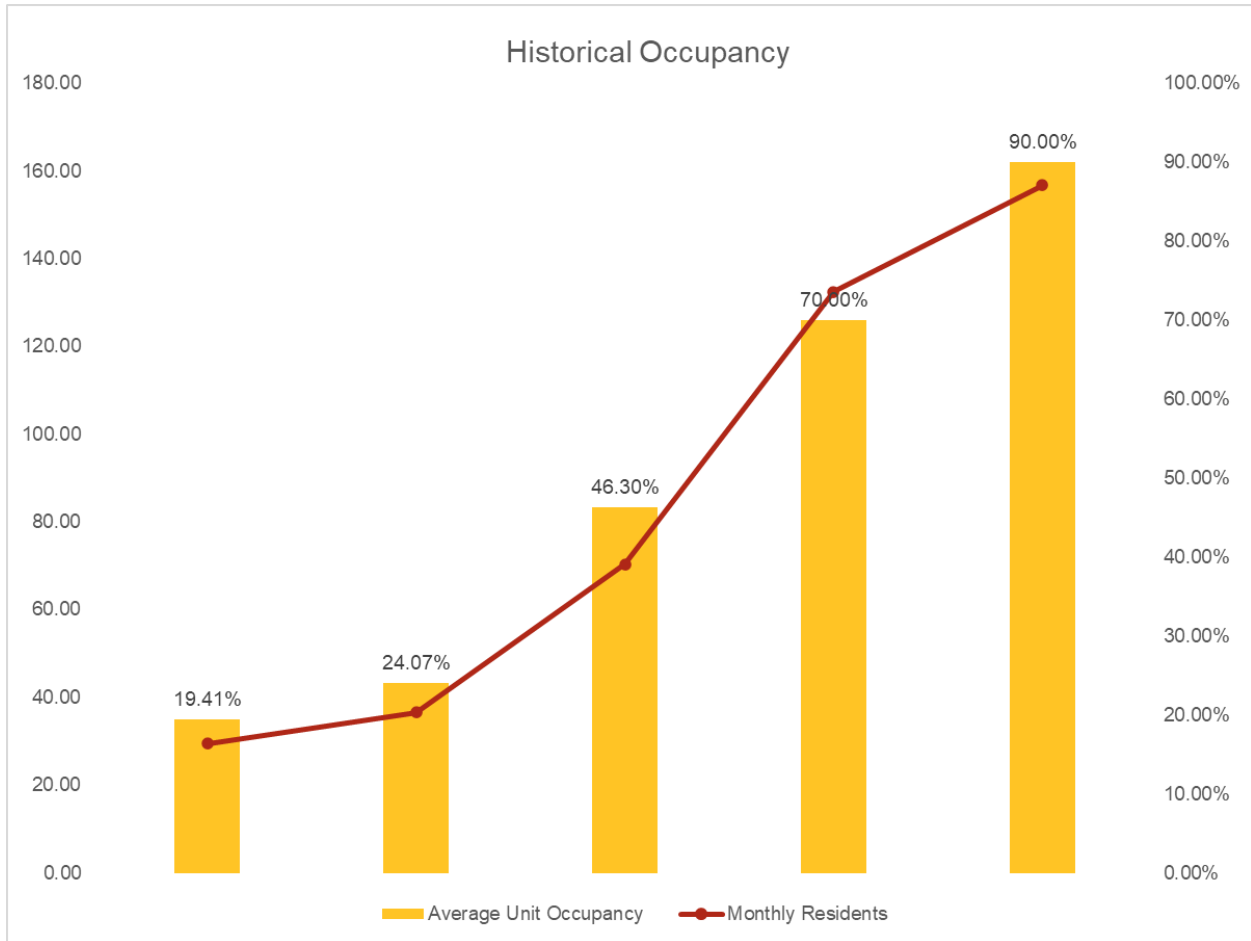
### Vacancy

The Subject Property is currently in the lease-up phase of occupancy, without a historical occupancy that can be relied upon.

CHMC also tracks vacancy within seniors housing developments within the "Ottawa CMA". The below chart depicts vacancy rates as reported by CMHC. It should be noted that the following chart pertains to a vast geographic area and includes a significant variance in quality and calibre of facility.

CMHC Ottawa CMA Vacancy		
SUITE TYPE	2020	2021
Private Studio	17.6%	26.5%
One Bedroom	13.5%	25.4%
Two Bedroom	12.2%	17.5%
<b>Overall</b>	<b>16.1%</b>	<b>25.6%</b>

In addition to CMHC data, the historical occupancy levels of the Subject Property are presented below:



Historical Occupancy						
Year	Average Unit Occupancy	# of Units	Avg. Units Occupied	Avg. Monthly Double Occupants	Average Monthly Residents	Actual Resident Days Based on Occupants
2020 Actual	19.41%	152	30	0	29.50	10,768.67
2021 Actual	24.07%	152	37	0	36.59	13,354.04
2022 Actual	46.30%	152	70	0	70.38	25,687.24
2023 Budget	70.00%	152	106	0	132.50	48,362.50
Colliers Projection	90.00%	152	137	20	156.80	57,232.00

As of the effective date the Subject Property was 64.4% occupied, indicated an average of 98 suites occupied. As per the Extraordinary Assumptions contained herein, it is assumed that the Subject Property is exhibiting stabilized occupancy levels. Review of the prevailing market conditions for properties within the Subject Market, coupled with the strong historical performance of the Subject Property, a forecasted occupancy level of 90.0% has been utilized herein.

Based upon the above vacancy level, the number of primary occupant resident days utilized for the expense analysis contained herein is below.

### Resident Day Assumptions

Number of Suites		152
Seniors Suites (152)	55480	
Applied Vacancy		10.00%
Net Primary Occupant Resident Days		49,932.00
Estimated Second Occupants		15
Total Second Occupant Days		5,475
<b>Colliers Projected Resident Days</b>		<b>55,407.00</b>

It should be noted that the Resident Days used herein are limited to net primary occupant resident days, as historical occupancy levels only account for primary occupant resident days, based upon number of suites occupied and not number of residents within the respective suites.

#### Effective Gross Income

Deducting the Vacancy Allowance above from the Potential Gross Income forecast demonstrates the effective gross income for the building. The effective gross income equates to **\$7,508,587**.

# Expense Analysis

## Actual/Budgeted Operating Expenses

Following are the projected realty tax and operating expenses for the property:

### Operating Expenses

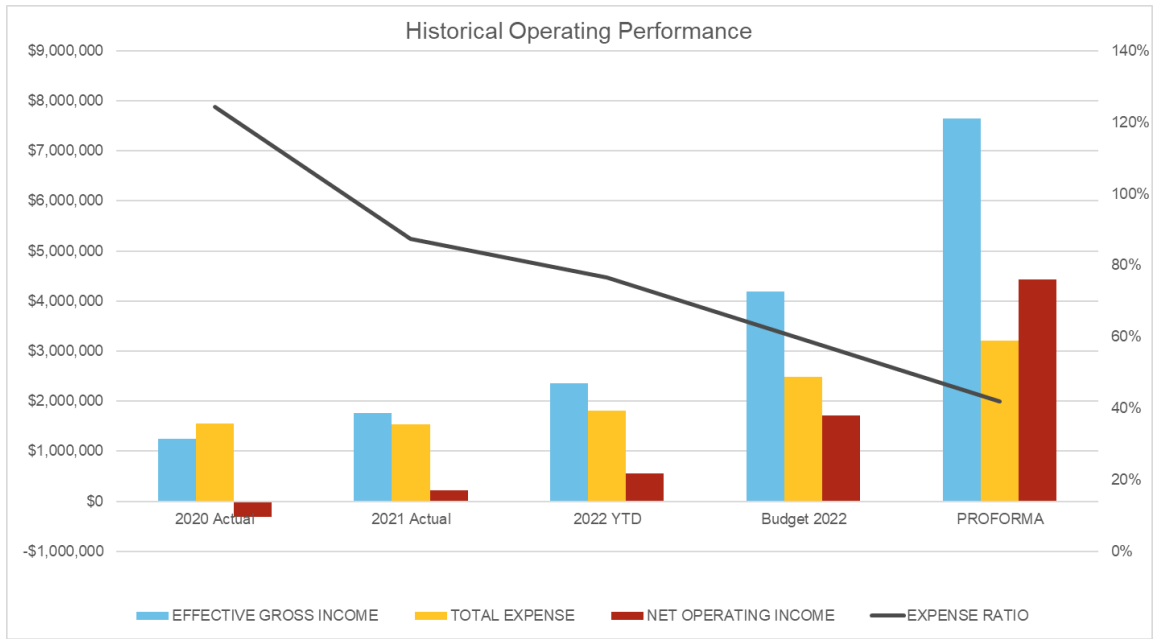
Operating expenses relate to those items that the property must incur in order to maintain the income stream of the property. These expenses consist of fixed costs and variable costs.

Fixed costs tend to remain stable regardless of the occupancy level of the property and include, but are not limited to, property taxes and insurance.

Variable costs vary with the property's occupancy level and include, but are not limited to, utilities and repairs and maintenance.

HISTORIC & PROJECTED EFFECTIVE GROSS INCOME														COLLIERS AS-COMPLET/STABILIZED FORECAST			
YEAR	2021 Actual				2022 Actual				Budget 2023				PROFORMA				
	TOTAL	\$ PRD	\$/SUITE	%TR	TOTAL	\$ PRD	\$/SUITE	%TR	TOTAL	\$PRD	\$/Suite	%TR	TOTAL	\$ PRD	\$/SUITE	%TR	
Services & Rental	\$2,047,740	\$190.16	\$13,472	116.7%	\$4,377,748	\$327.82	\$28,801	127.9%	\$6,738,557	\$262.33	\$44,333	116.0%	\$8,070,360	\$161.63	\$53,094	97.0%	
Incentives	(\$292,616)	(\$27.17)	(\$1,925)	(16.7%)	(\$954,395)	(\$71.47)	(\$6,279)	(27.9%)	(\$949,900)	-\$36.98	-\$6,249	(16.3%)	\$168,000	\$3.03	\$1,105	2.0%	
Misc. Revenue	\$716	\$0.07	\$5	0.0%	\$108	\$0.01	\$1	0.0%	\$21,600	\$0.84	\$142	0.4%	\$85,848	\$1.50	\$565	1.0%	
									\$0	\$0.00	\$0	0.0%					
<b>TOTAL RENTAL INCOME</b>	<b>\$1,755,124</b>	<b>\$162.98</b>	<b>\$11,547</b>	<b>100.0%</b>	<b>\$3,423,353</b>	<b>\$256.35</b>	<b>\$22,522</b>	<b>100.0%</b>	<b>\$5,810,257</b>	<b>\$226.19</b>	<b>\$38,225</b>	<b>100.0%</b>	<b>\$8,324,208</b>	<b>\$161.63</b>	<b>\$54,765</b>	<b>100%</b>	
<b>EXPENSE ITEMS</b>																	
Food & Dietary Supplies (Kitchen)	(\$158,485)	(\$14.72)	(\$1,043)	(9.0%)	(\$332,329)	(\$24.89)	(\$2,186)	(9.7%)	(\$447,015)	(\$17.40)	(\$2,941)	(7.7%)	(\$554,070)	(\$10.00)	(\$3,645)	(6.9%)	
Salaries/Wages	(\$673,630)	(\$62.55)	(\$4,432)	(38.4%)	(\$1,114,337)	(\$83.45)	(\$7,331)	(32.6%)	(\$1,245,810)	(\$48.50)	(\$8,196)	(21.4%)	(\$1,246,658)	(\$22.50)	(\$8,202)	(15.4%)	
Utilities	(\$204,070)	(\$18.95)	(\$1,343)	(11.6%)	(\$244,106)	(\$18.28)	(\$1,606)	(7.1%)	(\$259,734)	(\$10.11)	(\$1,709)	(4.5%)	(\$258,400)	(\$4.66)	(\$1,700)	(3.2%)	
Property Taxes	(\$78,822)	(\$7.32)	(\$519)	(4.5%)	(\$434,643)	(\$32.55)	(\$2,859)	(12.7%)	(\$341,805)	(\$13.31)	(\$2,249)	(5.9%)	(\$304,000)	(\$5.49)	(\$2,000)	(3.8%)	
Repairs & Maintenance	(\$145,410)	(\$13.50)	(\$957)	(8.3%)	(\$169,955)	(\$12.73)	(\$1,118)	(5.0%)	(\$216,234)	(\$8.42)	(\$1,423)	(3.7%)	(\$190,000)	(\$3.43)	(\$1,250)	(2.4%)	
General & Admin	(\$179,477)	(\$16.67)	(\$1,181)	(10.2%)	(\$186,554)	(\$13.97)	(\$1,227)	(5.4%)	(\$252,196)	(\$9.82)	(\$1,659)	(4.3%)	(\$150,172)	(\$2.71)	(\$988)	(2.0%)	
Advertising	(\$13,715)	(\$1.27)	(\$90)	(0.8%)	(\$5,671)	(\$0.42)	(\$37)	(0.2%)	(\$11,000)	(\$0.43)	(\$72)	(0.2%)	(\$30,400)	(\$0.55)	(\$200)	(0.4%)	
Property Management Fee	(\$70,234)	(\$6.52)	(\$462)	(4.0%)	(\$136,801)	(\$10.24)	(\$900)	(4.0%)	(\$232,430)	(\$9.05)	(\$1,529)	(4.0%)	(\$300,343)	(\$5.42)	(\$1,976)	(4.0%)	
Insurance	\$0	\$0.00	-	0.0%	\$0	\$0.00	\$0	0.0%	\$0	\$0.00	\$0	0.0%	(\$53,200)	(\$0.96)	(\$350)	(0.7%)	
Supplies	(\$9,161)	(\$0.85)	(\$60)	(0.5%)	(\$11,752)	(\$0.88)	(\$77)	(0.3%)	(\$25,782)	(\$1.00)	(\$170)	(0.4%)	(\$83,111)	(\$1.50)	(\$547)	(1.0%)	
<b>TOTAL EXPENSES</b>	<b>(\$1,533,004)</b>	<b>(\$142.36)</b>	<b>(\$10,086)</b>	<b>(87.3%)</b>	<b>(\$2,636,149)</b>	<b>(\$197.40)</b>	<b>(\$17,343)</b>	<b>(77.0%)</b>	<b>(\$3,032,006)</b>	<b>(\$118.04)</b>	<b>(\$19,947)</b>	<b>(52.2%)</b>	<b>(\$3,170,353)</b>	<b>(\$57.22)</b>	<b>(\$20,858)</b>	<b>(42.22%)</b>	
<b>NET OPERATING INCOME</b>	<b>\$222,120</b>	<b>\$20.63</b>	<b>\$21,632</b>	<b>12.66%</b>	<b>\$787,204</b>	<b>\$58.95</b>	<b>\$39,865</b>	<b>23.00%</b>	<b>\$2,778,251</b>	<b>\$108.16</b>	<b>\$18,278</b>	<b>47.82%</b>	<b>\$4,338,234</b>	<b>\$104.41</b>	<b>\$33,906.94</b>	<b>57.78%</b>	

\*Please refer to the Vacancy Analysis section within the Income Analysis for historical occupancy trends



Historical Operating Performance				
Year	EFFECTIVE GROSS INCOME	TOTAL EXPENSE	NET OPERATING INCOME	EXPENSE RATIO
2020 Actual	\$1,252,141	\$1,555,826	-\$303,684	124%
2021 Actual	\$1,755,124	\$1,533,004	\$222,120	87%
2022 YTD	\$2,359,702	\$1,807,603	\$552,099	77%
Budget 2022	\$4,197,241	\$2,486,559	\$1,710,682	59%
PROFORMA	\$7,647,808	\$3,211,914	\$4,435,894	42%



Food & Dietary Supplies (Kitchen)				
YEAR	TOTAL	\$/PRD	\$/UNIT	%TR
2021 Actual	(\$158,485)	(\$14.72)	(\$1,043)	-9.03%
2022 Actual	(\$332,329)	(\$24.89)	(\$2,186)	-9.71%
2023 Budget	(\$447,015)	(\$17.40)	(\$2,941)	-7.69%
<b>Colliers Projection</b>	<b>(\$554,070)</b>	<b>(\$10.00)</b>	<b>(\$3,645)</b>	<b>-6.87%</b>

### Food & Dietary Supplies (Kitchen)

Based upon historical operating levels, coupled with industry standards, lifestyle quality within the Subject community and the scope of amenities offered within the Subject Property including full kitchens in each unit, upon stabilization we have forecasted stabilized food & dietary supplies (kitchen) at approximately \$10.00 per PRD for ISL residents, yielding an annual estimate of \$443,256.

Salaries/Wages				
YEAR	TOTAL	\$/PRD	\$/UNIT	%TR
2021 Actual	(\$673,630)	(\$62.55)	(\$4,432)	-38.38%
2022 Actual	(\$1,114,337)	(\$83.45)	(\$7,331)	-32.55%
2023 Budget	(\$1,245,810)	(\$48.50)	(\$8,196)	-21.44%
<b>Colliers Projection</b>	<b>(\$1,246,658)</b>	<b>(\$22.50)</b>	<b>(\$8,202)</b>	<b>-15.45%</b>

### Salaries/Wages

Based upon the historical and anticipated spectrum of care provided within the Subject, coupled with typical stabilized levels, we have forecasted a stabilized salaries/wages expense, based upon approximately \$22.50 per Resident Day, yielding an annual estimate of \$1,246,658.

It should be noted that the Subject Property caters to high-functioning residents, including full kitchens in each suite, en-suite laundry and a la carte services. The spectrum of services offered is considered to be lower when compared to traditional retirement residences, as such, the Salaries and Benefits load is considered to be materially lower than typical ISL facilities, but higher than traditional multi-family apartment buildings.

Utilities				
YEAR	TOTAL	\$/PRD	\$/UNIT	%TR
2021 Actual	(\$204,070)	(\$18.95)	(\$1,343)	-11.63%
2022 Actual	(\$244,106)	(\$18.28)	(\$1,606)	-7.13%
2023 Budget	(\$259,734)	(\$10.11)	(\$1,709)	-4.47%
<b>Colliers Projection</b>	<b>(\$258,400)</b>	<b>(\$4.66)</b>	<b>(\$1,700)</b>	<b>-3.20%</b>

## Utilities

Based upon historical operating levels, coupled with industry standards, age of the existing improvements and the scope of amenities offered within the subject property, upon completion of the proposed expansion we have forecasted stabilized utilities expense upon completion at \$1,700 per unit per annum, yielding an annual estimate of \$258,400.

Property Taxes				
YEAR	TOTAL	\$/PRD	\$/UNIT	%TR
2021 Actual	(\$78,822)	(\$7.32)	(\$519)	-4.49%
2022 Actual	(\$434,643)	(\$32.55)	(\$2,859)	-12.70%
2023 Budget	(\$341,805)	(\$13.31)	(\$2,249)	-5.88%
<b>Colliers Projection</b>	<b>(\$304,000)</b>	<b>(\$5.49)</b>	<b>(\$2,000)</b>	<b>-3.77%</b>

## Property Taxes

Based upon the historical real estate tax bills and the indicated tax rates per unit within the Subject prior to expansion, estimated property taxes expenses upon completion/stabilization are \$2,000 per Unit per annum, yielding an annual estimate of \$304,000.

Repairs & Maintenance				
YEAR	TOTAL	\$/PRD	\$/UNIT	%TR
2021 Actual	(\$145,410)	(\$13.50)	(\$957)	-8.28%
2022 Actual	(\$169,955)	(\$12.73)	(\$1,118)	-4.96%
2023 Budget	(\$216,234)	(\$8.42)	(\$1,423)	-3.72%
<b>Colliers Projection</b>	<b>(\$190,000)</b>	<b>(\$3.43)</b>	<b>(\$1,250)</b>	<b>-2.35%</b>

## Repairs &amp; Maintenance

Based upon the age of the existing improvements, coupled with the quality of the improvements and lifestyle within the as-complete Subject, upon completion we have forecast stabilized repairs & maintenance expenses at \$1,250 per Unit per annum, yielding an annual estimate of \$190,000.

General & Admin				
YEAR	TOTAL	\$/PRD	\$/UNIT	%TR
2021 Actual	(\$179,477)	(\$16.67)	(\$1,181)	-10.23%
2022 Actual	(\$186,554)	(\$13.97)	(\$1,227)	-5.45%
2023 Budget	(\$252,196)	(\$9.82)	(\$1,659)	-4.34%
<b>Colliers Projection</b>	<b>(\$150,172)</b>	<b>(\$2.71)</b>	<b>(\$988)</b>	<b>-2.00%</b>

## General &amp; Admin

Based upon historical operating levels, level of services/amenities offered within the Subject, coupled with industry standards, we have forecasted a stabilized general & admin expense at 2.00% of Effective Gross Income, yielding an annual estimate of \$150,172.

Advertising				
YEAR	TOTAL	\$/PRD	\$/UNIT	%TR
2021 Actual	(\$13,715)	(\$1.27)	(\$90)	-0.78%
2022 Actual	(\$5,671)	(\$0.42)	(\$37)	-0.17%
2023 Budget	(\$11,000)	(\$0.43)	(\$72)	-0.19%
<b>Colliers Projection</b>	<b>(\$30,400)</b>	<b>(\$0.55)</b>	<b>(\$200)</b>	<b>-0.38%</b>

## Advertising

Based upon historical operating levels, coupled with existing level of competing inventory within the immediate market and industry wide implications of COVID-19, we have forecasted a stabilized advertising expense at \$200 per Unit per annum, yielding an annual estimate of \$30,400. It should also be noted that the Ottawa market is considered to offer elevated supply levels of retirement residence product, as such, elevated advertising levels are required to remain competitive.

Property Management Fee				
YEAR	TOTAL	\$/PRD	\$/UNIT	%TR
2021 Actual	(\$70,234)	(\$6.52)	(\$462)	-4.00%
2022 Actual	(\$136,801)	(\$10.24)	(\$900)	-4.00%
2023 Budget	(\$232,430)	(\$9.05)	(\$1,529)	-4.00%
<b>Colliers Projection</b>	<b>(\$300,343)</b>	<b>(\$5.42)</b>	<b>(\$1,976)</b>	<b>-4.00%</b>

## Property Management Fee

As per industry we have forecasted property management fee at \$300,343. This figure is based upon 4.0% of Effective Gross Income, inclusive of HST.

Insurance				
YEAR	TOTAL	\$/PRD	\$/UNIT	%TR
2021 Actual	\$0	\$0.00	-	0.00%
2022 Actual	\$0	\$0.00	\$0	0.00%
2023 Budget	\$0	\$0.00	\$0	0.00%
<b>Colliers Projection</b>	<b>(\$53,200)</b>	<b>(\$0.96)</b>	<b>(\$350)</b>	<b>-0.66%</b>

### Insurance

Based upon typical industry standards, we have forecasted a stabilized insurance expense at \$350 per Unit per annum, yielding an annual estimate of \$53,200. The client indicated that within their budget Insurance is included under the Administration expense bucket and the 2021 budget allocation for insurance is approximately \$42,000.

Supplies				
YEAR	TOTAL	\$/PRD	\$/UNIT	%TR
2021 Actual	(\$9,161)	(\$0.85)	(\$60)	-0.52%
2022 Actual	(\$11,752)	(\$0.88)	(\$77)	-0.34%
2023 Budget	(\$25,782)	(\$1.00)	(\$170)	-0.44%
<b>Colliers Projection</b>	<b>(\$83,111)</b>	<b>(\$1.50)</b>	<b>(\$547)</b>	<b>-1.03%</b>

### Supplies

Based upon industry levels based upon similarly appointed IL & ISL facilities, we have forecasted a stabilized supplies expense at \$1.5 per Resident Day, yielding an annual estimate of \$83,111. This figure includes supplies for Housekeeping & Resident Activities.

### Operating Cost Survey

In order to determine the reasonableness of the Subject's operating costs, we have referenced our database of recently appraised buildings and sales transactions from an array of buildings throughout Ontario.

Based on the reviewed data, it appears that the Subject operating costs are reasonable. Our survey suggests that buildings that would most represent the Subject property would operate at an expense ratio between 51.5% and 61.1%. The Subject's operating expense ratio is 42.22% which falls below this range. While the Operating Expense Ratio falls below the indicated range, this is largely due to the fact that the Subject Property is considered to be of a lower spectrum of care when compared to the above indices. As a point of comparison, purpose built rental apartment buildings achieve OpEx ratios in the mid to high 20%'s, which is materially lower than the rate indicated by the Subject Property, As-Stabilized. The Senior Apartments greatly reduced staffing requirements and reduced food expense. As such, it is considered reasonable that the Subject is achieve an Operating Expense Ratio below that exhibited by typical ISL facilities.

## Pro Forma Income Statement

Based on the analysis, a Pro Forma Income Statement for the property has been constructed:

<b>PRO FORMA INCOME STATEMENT</b>			
<b>PROMENADE SENIOR'S SUITES</b>			
<b>Income</b>	<b>\$ PRD</b>		<b>TOTAL</b>
Potential Rental Income			\$8,070,360
Second Occupant \$700 @ 20 Suites/Mos.			\$168,000
Additional Care/Misc. Services \$	\$1.50		\$85,848
<b>POTENTIAL GROSS INCOME</b>			<b>\$8,324,208</b>
Residential Vacancy & Bad Debt Allowance @	10.0%		(\$815,621)
<b>EFFECTIVE GROSS INCOME</b>			<b>\$7,508,587</b>
<b>EXPENSES</b>	<b>\$ PRD</b>	<b>% EGI</b>	<b>TOTAL</b>
Food & Dietary Supplies (Kitchen)	(\$10.00)	(7.4%)	<b>(\$554,070)</b>
Salaries/Wages	(\$22.50)	(16.6%)	<b>(\$1,246,658)</b>
Utilities	(\$4.66)	(3.4%)	<b>(\$258,400)</b>
Property Taxes	(\$5.49)	(4.0%)	<b>(\$304,000)</b>
Repairs & Maintenance	(\$3.43)	(2.5%)	<b>(\$190,000)</b>
General & Admin	(\$2.71)	(2.0%)	<b>(\$150,172)</b>
Advertising	(\$0.55)	(0.4%)	<b>(\$30,400)</b>
Property Management Fee	(\$5.42)	(4.0%)	<b>(\$300,343)</b>
Insurance	(\$0.96)	(0.7%)	<b>(\$53,200)</b>
Supplies	(\$1.50)	(1.1%)	<b>(\$83,111)</b>
<b>TOTAL EXPENSES</b>	<b>(\$57.22)</b>	<b>(42.2%)</b>	<b>(\$3,170,353)</b>
<b>OPERATING EXPENSE RATIO</b>			<b>42.22%</b>
<b>NET OPERATING INCOME</b>			<b>\$4,338,234</b>

The twelve-month estimated stabilized expense ratio of Promenade Senior's Suites is 42.22% of Effective Gross Income which is considered to be at the low end of the range for such facilities. It should be noted that the Subject Property offers a low level of care and is of new construction/recent renovation, helping to lower operating costs and being able to generate significant economies of scale due to size. As previously mentioned, the above operating expense ratio is considered to be materially above purpose-built rental apartments (not explicitly for seniors). Given that the Subject Property is considered to be between a Purpose-Built Rental Apartment and Independent Supportive Living Retirement Residence, the Operating Expense ratio is considered reasonable. .

As such, while the OpEx ratio is considered to be at the low end of the range, it is considered reasonable given the characteristics of the Subject development.

## Investment Analysis

### Investment Alternatives

Following are current investment yields with respect to various alternative investments.

INVESTMENT ALTERNATIVES											
Gov't. Yields		Office REIT'S		Industrial REIT'S		Retail REIT'S		Apartment REIT'S		Diversified REIT'S	
BOC OR	5.00%	Allied	8.6%	DREAM	4.9%	RioCan	5.5%	CAP	2.9%	Morguard	4.2%
GOC 5yr	4.02%	DREAM	8.4%	Granite	4.2%	First Cptl.	6.0%	Killam	3.7%	H&R	5.7%
GOC 10yr	3.74%	Slate	7.7%			Smart	7.6%	Boardwalk	1.7%	Artis	8.4%

Source: Bank of Canada, BMO Capital Markets as at September 15, 2023

### Investment Parameters

Following are the results of the most recent commercial real estate return surveys, as expressed by overall capitalization rates and discount rates.

Q1 2023 INVESTMENT PARAMETERS - TORONTO		
Investment Type	Overall Capitalization Rates	Discount Rates
<b>Industrial</b>		
Single	4.50% - 5.00%	5.00% - 7.40%
Multi	5.00% - 5.75%	5.00% - 7.00%
<b>Downtown Office</b>		
Class 'AA'	5.25% - 5.75%	5.80% - 7.50%
Class 'B'	5.50% - 6.00%	5.80% - 7.30%*
<b>Suburban Office</b>		
Class 'A'	6.50% - 7.00%	6.00% - 7.30%*
Class 'B'	7.00% - 7.50%	7.30% - 8.50%*
<b>Retail</b>		
Regional/Power	5.50% - 6.75%	5.80% - 6.50%
Community	5.50% - 6.50%	7.00% - 8.50%*
Strip Plaza	5.50% - 6.50%	6.00% - 6.80%*
<b>Multi-Residential</b>		
High Rise	3.75% - 4.25%	
Low Rise	3.50% - 4.25%	

\* These IRR's are not updated every quarter. Figures shown are the most recent, but not necessarily current.

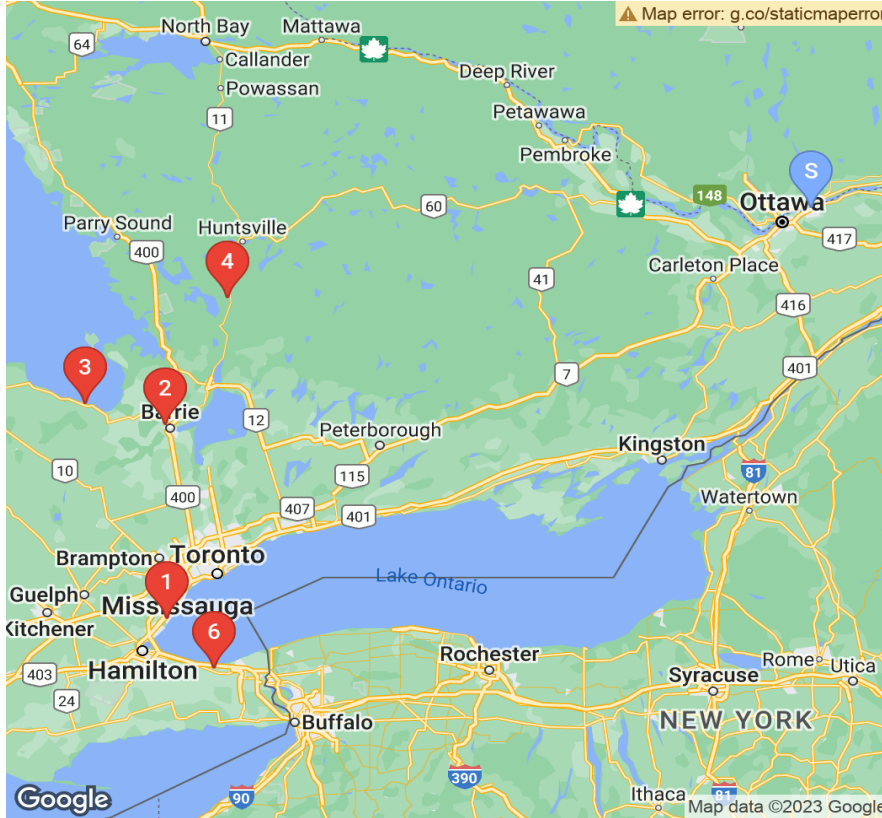
Source: Colliers International Realty Advisors (OCR), Altus InSite (IRR)

### Comparable Transactions

The most appropriate method of determining an appropriate overall capitalization rate is best served through an analysis of current market activity. In consideration of the characteristics described above, the transactions summarized in the table on the following page have been selected and analyzed.

Market Data

Review of the Local Market indicated no transactions of comparable product. As such, the search has been expanded to include the entirety of Ontario. The selected comparables are considered to provide an adequate basis from which to estimate the required investment parameters applicable to the Subject.



CAPITALIZATION RATES COMPARABLES (OAR)							
ADDRESS	CITY	SALE DATE	UNITS	\$/UNIT	SALE PRICE	CAP RATE	
1 380 Sherin Drive	Oakville	May 8, 2023	94	\$145,745	\$13,700,000	7.50%	
2 110 Lillian Crescent	Barrie	January 3, 2023	55	\$478,182	\$26,300,000	6.75%	
3 Sabra/Sienna Portfolio - Various Locations	Collingwood, Barrie, Clarington	April 1, 2022	467	\$488,223	\$228,000,000	6.40%	
4 48 - 64 Douglas Street	Bracebridge	April 1, 2022	117	\$311,880	\$36,490,000	6.25%	
5 Various	Various ON (7) & SK (4)	February 3, 2022	1048	\$293,416	\$307,500,000	6.00%	
<b>LOW</b>						<b>6.00%</b>	
<b>HIGH</b>						<b>7.50%</b>	
<b>AVERAGE</b>						<b>6.58%</b>	
<b>MEDIAN</b>						<b>6.40%</b>	
<b>INDICATED CAPITALIZATION RATE (OAR)</b>						<b>6.50%</b>	



## Significant Investment Characteristics of Subject

The following summarizes the major investment attributes of the property that potential investors would consider when determining an appropriate return and yield when making a purchase decision.

### Location

The Subject Property is located within an established residential area within the district of Orleans, in proximity to walking trails and major arterial routes/highways. While the Ottawa market is noted as exhibiting a high level of supply of Retirement Residences when compared to other Ontario markets, the Subject Property is considered to be a hybrid Senior Apartment and Independent Living facility, with units equipped with full kitchens and a larger offering of amenities.

### Physical Attributes

The Subject Improvements, as per the Extraordinary Assumptions contained herein are considered to be of new construction and fully completed.

### Operational

As per the Extraordinary Assumptions contained herein, it is assumed that the Subject Property is fully leased at market rental rates, representing no upside in rents.

The increased size of the Subject Improvements also presents certain economies of scale not available to smaller competing Retirement Residences.

### Market

COVID-19 has presented the Seniors Housing market with a number of significant and unique challenges stemming from congregate living of a vulnerable population. At the early stages of the COVID-19 Pandemic as the Seniors Housing industry grappled with how to best protect residents, a number of residences across the country become lightning rods in the media due to localized outbreaks and subsequent deaths. The expected short-term implications of COVID-19 are temporarily increased costs associated with increased cleaning/sterilization, insurance and staffing requirements to meet the needs of the increased workload.

The Canadian and Global economies are facing increasing inflation rates, causing central banks to take action by further raising interest rates. The Bank of Canada has raised interest rates by 500 bps as of the Effective Date and more rates are expected to remain at elevated levels. As such, the increasing borrowing costs represent an upward pressure on capitalization rates which may reduce liquidity and be the catalyst of a recalibration of values.

### Conclusions

#### Positive Aspects

The Subject Property is in excellent condition, as per the Extraordinary Assumptions herein, the Subject is assumed to have been expanded with a new addition and the original component having been extensively renovated and updated cosmetically and mechanically. Furthermore, it is an Extraordinary Assumption of this report that the Subject Property is fully leased at market rents.

#### Negative Aspects

The Ottawa market is exhibiting a high level of supply of Retirement Residence product and overall vacancy in the market has increase dramatically due to COVID-19 and the completion of competing inventory.

The sales previously presented are summarized and analyzed below;

**Index 1, 380 Sherin Drive, Oakville**, is a portfolio transaction that features 94 units. The index transacted on May 8, 2023 for \$13,700,000 with a reported capitalization rate of 7.50%.

In terms of location, this index would be considered superior to the Subject; thus, an upward adjustment is warranted for location. This index is considered to be inferior to the Subject in terms of age and condition therefore a downward adjustment is required. The index is of smaller size compared to the Subject requiring a downward adjustment for size as a larger index can operate more efficiently from a management standpoint. No adjustment is required to account for the upside potential of the Subject given its rents in place and suite quality. In terms of suite mix, this index would be considered inferior to the Subject; thus, a downward adjustment is warranted.

In terms of market conditions, no adjustment is felt warranted given the market for retirement residence assets has remained stable. Overall, the Subject property should achieve a capitalization rate lower than 7.50% indicated by this sale. This index represented significant upside as of the date of acquisition.

**Index 2, 110 Lillian Crescent, Barrie**, features 55 units. The index transacted on January 3, 2023 for \$26,300,000 with a reported capitalization rate of 6.75%. This index was not openly listed for sale prior to the transaction; however, was the object of an off market targeted market campaign.

In terms of location, this index would be considered inferior to the Subject; thus, a downward adjustment is warranted for location. This index is considered to be inferior to the Subject in terms of age and condition therefore a downward adjustment is required. The index is of smaller size compared to the Subject requiring a downward adjustment for size as a larger index can operate more efficiently from a management standpoint. No adjustment is required to account for the upside potential of the Subject given its rents in place and suite quality. In terms of suite mix, this index would be considered inferior to the Subject; thus, a downward adjustment is warranted.

In terms of market conditions, no adjustment is felt warranted given the market for retirement residence assets has remained stable. Overall, the Subject property should achieve a capitalization rate lower than 6.75% indicated by this sale. Discussions with the purchaser indicated they felt there was material upside in the in-place rents.

**Index 3, 8 Harbour St W, 357 Yonge St & 105 Queen St, Collingwood, Barrie, Clarington**, features 467 units, contained within 11 buildings located in a variety of secondary and tertiary markets in Ontario and Saskatchewan. The index transacted on April 1, 2022 for \$228,000,000 with a reported capitalization rate of 6.40%.

In terms of location, this index would be considered inferior to the Subject; thus, a downward adjustment is warranted for location. This index is considered to be inferior to the Subject in terms of age and condition therefore a downward adjustment is required. The index is of larger size compared to the Subject requiring an upward adjustment for size as a larger index can operate more efficiently from a management standpoint. No adjustment is required to account for the upside potential of the Subject given its rents in place and suite quality. In terms of suite mix, this index would be considered similar to the Subject; thus, no adjustment is warranted.

In terms of market conditions, an upward adjustment is felt warranted given the market for retirement residence assets has declined. Overall, the Subject property should achieve a capitalization rate inline with 6.40% indicated by this sale.

**Index 4, 48 - 64 Douglas Street, Bracebridge,** features 117 units. The index transacted on April 1, 2022 for \$36,490,000 with a reported capitalization rate of 6.25%.

In terms of location, this index would be considered inferior to the Subject; thus, a downward adjustment is warranted for location. This index is considered to be inferior to the Subject in terms of age and condition therefore a downward adjustment is required. The index is of similar size compared to the Subject therefore no adjustment is required. An upward adjustment is required to account for the upside potential of the Subject given its rents in place and suite quality. In terms of suite mix, this index would be considered similar to the Subject; thus, no adjustment is warranted.

In terms of market conditions, an upward adjustment is felt warranted given the market for retirement residence assets has declined. Overall, the Subject property should achieve a capitalization rate higher than 6.25% indicated by this sale.

**Index 5, Various, Various ON (7) & SK (4),** features 1048 units. The index transacted on February 3, 2022 for \$307,500,000 with a reported capitalization rate of 6.00%.

In terms of location, this index would be considered inferior to the Subject; thus, a downward adjustment is warranted for location. This index is considered to be inferior to the Subject in terms of age and condition therefore a downward adjustment is required. The index is of larger size compared to the Subject requiring an upward adjustment for size as a larger index can operate more efficiently from a management standpoint. An upward adjustment is required to account for the upside potential of the Subject given its rents in place and suite quality. In terms of suite mix, this index would be considered similar to the Subject; thus, no adjustment is warranted.

In terms of market conditions, an upward adjustment is felt warranted given the market for multi residential assets has declined. Overall, the Subject property should achieve a capitalization rate higher than 6.00% indicated by this sale.

## Conclusion

The sales summarized in the table on the preceding pages relate to multi-family transactions which occurred between February 2022 and May 2023. The overall investments range from a low of \$13,700,000 to a high of \$307,500,000. The range in stabilized overall capitalization rates suggested by the comparables represents a range of 6.00% to 7.50%. Note many of the transactions represent an array of unit sizes.

It should also be noted that the target market for the Subject would include institutional owner/operator groups, REIT's, and large real estate firms. It has been our experience that this quality of purchaser is aggressively pursuing product. Quality of the asset and income integrity, are two key factors that would affect the purchase price of the Subject.

In selecting a reasonable capitalization rate to be applied to the Subject project, consideration must be given to the various attributes of the Subject project. The Subject project demonstrates an attractive location with strong capital expenditures and condition throughout.

With all factors considered, a capitalization rate of 6.50% is considered to be reasonable and applicable to the Subject. We feel the strong occupancy, location and construction of the building warrants a rate in the middle of the aforementioned narrowed range.

## Direct Capitalization

On the basis of our Revenue and Expense Analysis, the Stabilized Net Operating Income for the forthcoming 12 months is projected to be **\$4,338,234**.

As summarized on the previous page, capitalization rates for properties similar to the Subject are trading at “going-in” returns of 6.00% to 7.50%. Taking into consideration the investment characteristics of the property including its location, size, building quality and security of income, it is our opinion that an overall capitalization rate between 6.25% to 6.75% would be appropriate. Applying these rates to the projected Year One net operating income results in the following estimate of value;

VALUE MATRIX - DIRECT INCOME CAPITALIZATION			
OCR	NOI	VALUE	ROUNDED VALUE(1)
6.25%	\$4,338,234	\$69,411,747	<b>\$69,400,000</b>
6.50%	\$4,338,234	\$66,742,064	<b>\$66,700,000</b>
6.75%	\$4,338,234	\$64,270,136	<b>\$64,300,000</b>

(1) Rounded to nearest \$10,000

(2) Subject to the Extraordinary Assumptions & Limiting Conditions contained herein

## Adjustments to Value

No adjustments to value have been applied.

## Summary

The foregoing analysis indicates an estimated value by way of Direct Income Capitalization of between **\$64,300,000** and **\$69,400,000** (rounded) as of the effective date of this valuation. A mid-range value of **\$66,700,000** is concluded via the Income Approach for the Subject buildings.

## Direct Comparison Approach

The Direct Comparison Approach is based on the Principle of Substitution which maintains that a prudent purchaser would not pay more for a property than what it would cost to purchase a suitable alternative property that exhibits similar physical characteristics, tenancy, location, etc. Within this approach, the property being valued is compared to properties that have sold recently or are currently listed and are considered to be relatively similar to the Subject Property. Typically, a unit of comparison is used to facilitate the analysis. In the case, the sale price per suite is the most commonly used unit of comparison.

The sale indices presented in the previous section represent transactions involving similar investment (multi-family properties) in the Ottawa market area. In valuing the Subject Property, it has been compared to each of the index sales. The basis for comparison included the consideration of the following:

- Property Rights Conveyed
- Financing Terms
- Conditions of Sale
- Market Conditions
- Location
- Physical Characteristics
- Economic Characteristics

### Analysis

#### Property Rights Conveyed

Rights conveyed relates to the type of ownership transferred. In this case all the sale transactions related to the fee simple estate as rented (leased fee estate). As such, no adjustments under this category are required.

#### Financing Terms

Refers to the financing arrangements made when the property sold. In this regard, financing is not believed to have been a significant motivating factor in any of the sales summarized and therefore no adjustments are required.

#### Conditions of Sale

It is not believed that any of the vendors were unduly motivated to divest the properties and therefore no adjustments are required for motivation.

#### Market Conditions

Unit prices have increased for multi-family properties over the time in which the comparables were sold. Accordingly, upward adjustments have been applied to selected sales.

#### Location

In our opinion, the location influences of the asset are generally reflected in the operating performance level of the property.

### Physical Characteristics

As was the case with location, in our opinion differences in overall physical condition are largely reflected by the property's operating performance.

Overall physical attributes reflected in operating performance would include unit floor plans in terms of number of bedrooms, bathrooms, laundry facilities as well as age/condition, overall management, security and maintenance of the property, as well as type of parking, utilities and recreation facilities.

### Economic Characteristics

As the Subject represents an investment property, we have considered the relationship between net operating income per unit and the indicated sale price per unit of the comparables relative to that forecast for the Subject Property. The following chart summarizes this relationship between net operating income and price, on a per unit basis, for each of the transactions analyzed, along with NOI adjusted sale prices per unit for each of the comparable properties.

Adjustments made under this category are based solely on the relationship between the stabilized operating performances of the indexed properties relative to that of the Subject. It is recalled, however, that location and physical differences between the index properties and the Subject are implicitly included in this adjustment.

INCOME ADJUSTED DIRECT COMPARISON						
	SUBJECT	INDEX 1	INDEX 2	INDEX 3	INDEX 4	INDEX 5
Unadjusted Price per Unit	-	\$145,745	\$478,182	\$488,223	\$311,880	\$293,416
NOI per Unit	<b>\$28,541</b>	\$10,931	\$32,277	\$31,246	\$19,493	\$17,605
Adjusted Price per Unit	<b>\$436,334</b>	<b>\$380,546.86</b>	<b>\$422,829.84</b>	<b>\$445,953.35</b>	<b>\$456,656.23</b>	<b>\$475,683.57</b>

The above analysis suggests an unadjusted range of values ranging from \$145,745 to \$488,223 per suite. After income adjustment, the range narrows between \$380,547 and \$475,684. The income adjustment process is based on the premise that a property's rental income reflects the price tenants are willing to pay and therefore adjustments for location, size, quality, amenities etc., are built into the rental rates being achieved. As the Direct Comparison serves as a check against the Income Approach, we have considered this a valid approach.

The Subject building demonstrates a good location, strong occupancy level, rents at market and a building that is in good condition. Units demonstrate above average rental conditions throughout. Given this, a narrowed range between \$430,000 to \$440,000 is appropriate. Applying the narrowed range in unit values to the Subject properties results in the following range of values:

VALUE MATRIX - DIRECT COMPARISON		
NO. UNITS	\$/SUITE	VALUE
152	\$430,000	\$65,360,000
152	\$435,000	\$66,120,000
152	\$440,000	\$66,880,000

(1) Rounded to nearest \$10,000

(2) Subject to the Extraordinary Assumptions & Limiting Conditions contained herein

In conclusion, a value estimate in the range of **\$65,360,000** to **\$66,880,000** using the Direct Comparison Approach is indicated as of the effective date of the analysis. A value conclusion of **\$66,120,000** for the Subject building via the Direct Comparison Approach is concluded in consideration of the overall appeal of the buildings.



## Reconciliation and Final Estimate of Value

The approaches used in this valuation provide the following values:

VALUATION SUMMARY	
<b>VALUATION INDICES</b>	<b>CURRENT MARKET VALUE AS-IS</b>
<b>INTEREST APPRAISED</b>	<b>LEASED FEE</b>
<b>DATE OF VALUE</b>	NOVEMBER 30, 2023
INCOME APPROACH	
<b>Direct Capitalization</b>	<b>\$66,700,000</b>
Direct Capitalization \$/Unit	\$438,816/Unit
Net Operating Income	\$4,338,234
NOI \$/Unit	\$28,541/Unit
Capitalization Rate	6.50%
<b>INCOME CONCLUSION</b>	<b>\$66,700,000</b>
Income Conclusion \$/Unit	\$438,816/Unit
DIRECT COMPARISON APPROACH	
<b>DIRECT COMPARISON</b>	<b>\$66,120,000</b>
Direct Comparison \$/Unit	\$435,000/Unit
FINAL VALUE CONCLUSION	
<b>FINAL VALUE</b>	<b>\$66,410,000</b>
Final \$/Unit	\$436,908/Unit
Implied Capitalization Rate	6.53%

For Investment properties such as the Subject, potential purchasers would place considerable emphasis on the income earning potential of the property. In this regard, the Income Approach would be the favoured method of valuation. Multi-family buildings are typically valued using the Direct Capitalization method within the Income Approach.

The Direct Comparison Approach is typically utilized as a secondary valuation method for multi-family properties. The Direct Comparison Approach considers a property in comparison to market sales based on price per unit. Generally, buyers give primary consideration to existing and future income levels rather than the cost per unit. That being said, considering the property on the basis of price per unit serves as an additional check and balance on the conclusion derived via the Income Approach.

Based on the foregoing, and with most weight applied to the Income Capitalization Method, it is our opinion that the market value of the property, subject to the assumptions set forth, and as at November 30, 2023 was:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Complete/Stabilized Market Value	Leased Fee	November 30, 2023	\$66,410,000

*\*Subject to the Extraordinary Assumptions & Limiting Conditions contained herein*

The above value estimate is based on an exposure period of three to six months, assuming the basis of a transaction involving cash to the vendor and is in conjunction with the Report Assumptions and Limiting Conditions stated within this appraisal. Of particular note are the Extraordinary Conditions outlined within the Terms of Reference section, commencing on Page 9.

## Certification

**Promenade Senior's Suites**  
**150 Rossignol Drive, Ottawa, Ontario K4A 0N2**

PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 7, 8, PLAN 4R29684 TOGETHER WITH AN EASEMENT OVER PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 2, 4, PLAN 4R29684 IN FAVOUR OF PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PART 7, PLAN 4R29684 AS IN OC1822752 TOGETHER WITH AN EASEMENT OVER PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 2, 3, 4, 5, 6, PLAN 4R29684 IN FAVOUR OF PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PART 7, PLAN 4R29684 AS IN OC1822752 SUBJECT TO AN EASEMENT IN GROSS OVER PLAN 4R30928 AND PART 1 ON PLAN4R31325 AS IN OC2032997 CITY OF OTTAWA

I, the undersigned appraiser, certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions and conclusions are limited only by the reported Assumptions and Limiting conditions, and are my impartial and unbiased professional analyses, opinions and conclusions;
- I have no past, present or prospective interest in the property that is the Subject of this report and no personal and/or professional interest or conflict with respect to the parties involved with this assignment;
- I have no bias with respect to the property that is the Subject of this report or to the parties involved with this assignment;
- My engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, a conclusion favouring the client, or the occurrence of a subsequent event;
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP);
- I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP;
- Except as disclosed herein, no one has provided significant professional assistance to the person(s) signing this report;
- As of the date of this report the undersigned has fulfilled the requirements of The Appraisal Institute of Canada's Continuing Professional Development Program;
- I am a member in good standing of the Appraisal Institute of Canada;
- I am licensed to practice in the Province of **Ontario**.

Information pertaining to inspection of the Subject Property is as follows:

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Rob Purdy, AACI, P.App	No	-	-
Oliver Tighe B.A., AACI, P.App	Yes	Exterior Only	November 30, 2023

## Final Estimate of Value

Based upon the data, analyses and conclusions contained herein, the current market value of the Leased Fee interest in the property described herein, as at November 30, 2023, is estimated to be as follows:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
<b>As-Complete/Stabilized Market Value</b>	<b>Leased Fee</b>	<b>November 30, 2023</b>	<b>\$66,410,000</b>

*\*Subject to the Extraordinary Assumptions & Limiting Conditions contained herein*

The above value estimate is based on an exposure period of Three to Six Months, assuming the basis of a transaction involving cash to the vendor, and is subject to the Extraordinary Assumptions, Hypothetical Conditions and Extraordinary Limiting Conditions as detailed beginning on Page 9 of this report, in addition to the Ordinary Assumptions and Limiting Conditions contained in the Addenda. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained herein.

Note: For this appraisal to be valid, original or password protected digital signatures must be included below. In the instance of digital signatures utilized herein, they have been secured through the use of Adobe Acrobat software.

# DRAFT V1

Rob Purdy, AACI, P.App  
 Date: December 1, 2023  
 AIC Membership No. 906382

# Appendices

Appendix A Ordinary Assumptions and Limiting Conditions

Appendix B Definitions

Appendix C Comparable Sales

## Appendix A

# Ordinary Assumptions and Limiting Conditions

## Ordinary Assumptions and Limiting Conditions

The certification that appears in this appraisal report is subject to compliance with the Personal Information and Electronic Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice (“CUSPAP”), and the following conditions:

1. This report has been prepared at the request of **Tara Bonsor** of Ashcroft Group of Companies (the client) for the purpose of providing an estimate of the market value of **150 Rossignol Drive, Ottawa, Ontario** (the Subject Property) and for the specific use referred to. It is not reasonable for any party other than the person or those to whom this report is addressed to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other party will rely on it for any other purpose. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.
2. This report has been prepared at the request of **Tara Bonsor** of Ashcroft Group of Companies and for the exclusive (and confidential) use of the recipient as named and for the specific purpose and function as stated. Written consent from the authors must be obtained before any part of the appraisal report can be used for any use by anyone except the client and other intended users identified in the report. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee.
3. All copyright is reserved to the author and this report is considered confidential by the author and **Tara Bonsor** of Ashcroft Group of Companies. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference. Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.
4. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the PIPEDA.
5. This appraisal report, its content and all attachments/addendums and their content are the property of the author. The client, intended users and any appraisal facilitator are prohibited, strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.

6. The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use.
7. This report is completed on the basis that testimony or appearance in court or at any administrative proceeding concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and for preparation and for any appearances that may be required, and the provision of appropriate additional compensation.
8. The estimated market value of the real estate that is the subject of this appraisal pertains to the value of the **leased fee interest** in the real property. The property rights appraised exclude mineral rights, if any.
9. The concept of market value presumes reasonable exposure. The exposure period is the estimated length of time the asset being valued would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of valuation. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. The reasonable exposure period is a function not only of time and effort, but will depend on the type of asset being valued, the state of the market at the date of valuation and the level at which the asset is priced. (The estimated length of the exposure period needed to achieve the estimated market value is set forth in the Letter of Transmittal, prefacing this report).
10. The analyses set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. However, these data are not guaranteed for accuracy. Unless otherwise stated, we did not verify client-supplied information, which we believed to be correct. Certain information has been accepted at face value, especially if there was no reason to doubt its accuracy. Other empirical data required interpretative analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate.
11. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. A title search has been performed as indicated previously, and the appraiser assumes that the title is good and marketable and free and clear of all value influencing encumbrances, encroachments, restrictions or covenants, including leases, unless otherwise noted in this report, and that there are no pledges, charges, liens or special assessments outstanding against the property other than as stated and described. The property is appraised on the basis of it being under responsible ownership.
12. The property has been valued on the basis that there are no outstanding liabilities except as expressly noted, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the Subject Property or any portion thereof.
13. The property has been valued on the basis that there is no action, suit, proceeding or investigation pending or threatened against the real estate or affecting the titular owners of the property, at law or in equity or before or by any federal, provincial or municipal department, commission, board, bureau, agency or instrumentality which may adversely influence the value of the real estate appraised.
14. The legal description of the property and the area of the site were obtained from the GeoWarehouse. No survey of the property has been made. Any plans and sketches contained in this report show approximate dimensions only and are included solely to aid the recipient in visualizing the location

of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands.

15. The property has been valued on the basis that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all Government regulations and requirements of law, including all zoning, land use classification, building codes, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto, and that if it doesn't comply, any such non-compliance may affect market value. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be certain requirements of law preventing occupancy of the real estate as described in this report. However, such circumstances have not been accounted for in the appraisal process).
16. The term "inspection" refers to observation and reporting of the general material finishing and conditions seen for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only, in accordance with the CUSPAP.
17. The opinions of value and other conclusions contained assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The appraiser has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The appraiser has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this physical inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the appraiser.
18. The author of this report is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government, or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.
19. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
20. Investigations have been undertaken in respect of matters which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department



or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report. The Subject Property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary.

21. The interpretation of any leases and other contractual agreements, pertaining to the operation and ownership of the property, as expressed, is solely the opinion of the author and should not be construed as a legal interpretation. Further, any summaries of such contractual agreements are presented for the sole purpose of giving the reader an overview of the salient facts thereof.
22. The estimated market value of the property does not necessarily represent the value of the underlying shares, if the asset is so held, as the value of the share could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations or any other atypical benefits which may influence the ordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise therefrom, have been described and measured in this report.
23. Should title to the real estate presently be held (or changed to a holding) by a partnership, in a joint venture, through a Co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership. For the purposes of our valuation, we have not made any adjustment for the value of a fractional interest.
24. In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the freehold or fee simple interest in the real estate, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.
25. Unless otherwise noted, the estimated market value of the property referred to is predicated upon the condition that it would be sold on a cash basis to the vendor subject to any contractual agreements and encumbrances as noted in this report as-is and where-is, without any contingent agreements or caveats. Other financial arrangements, good or cumbersome, may affect the price at which this property might sell in the open market.
26. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed, as of the effective date of this appraisal, cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.
27. The value expressed is in Canadian dollars.
28. This report is only valid if it bears the original or password secured digital signature(s) of the author(s). If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.
29. These Ordinary Assumptions and Limiting Conditions shall be read with all changes in number and gender as may be appropriate or required by the context or by the particulars of this mandate.
30. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending underwriting and insurance underwriting and rigorous due diligence in accordance with the

standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

## Appendix B

### Definitions

## Definitions

### Property Interests

- Fee Simple***
  - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power and escheat.
- Leased Fee Interest***
  - The ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.
- Leasehold Interest***
  - The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

### General Definitions

***Adjusted or Stabilized Overall Capitalization Rate*** is usually derived from transactions with excessive vacancy levels or contract rents over/under market levels. In such cases, net operating income is “normalized” to market levels and the price adjusted to reflect expected costs required to achieve the projected net operating income.

***The Cost Approach*** to value is based upon the economic principle of substitution, which holds that the value of a property should not be more than the amount by which one can obtain, by purchase of a site and construction of a building without undue delay, a property of equal desirability and utility.

***Direct or Overall Capitalization*** refers to the process of converting a single year’s income with a rate or factor into an indication of value.

***The Direct Comparison Approach*** examines the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the Subject Property on the basis of time and such features as location, size and quality of improvements, design features and income generating potential of the property.

***Discount Rate*** is a yield rate used to convert future payments or receipts into a present value.

***Discounted Cash Flow Analysis*** offers an opportunity to account for the anticipated growth or decline in income over the term of a prescribed holding period. More particularly, the value of the property is equivalent to the discounted value of future benefits. These benefits represent the annual cash flows (positive or negative) over a given period of time, plus the net proceeds from the hypothetical sale at the end of the investment horizon.

Two rates must be selected for an application of the DCF process:

- the internal rate of return or discount rate used to discount the projected receivables;
- an overall capitalization rate used in estimating reversionary value of the asset.

The selection of the discount rate or the internal rate of return is based on comparing the subject to other real estate opportunities as well as other forms of investments. Some of the more common bench marks in the selection of the discount rate are the current yields on long term bonds and mortgage interest rates.

**Exposure Time** is the property's estimated marketing time prior to a hypothetical sale at market value on the effective date of the appraisal. Reasonable exposure time is a necessary element of a market value definition but is not a prediction of a specific date of sale.

**Highest and Best Use** - The purpose of a highest and best use analysis is to provide a basis for valuing real property. Highest and best use is defined by the Appraisal Institute of Canada as:

***“that use which is most likely to produce the greatest net return over a period of time.” The highest and best use must be legally permissible, physically possible, financially feasible and maximally productive.***

**The Income Approach** to value is utilized to estimate real estate value of income-producing or investment properties.

**Internal Rate of Return** is the yield rate that is earned or expected over the period of ownership. It applies to all expected benefits including the proceeds of sale at the end of the holding period. The IRR is the Rate of Discount that makes the net present value of an investment equal zero.

**Market Value** - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada define “Market Value” (The Appraisal Institute of Canada, Canadian Uniform Standards of Professional Appraisal Practice, 2018 ed. Page 76) as:

***“The most probable price which a property should bring in a competitive and open market as of the specified date under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.”***

Implicit in this definition are the consummation of a sale as of the specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto;
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**Net Operating Income** is the actual or anticipated net income remaining after all operating expenses are deducted from effective gross income before debt service and depreciation. Net Operating Income is usually calculated for the current fiscal year or the forthcoming year.

**Overall Capitalization Rate** is an income rate that reflects the relationship between a single year's net operating income expectancy and the total property price. The Overall Capitalization Rate converts net operating income into an indication of a property's overall value.

**Reasonable Exposure Time** - Exposure time is always presumed to precede the effective date of the appraisal. It may be defined as:

***"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based upon an analysis of past events assuming a competitive and open market."***

A **Yield Rate** is applied to a series of individual incomes to obtain a present value of each.

## Appendix C

# Comparable Sales



PROPERTY DESCRIPTION		LOCATION/LEGAL/LAND USE	
Tenancy Type	Healthcare	Address	380 Sherin Drive
Property Type	Multi-Family Residential	Municipality	Oakville
Property Sub Type	Independent & Assisted Living	Province	ON
Property Class	Inner City	Parcel No.	24841-0027
Construction	Concrete	Legal Description	
Year Built	1987		
No. of Units	94		PCL BLK 12-1, SEC 20M391 ; BLK
No. of Buildings	1		12, PL 20M391 ; OAKVILLE
Parking	Adequate		

INCOME ANALYSIS	
Vacancy	\$0
Net Operating Income	\$1,027,500
NOI per unit	\$10,931

TRANSACTION DETAILS	
Sale Price	\$13,700,000
Sale Price per unit	\$145,745
Status	Recorded
Date	May 08, 2023
Occupancy	75%
Vendor	Vistamere Retirement Residence
Purchaser	Fieldgate Retirement Living
Rights Conveyed	Fee Simple

RETURN / YIELD ANALYSIS	
OCR	7.50%

#### COMMENTS

The index property consists of an Independent Supportive Living (ISL) and Assisted Living (AL) property known as Vistamere Retirement Residence. As of the date of sale the improvement to the property included 94 suites. Discussions with the purchaser indicated that the property was approximately 75% occupied and there were a number of capital expenditure items required in the near future.

It was also noted that the vendor provided a vendor take back mortgage with an annual interest rate of 1.5%, considered to be beneficial financing when compared to prevailing market rates.





PROPERTY DESCRIPTION		LOCATION/LEGAL/LAND USE	
Tenancy Type	Healthcare	Address	110 Lillian Crescent
Property Type	Multi-Family Residential	Municipality	Barrie
Property Sub Type	Skilled Nursing	Province	ON
Property Class	Inner City	Parcel No.	587840032
Construction	Concrete	Legal Description	
Year Built	1998		
No. of Units	55		PCL G-2 SEC M154; PT BLK G PL
Parking	Adequate		M154, PTS 1 & 2, 51R24868 ; BARRIE

INCOME ANALYSIS	
Vacancy	\$0
Net Operating Income	\$1,775,250
NOI per unit	\$32,277

TRANSACTION DETAILS	
Sale Price	\$26,300,000
Sale Price per unit	\$478,182
Status	Recorded
Date	January 03, 2023
Vendor	Woods Park Care Centre
Purchaser	Sienna Senior Living
Rights Conveyed	Fee Simple

RETURN / YIELD ANALYSIS	
OCR	6.75%

#### COMMENTS

The index property consists of the Woods Park Care Centre, a Long Term Care facility located in Barrie Ontario. As of the date of sale the improvements included 123 Class A Long Term Care beds and 55 private pay Independent Supportive Living retirement units. Per information available to the author, the property was originally constructed in 1999, was serviced by three elevators and features 50 surface parking stalls.



PROPERTY DESCRIPTION		LOCATION/LEGAL/LAND USE	
Tenancy Type	Healthcare	Address	8 Harbour St W, 357 Yonge St & 105 Queen St
Property Type	Multi-Family Residential	Municipality	Collingwood, Barrie, Clarington
Property Sub Type	Independent & Assisted Living	Province	ON
Property Class	Inner City	Parcel No.	26932-1013, 58902-0245
Construction	Concrete	Legal Description	PART LOT 12 CONCESSION 1 DARLINGTON, PARTS 1, 2 & 3, PLAN 40R29178; SUBJECT TO AN EASEMENT AS IN DR1574612; MUNICIPALITY OF CLARINGTON,
Year Built	2017		
No. of Units	467		
Parking	Adequate		

INCOME ANALYSIS	
Vacancy	\$0
Net Operating Income	\$14,592,000
NOI per unit	\$31,246

TRANSACTION DETAILS	
Sale Price	\$228,000,000
Sale Price per unit	\$488,223
Status	Recorded
Date	April 01, 2022
Occupancy	85%
Vendor	MTCO Holdings
Purchaser	Chartwell
Rights Conveyed	Leased Fee

RETURN / YIELD ANALYSIS	
OCR	6.40%

#### COMMENTS

The purchase price will be settled by assumption of in place mortgages on two of the acquired properties with an estimated principal balance of \$85.6 million, bearing a weighted average interest rate of 3.7% and maturing in November 2023. The remainder of the purchase price will be settled with cash on hand and by utilizing available credit facilities. Chartwell expects to generate first year Unlevered Net Operating Income Yield ("NOI Yield") of 5.3% and stabilized NOI Yield upon achieving 95% occupancy of 6.4%.

The assets include the following statistics. Balmoral Place features 181 units and was constructed in 2017, with an approximate occupancy of 89.5%. Allendale Station was constructed in 2019 and features 143 units, with an occupancy of 84.6%. Bowmanville was constructed in 2017 with 143 units, with an occupancy of 80.4%.



#### PROPERTY DESCRIPTION

Tenancy Type	Healthcare
Property Type	Multi-Family Residential
Property Sub Type	Independent & Assisted Living
Property Class	Inner City
Construction	Concrete/Block
Year Built	2012
No. of Units	117
No. of Buildings	1
Parking	Adequate

#### LOCATION/LEGAL/LAND USE

Address	48 - 64 Douglas Street
Municipality	Bracebridge
Province	ON
Parcel No.	481170482, 481170210
Legal Description	PART OF LOT 3 CONCESSION 4 MACAULAY DESIGNATED AS PART 1, 35R-5428; SAVE & EXCEPT PART 1, 35R-24886; BRACEBRIDGE; THE DISTRICT MUNICIPALITY OF MUSKOKA · PT

#### INCOME ANALYSIS

Vacancy	\$0
Net Operating Income	\$2,280,625
NOI per unit	\$19,493

#### TRANSACTION DETAILS

Sale Price	\$36,490,000
Sale Price per unit	\$311,880
Status	Recorded
Date	April 01, 2022
Occupancy	25%
Vendor	Castle Peak Retirement Residence Inc.
Purchaser	Castle Peak Fieldgate Living Inc & Castle Peak PI
Rights Conveyed	Fee Simple

#### RETURN / YIELD ANALYSIS

OCR	6.25%
-----	-------

#### COMMENTS

The index property consists of Castle Peak Retirement Residence location in Bracebridge, Ontario, within the Muskoka District. The index property was originally constructed in 2012, with an expansion completed in 2019. The property was reported to have maintained strong occupancy in recent years, varying between 95% -98%. The transaction also included a separately titled 2.0 acre development site immediately adjacent to the existing improvements.

The property had not been broadly marketed prior to sale; however, was the object of a targeted marketing campaign.

## COMPARABLE 5

PROPERTY DESCRIPTION		LOCATION/LEGAL/LAND USE	
Tenancy Type	Healthcare	Address	3421 Frederick Ave
Property Type	Multi-Family Residential	Municipality	Various ON (7) & SK (4)
Property Sub Type	Independent & Assisted Living	Province	ON
Property Class	Inner City	Parcel No.	Various
Construction	Steel/Frame	Legal Description	
Year Built	2004		
No. of Units	1048		Various
No. of Buildings	11		
Parking	Adequate		

### INCOME ANALYSIS

Vacancy	\$0
Net Operating Income	\$18,450,000
NOI per unit	\$17,605

### TRANSACTION DETAILS

Sale Price	\$307,500,000
Sale Price per unit	\$293,416
Date	February 03, 2022
Occupancy	90%
Vendor	Extencicare
Purchaser	Sabra Health Care REIT, Inc.
Rights Conveyed	Leased Fee

### RETURN / YIELD ANALYSIS

OCR	6.00%
-----	-------

### COMMENTS

The portfolio transaction pertains to the acquisition of 11 Extencicare owned retirement residences by Sabra Healthcare REIT and Sienna Senior Living, who will be 50/50 partners. The portfolio is a total of 1048 suites, with 707 in Ontario and 341 in Saskatchewan. Per information available, there is potential expansion of a total of 233 suites across the locations in Ontario.

The properties are: The Barrievue, Barrie, ON (2019 - 124 suites); Douglas Crossing, Uxbridge, ON (2017 - 148 Suites); Harvest Crossing, Tillsonburg, ON (2011/15 - 100 Suites); Lynde Creek Manor, Whitby, ON (2004-14 - 93 Suites); Bolton Mills, Bolton, ON (2019 - 112 Suites); Cedar Crossing, Simcoe, ON (2016 - 67 Suites); Empire Crossing, Port Hope (2015 - 63 Suites); Stonebridge, Saskatoon, SK (2012 - 116 Suites); Yorkton Crossing, Yorkton, SK (2016 - 79 Suites); West Park Crossing, Moose Jaw, SK (2016 - 79 Suites); Riverbend Crossing, Regina, SK (2013 - 67 Suites). Review of the

Per information available at the time of closing, the portfolio was 90% occupied and the going-in unlevered capitalization rate was 6.0%.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF ASHCROFT URBAN DEVELOPMENTS INC, 2067166 ONTARIO INC, 2139770 ONTARIO INC, 2265132 ONTARIO INC, ASHCROFT HOMES – LA PROMENADE INC, 2195186 ONTARIO INC, ASHCROFT HOMES – CAPITAL HALL INC AND 1019883 ONTARIO INC.

Court File No. CV-24-00098058-000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

**AFFIDAVIT OF CURTIS JACKSON**

**LENCZNER SLAGHT LLP**

Barristers

130 Adelaide Street West, Suite 2600

Toronto, ON M5H 3P5

**Monique Jilesen (43092W)**

Tel: (416) 865-2926

Email: [mjilesen@litigate.com](mailto:mjilesen@litigate.com)

**Jonathan Chen (63973A)**

Tel: (416) 865-3553

Email: [jchen@litigate.com](mailto:jchen@litigate.com)

**Adam Davis (87850A)**

Tel: (416) 238-7503

Email: [adavis@litigate.com](mailto:adavis@litigate.com)

Lawyers for Institutional Mortgage Capital, in its  
capacity as General Partner of IMC Limited Partnership

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

**MOTION RECORD**

**LENCZNER SLAGHT LLP**

Barristers

130 Adelaide Street West, Suite 2600

Toronto, ON M5H 3P5

Monique J. Jilesen (43092W)

E-mail: [mjilesen@litigate.com](mailto:mjilesen@litigate.com)

Tel: (416) 865-2926

Jonathan Chen (63973A)

E-mail: [jchen@litigate.com](mailto:jchen@litigate.com)

Tel: (416) 865-3553

Adam Davis (87850A)

E-mail: [adavis@litigate.com](mailto:adavis@litigate.com)

Tel: (416) 238-7503

Lawyers for Institutional Mortgage Capital Canada Inc., in its  
capacity as General Partner of IMC Limited Partnership